



INTERNATIONAL HIGHER EDUCATION: MISSING AN OPPORTUNITY?

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Executive Summary

International higher education will play a key role in helping to deliver economic growth and the UK's global competitiveness agendas. Income from teaching-related international activities (including student contributions to the UK economy via living expenses whilst based in the UK) represent one of the UK's fastest growing sources of export earnings and were estimated at £5.3 bn in 2009. International research collaborations are also of critical importance for the UK's international competitiveness and academic reputation, whilst international staff in universities, and international graduates, provide high-level labour market skills to support economic development.

The international activities of UK universities have important social benefits that are closely linked with other specialist government policy agendas related to foreign policy, national security and international development.

They are also linked to other departmental responsibilities such as health, climate change and regional development. Universities are encouraging UK students to gain global perspectives and to study and work overseas. University staff are engaged in capacity building and knowledge transfer activities focused on addressing global issues such as environmental sustainability, poverty reduction and improving healthcare provision. Such activities enhance the UK's reputation overseas for partnering for mutual benefit and represent an important form of 'soft diplomacy'.

International staff and students at UK universities

- > In 2008-09¹, non-EU staff comprised 11.4% of the academic workforce, with key source countries including the USA, China, India and Australia and 37% of non-EU staff having previously worked or studied in the UK.²
- > The highest numbers of non-EU academic staff are employed in the field of Clinical Medicine, Social Studies, and Business and Management
- > Non-EU staff comprise significant proportions of all staff in priority STEM subjects such as Engineering, Mathematics, Chemistry and Physics.
- > In 2008-9 there were nearly 360,000 international students enrolled in UK universities: the UK had the second highest market share of all internationally mobile students enrolled in OECD countries after the United States³.

The international activities of UK universities contribute to national strategic objectives. On the international stage the UK's modern universities have established partnerships and collaborations in countries across the world including India, China, members of the EU and other key strategic partners of the United Kingdom. These partnerships are complemented by innovative teaching-focused collaborations in parts of Africa and the Middle East.

The partnerships and international activities of modern universities are wide-ranging, cover teaching, research and knowledge transfer and include collaborations with highly prestigious institutions. Through international partnerships and collaborations modern universities are helping to build overseas alliances for local businesses and communities in diverse countries and regions and they are the research partners of choice where they have core research strengths. These can be in new fields and niche areas such as computer gaming, sustainable tourism and automotive engineering, but also areas that contribute to important global agendas such as governance, security, healthcare, and biotechnology.

Most university international activities are self-initiated but UK universities have also benefited from government support through funding streams which have been crucial in helping them to develop new overseas partnerships.

Many of these funding streams such as the Prime Minister's Initiative for International Education (PMI), the UK-India Education and Research Initiative (UKIERI), and DfID funding for development focussed collaboration are now coming to an end. As yet it is unclear whether further funding will be provided.

Relatively little is known at government level about the international contribution of modern universities across the full range of these universities' business in teaching, research and knowledge transfer. Government Departments and the Cabinet Office are missing an opportunity when they assume that only the international agendas of a small number of UK universities are worth promoting overseas. Too often the same assumptions drive the domestic funding agenda, for example in relation to research funding. There is clear evidence that investment in teaching and research in modern universities adds significant value not only within the UK but also to the international activities of these universities. In turn these international activities benefit the UK.

¹ HESA Staff Record, 2008-09.

² International Unit (2010). *International Higher Education in Facts and Figures*. London, Higher Education International Unit.

³ OECD, *Education at a Glance*, 2010, Table C2.3.

⁴ In September 2010, the Department for Business Innovation and Skills (BIS) commissioned London Economics to establish a comprehensive estimate of the current total value of overseas trade and investment due to the UK Higher and Further Education sectors (including teaching, research, English language training and other training for adults, as well as businesses providing services to these sectors) and an estimate of the total value of the foreign direct investment that those sectors attract.

