Caps and funding in an austere age

Back in February (see IF33, p1) we wrote about the likely impact of recession on the number of jobs for UK graduates and how – especially for governments – bad economic times exacerbate the perennial tensions between domestic and foreign policy goals. The concern at the time was that the emergent economic nationalism would send negative signals to prospective international students.

The focus of this same tension has now shifted to home. Last week UCAS announced that 52,000 more students (a 9.7% increase on the previous year – see also story on p6) had applied for undergraduate entry at UK universities in autumn 2009. This coincides with an apparent cap of 10,000 on new places for UK students, a case of bad timing if ever there was one. Hence the flurry of predictions about the inability of UK universities to absorb the surge in demand at a time of public-spending contraction.

Simple arithmetic does not tell us how many UK students will be denied university places this autumn but it seems unavoidable that there will be some. The HE sector may consequently need to justify having offered places to international students while denying them to prospective UK undergraduates with good A-level and Higher results.

As we all know, there are no caps on international student numbers and the government has fiscal incentive not to introduce them. International students pay for a greater proportion of their education costs through fees and this shifts the pressure to fund HE away from taxpayers. Perhaps the sector needs to do more to remind others that international and UK students constitute ‘separate pots’ and that the former do not, de jure, take places from the latter. Under the circumstances, however, this may fail to impress many students, their parents, and the media commentariat.

This is a bit of a pickle: it is primarily a funding problem for the sector but there is a capacity issue too: we do not know what level of growth in undergraduate numbers is optimal. Last year threw up no such problem: the equivalent UCAS figures recorded a 9.1% rise in applicants. This was hardly noticed, except to be interpreted as good news all round. The main thing that has changed is the deepening of the recessionary context.

As is usually the case, issues that occupy minds in the UK pop up elsewhere as well. Earlier this month in New Zealand, the opposition Labour party warned that 6,000 to 8,000 students would be turned away from polytechnics in the next year and criticised the Minister for Tertiary Education for not increasing the cap on numbers despite her government’s prioritisation of skills training. In May, the New Zealand Vice-Chancellors’ Committee called the 2009 budget a ‘body blow’ to the sector and condemned the government’s decision not to make provision for growth in university enrolment. They foresaw more students joining the dole queue instead.

In a different time, the UK government should have been over the moon that an increase in applicants brings it closer to its elusive target of 50% in HE by 2010 (it appears to be about 43% now). But no one seems content at this time.

When one now reads the fallout over the new figures, it includes individuals from the sector who question the desirability of continued undergraduate expansion. All UK universities would welcome more public investment – some primarily to maintain the international standing of the sector, some primarily to accommodate the rising demand for places during recession, and some presumably for both.

In India, as has been noted in these pages on a few occasions, there are fundamental stresses between the government’s goals of expansion and world-class excellence. There is no reason at all to suppose that other countries – including this one – are somehow exempt from this trade-off. These domestic-vs-foreign policy conflicts are inherent in HE internationalisation but we notice them more when the chips are down.
INSPIRE: Funding opportunities

The British Council invites applications for the second round of funding opportunities for UK universities in central and south Asia.

INSPIRE (International Strategic Partnerships in Research and Education) is designed to strengthen high-level strategic relationships between UK higher education institutions and those in Afghanistan, Bangladesh, Kazakhstan, Pakistan and Uzbekistan by developing greater university collaboration between the UK and the five countries.

Funding opportunities are available in the following areas:

Strategic Partnerships: Awards of up to £45,000 over three years are available to support high-level strategic relationships between HEIs in the UK and Bangladesh, Kazakhstan and Uzbekistan. Grants for partnerships with Afghanistan can be up to £30,000 over three years. Sixteen awards were made in 2008-09.

Exploratory Grants: Travel grants intended to facilitate face-to-face meetings and to initiate strategic alliances. Exploratory grants are available for exchanges between HEIs in Afghanistan, Bangladesh, Kazakhstan, Uzbekistan and the UK.

Further funding opportunities in Pakistan will be announced in August 2009.

Click HERE for full details of the opportunities available and how to apply.

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Job opportunity: Head of UK Higher Education International Unit

Fixed-term contract to 31 July 2010, with likelihood of extension

London

Circa £60,000 + benefits (depending on experience)

In September, Head of the UK HE International Unit, Dr Shaun Curtis, will leave his post to become Director of International at the University of Exeter. We are therefore seeking a dynamic, high-profile new Head for the International Unit to lead and develop the Unit’s research, advice and project management functions, and ensure that its communication within the higher education sector and beyond are of the highest quality. It is possible that the postholder will also oversee the work of the UK HE Europe Unit. A significant part of the role is establishing contacts and close working relations with organisations throughout the UK and overseas that are developing ideas and policies of relevance to the internationalisation of higher education. Regular overseas travel will be required.

The International Unit, launched in 2007, is funded until 2010 mainly by grants from the Higher Education Funding Councils. The Unit co-ordinates, promotes and undertakes activities to enable UK higher education institutions to thrive in a world where higher education is competitive and globalised. The Head of the Unit is supported by two Policy Advisers and a Communications Officer on the International side, and a Manager and two Policy Officers in the Europe Unit.

With high creativity, strong intellect and the capacity for lateral thinking in order to achieve thought leadership in the field of internationalisation of higher education, you will have broad knowledge of UK higher education and experience of internationalisation and globalisation. With a good first degree or equivalent, you will also have proven, high-level representational and diplomatic skills and the ability to influence and negotiate with others in the international arena. The ability to identify and write regularly and insightfully on international issues of relevance to the sector is a prerequisite. Essential skills include public speaking, web development and project management skills, and experience of building contacts across the UK and devolved governments and with other key stakeholders.

Benefits include:

- 25 days’ holiday + public holiday (+ 6 discretionary closure days)
- final salary pension scheme
- excellent learning & development opportunities
- flexi-time and home-working policies

To apply for this post you must have the legal right to work in the UK.

To obtain further details and an application form, please download them HERE or ring 020 7419 5488 for further information.

Closing date for applications is 10am, 20 August 2009. Interviews will be held in London on 03 September 2009.
Markets & Intelligence

**ESRC call for research proposals**

The Economic and Social Research Council and Department for International Development invite proposals for research projects under phase two of the joint scheme for research on international development: poverty alleviation.

This second phase has a budget of £23m and will consist of three annual calls for proposals. £7m is set aside for this first call. Themes of interest include security, cities, poverty and development. Click **HERE** for further information. Deadline for applications: 16:00 UK time on 24 September 2009.

**Overseas corruption assessment project**

The threat of corruption should be of concern to international businesses in any sector, including ours. Operational performance and reputation are at stake. The City of London Police seek the views of higher education sectors – here and abroad – for their study on corruption overseas. This new project, led by civilian experts, will run until November.

The aim of the project is to pool insights on particular environments for collective benefit. By the end of the year, the project team will produce an assessment of the extent and nature of international corruption across all sectors. The report will be made public and it is intended to be of practical use: perhaps a companion volume to our international partnerships legal guide (see next page)!  

**Fellows on a furlough**

The state of California is broke and its public university system, long regarded as the best in the United States, is the target for cuts by the state’s lawmakers.

Earlier this month, Governor Arnold Schwarzenegger **forced the legislature into a special session** to tackle a budget shortfall that has ballooned to almost $24bn (£14.7bn). With the state now resorting to **issuing IOUs to creditors**, university leaders have been forced to make painful choices for the future.

The University of California (UC) system has been struggling with funding for many years despite modest efforts to reduce deficits. For in-state students, tuition has risen to more than $8,700 (£5,300) compared to $3,859 less than a decade ago, whereas financing for the UC system rose just 2% from 2001 to 2008, during which enrolment grew by 30%.