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Executive Summary continued

The Coalition Government is interested in the economic value of international partnerships⁴ but there appears to be very limited wider recognition of the international role played by modern universities. Their international partnerships increase the UK's influence on the world stage and provide opportunities to attract revenue from overseas⁵. The lack of recognition of the role played by modern universities significantly undervalues the UK's position in global markets and global policy arenas and represents a missed opportunity, for example, in building alliances and relationships with emerging economies and developing countries.

Government engagement with the international higher education agenda in England is currently fragmented – and even contradictory. One current example of conflicting policy agendas relates to the Government's proposed changes to immigration policy and visa regulations to restrict non-EU Tier 4 student visas and employment visas for skilled migrants. These proposed immigration changes risk significantly endangering the vital flow of international staff and students to UK universities and have the potential to damage UK export earnings and the UK's global competitiveness in higher education.

The UK lacks a comprehensive strategy for internationalisation in higher education. Despite the strong international performance of UK higher education institutions and the multiple benefits that they deliver for the nation's strategic interests, the UK currently lacks a comprehensive strategy for internationalisation in higher education. This situation applies particularly to England since the devolved administrations have already moved to create national strategies for internationalisation⁶. Scotland has an international life-long learning strategy⁷, and many other countries in Europe have an international strategy in some form (including Germany, Finland, and Denmark) whilst the USA and Australia are seeking to develop and strengthen their strategic approaches to international education to gain competitive advantage. This includes benchmarking their activities against key competitor countries.

This fragmented approach could damage key policy objectives and undermine the reputation of UK higher education overseas. The Government should therefore develop a comprehensive strategy for England which recognises the value of international higher education to the UK's national strategic interests and economic success.

Recommendations

- 1 The Government should develop a comprehensive international higher education strategy for England** which
 - > promotes and markets UK higher education overseas
 - > ensures the relevance and suitability of regulations related to student and staff migration to the UK such as immigration policy, post-study employment regulations and scholarship schemes for international students
 - > provides support for universities' teaching, research and knowledge transfer partnerships and collaborations with overseas government agencies, higher education institutions and businesses
 - > encourages UK students to gain a global perspective from their studies, and to study, work or engage in volunteering abroad as part of their degree or as an additional educational activity
 - > promotes the quality of teaching offered by UK universities to international students in the UK and via overseas partnerships.
- 2 This international strategy should be set out in the Government's Higher Education White Paper and should inform policy and funding decisions related to future public investment in higher education.**
- 3 BIS should lead this agenda and work with the Cabinet Office, FCO and the Home Office to ensure that a coherent international higher education strategy is adopted, implemented, and reviewed on a regular basis.**
- 4 Universities and their representatives should proactively work with Government to assist with this strategy and provide information on the scope of their activities and the strategies and activities of EU and non-EU competitors related to international higher education.**
- 5 The Government should provide financial investment to enable universities to facilitate and exploit their international activities for national, regional and community benefit.** Such financial investment and high-level support will send a positive message around the world as to how the UK values its international engagement through higher education.
- 6 Government delegations and initiatives should be representative of the talent and the wide-range of international activities developed and promoted by the UK's universities in their international higher education partnerships.**

⁵ BIS (2010) "Estimating the value to the UK of international education partnerships in higher and further education and research: call for expressions of interest" Department for Business, Innovation & Skills, 2010. <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/10-1071-estimating-value-education-partnerships-call-for-interest>

⁶ The Scottish Government developed an international life-long learning strategy in 2007 in collaboration with a range of organisations in the education and business sectors. A number of action lines on international priorities in relation to the EU, China and beyond have been published since. Wales is in the process of developing an internationalisation strategy that will be published shortly and there are similar discussions about internationalisation in Northern Ireland.

⁷ See The Scottish Government (2007). *International Lifelong Learning Scotland's Contribution*, 20 June 2007. <http://www.scotland.gov.uk/Resource/Doc/180016/0051176.pdf>