Such figures are small beer compared to anticipated cuts of $813m in the HE budget from the state general fund. UC President Mark Yudof has the unenviable task of instigating a programme of cutbacks. In a letter to UC staff, Yudof has proposed a combination of deferred hiring, the axing of academic programmes and student fee rises. In addition, ‘furloughs’ are to be introduced – an evocative Americanism to describe unpaid leave (last heard by UK ears in Glenn Miller’s wartime hit, ‘A Fellow on a Furlough’).

Under the plan, most University of California professors and staff would have to take between **11 and 26 unpaid furlough days a year**, cutting their pay by 4% to 10%. According to Yudof, ‘System-wide furloughs will produce $515m from all fund sources, including $184m in general fund savings which equals roughly one-quarter of our State funding deficit. Student fee increases will bring $200m in savings, and cover another quarter of the shortfall. Additional savings will come from restructuring UC debt. Cuts in campus spending will yield an additional estimated $300m.’

Yudof’s plans will be **presented later today** (15 July) to the university’s Board of Regents, which has final authority on the matter. With talk of ‘shared sacrifice’ and ‘stubborn fiscal realities’ there is no hiding from the fact that the UC system faces a very different future. As Yudof has said, ‘there is no question that the cuts to come will hurt.’

There are two ways to participate: first, complete the short electronic survey, which is **HERE**. All readers, UK and international, are invited to respond. Responses will be unattributable to any individual or institution. (‘Academia’ is given as an option in the first question about your institution.)

Secondly, the project Director, Mark Stollery, is keen to meet, in confidence, with interested persons from the HE sector on either an individual or round-table basis. Such meetings might best be scheduled for mid-September but his team is flexible. Please contact Mark at: tel 020-7601 6794 OCA@cityoflondon.pnn.police.uk

**Surveying beyond the Square Mile**

**Funding cuts? Arnie jets the cat out of the bag**

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International Focus: Launch of international legal guide

International Partnerships: A Legal Guide for UK Universities

The internationalisation of the higher education sector presents an ever-increasing number of partnership opportunities. Universities across the UK have benefited from all forms of international engagement, from student recruitment to collaborative research to joint degrees. But more opportunities bring with them more risks. These risks are amplified by the increasing number of university staff involved in international partnerships and by the complexities of less familiar environments.

The guide is sensitive to the different legal jurisdictions within the UK. But it is not a substitute for legal advice and should not be used solely as such. Rather, it gathers together in one place all the practical issues that need to be considered by a university that is serious about doing business abroad and getting it right from start to finish.

The guide is intended to help universities decide whether a particular proposal is right and, if so, how to go about establishing it and running it successfully. But whether a particular partnership is ‘right’ will depend on its fit with the university’s own international strategy. By now every university wishing to be involved in international partnerships (which is virtually every UK university) should have such a strategy. The guide does not attempt to tell a university what that strategy should be, or how to go about establishing one. Moreover, the strategy should be a living and working document and should be revised periodically in the light of experience with particular international partnerships.

International partnerships raise starkly the need to assess risk and to balance it against opportunity. Such risk/opportunity assessments should not be regarded as one-offs. While an initial risk assessment prior to commitment of the university to a partnership is essential, when the partnership goes ahead the identified risks should be managed appropriately, particularly through proper documentation of the partnership through at least one and possibly more legally binding agreements. There should also be periodic reviews of the operation of the partnership, culminating in a final review geared to the decision on whether the partnership should be terminated or extended.

Given the increasing complexity of international partnerships it is vital that universities establish clear lines of responsibility for the various tasks involved in establishing and running them. While those responsible for the guide do not dictate any particular structure (this must be for each university to decide), it is increasingly difficult to see how international partnerships can be run on any scale if universities do not have central units for which international partnerships are a main responsibility. Typically these will be international offices, although there are other possible structures. In addition, it is important that universities use the right skill sets for the task in hand having regard to the particular contribution that may be made by:

- the governing body – in terms of settling the international strategy, receiving reports on its implementation and making key decisions eg as to whether to get involved in a partnership in a particularly hazardous area of the world
- academic staff and key committees such as senate/academic boards and university sub-committees
- the university’s quality assurance committee or similar body
- the sponsoring department, school or faculty to which the necessary budget may be devolved
- central administration, including the relevant senior management team member responsible for external affairs, finance director or nominee etc
- legal advisers, in-house lawyers (if available), external legal adviser (UK and where necessary overseas)

International activities should protect and enhance a university’s brand; getting that right at the outset is always preferable to fixing mistakes later. It was with this in mind that the UK Higher Education International Unit asked international law firm Eversheds LLP to produce a legal guide for UK university staff which would help to maximise the educational and business benefits of international partnerships and to avoid the common pitfalls of such activities.

The guide is a substantial document. It is designed as a practical ‘route map’ and is sensibly arranged by basic themes such as laying the groundwork, due diligence and troubleshooting. Each chapter concludes with a succinct list of ‘dos and don’ts’. Annexes provide case studies and basic information on higher education in eight key jurisdictions (Australia, China, Hong Kong, India, Malaysia, the UAE, Qatar and the USA).
**In Focus: Launch of international legal guide**

**Legal Guide continued...**

It is clear that using good people for the wrong task and/or failing to use appropriate professionals (whether internal or external) can lead to costly and avoidable mistakes.

The Eversheds team has produced a guide that conveys the complexities of the law in an accessible and readable format. We hope this guide will prove to be of considerable and lasting practical use to our colleagues in the UK higher education sector who are charged with establishing and running the full range of collaborative ventures with our counterparts abroad.

The guide is being launched today at the annual conference of the British Universities International Liaison Association (BUILA) at Loughborough. UK university staff can obtain hard copies of the report, free of charge, by contacting Elizabeth Farnell at the International Unit (elizabeth.farnell@international.ac.uk) or can download a pdf version by logging on to the Secure Area of the website.

**Chapter headings:**
- Planning a partnership
- Knowing your partner – due diligence
- Documenting the partnership
- Staff issues
- Student issues
- Managing the partnership
- What to do if things go wrong
- Ending a partnership and beginning again

**Life-cycle of an international partnership**

1. **Expression of interest**
2. **Mid term review**
3. **Annual reviews**
4. **Collaboration agreement signed**
5. **Termination/extension**
6. **End of term review**
7. **Initial inquiries/checks against strategy**
8. **Initial risk assessment**
9. **MOU signed**
10. **Due diligence Negotiation of terms**
11. **Review of due diligence Finalisation of terms**
New applicant numbers from UCAS

The number of overseas applicants to UK universities and colleges for autumn 2009 entry continues to rise, but the impact of a tighter fiscal environment means that celebration is getting harder to detect. The new UCAS numbers released last week show that the number of international applicants to undergraduate courses is 6.2% higher than this time last year and that for other EU countries the increase is more than 15% (the increase for both UK students and the overall total of all students is also quite high, at just under 10%).

The 592,000 students applying by 30 June represents an overall increase of some 52,000. More than 49,000 international students applied and 37,000 from elsewhere in the EU. Beyond Europe, significant increases include Saudi Arabia (43%), Singapore (21%) and India (16%). In Europe, Romania (21%) and Bulgaria (56%) continue to post the largest increases.

The international and EU numbers are comparable to the rates of increase reported by UCAS (and us) in February but when compared against the numbers reported one year ago, for 2008 entry, there are some differences. Applications from China have slowed considerably (though are still 6.7% higher) as have applications from the Middle East. From India, however, the rate of increase has accelerated. Non-statisticians such as ourselves are unable to provide certain explanations for these variations but it seems unlikely that ‘recession’ is adequate to encapsulate them all.

What about countries that show real declines in applications? Poland is one. For other EU countries the increase has accelerated. Non-statisticians such as ourselves are unable to provide certain explanations for these variations but it seems unlikely that ‘recession’ is adequate to encapsulate them all.

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