

THE INTERNATIONALIZATION OF HIGHER EDUCATION: AN EMERGING POLITICAL AGENDA

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IN FROM THE COLD

Higher education is no longer on the margins of economic and political systems. For those countries which have developing economies, the aspiration to have good universities is normally part of the governmental policy commitment to economic and social development. For those countries which have advanced economies, universities are seen as essential parts of the economic and social system, contributing widely, for example, to the supply of skilled labour, to scientific research and innovation and to social stability. For some countries, especially the United States of America and some in Western Europe, the process of economic transformation which is seeing major structural changes in their economies, has made higher education much more important economically and, hence, politically.

In those economies the decline in traditional, largely manufacturing industries and, to a growing extent, some service industries, has led to a reduction in the number of large employers and to growing structural unemployment. This is normally concentrated in certain regions. In the UK, for example, the decline in traditional industries is largely in the North of England, Wales and Scotland and the South of England is much less affected. Although unemployment and under-employment is an issue in London and the South of England, it is much more of an influence in the other regions. Over the last twenty years, in many cities and urban areas, universities have grown to become amongst the few large employers in their area and thus to have an economic importance which is relative-

ly new. As employers, higher education also normally offers rewards packages and conditions of employment, especially security of employment, which compare very favourably with other local employment opportunities. Universities may not pay relatively well in London but they do in Manchester, or Newcastle or Swansea.

To their economic importance as employers must be added their contribution to innovation and new business start-ups. In advanced economies under pressure of change, a lot of importance is given to the role of universities in stimulating new advances in scientific and technological research which, it is hoped, will lead to new businesses and employment. In the absence of a coherent economic strategy, a lot of faith is invested in higher education — arguably too much faith.

Universities in the USA, Australia, Canada and the UK are also important export industries, although this is sometimes simply not understood by politicians. For example, in Australia higher education is in the top three of export industries and in the UK it is in the top six. The value of this contribution to the economies may be seriously under-estimated and international student recruitment is exposed to internal political conflict, especially around sensitive issues such as immigration.

In my judgement, the economic contribution of universities to the contemporary economy in countries like the UK and Australia is not well understood even by national bureaucrats and politicians, let alone members of the public. However, important they are and it is very likely that their importance will continue to grow.

The political importance of universities¹ within political systems is also often ignored by political scientists and the study of higher education policy, especially comparative higher education policy, as a branch of public policy analysis, is not well developed. Given the fundamental changes taking place in the position of universities in political systems and the growing importance of higher education policy as a branch of social and economic policy, this will change.

GLOBALISATION

Universities exist within individual countries and internationally. They are both affected by and effect changes in their environments. There are clearly fundamental changes taking place in the balance of world economic and political power. For the last twenty years globalization has been the dominant international economic ideology, irrespective of the official ideology of individual countries, and that has been the driving force behind the shifts in power. Globalization has not yet run its course and will continue to have an impact on the world pattern of economic, political and military power. Higher education cannot be immune from this process.

Nation states have, of course, always operated in an international context. That context has been political, economic, financial and military. The two great wars in the twentieth century are examples of how individual nation states were deeply affected by the behaviours of other nation states with invasion, subjection, the mass destruction of peoples, cities and infrastructure, hard evidence that it is difficult for one nation state, however big and populated, to erect boundaries against the rest of the world. Universities have also always operat-

ed in an international context, particularly with regard to research, where international collaboration has been long established.

The last twenty years have, however, been very different. Today, the flow of capital, goods, services and people between nation states is evidence of the growing international economic inter-dependency which is transforming the global economy and the lives of the people who depend on it. So far, universities have been slow to react to this new international reality, let alone to lead it and be pioneers of it. China has been an exception. It has been the leading example of encouraging internationalisation in higher education on a mass scale. The large number of Chinese students who study abroad, the provision of international language education at primary school level, the work of the Confucius Institutes and government encouragement for partnership and collaboration between universities outside of China, are all evidence of China's commitment to international higher education.

In many other countries this commitment is only now beginning to grow and develop to a level commensurate with the social reality. In the United Kingdom, for example, there was a period in the last two decades of the twentieth century when the importance attached to international language education in the schools system was very low, with the result that, at university level, fewer students had international language skills. That policy has now been reversed, although it will take many years to recover the lost ground. It is not surprising, therefore, that the number of students studying international languages in higher education in the UK has fallen year-on-year and many university language departments have closed. This does not encourage British students to think about studying outside their borders.

There is clearly a contradiction here: the evidence for everyone to see is of a glo-

¹ In this paper the terms "higher education" and "universities" are used inter-changeably, although, strictly speaking, universities are a sub-set within the wider definition of higher education. Many institutions which do not have university status deliver higher education.

balised economy in which some graduates have to compete internationally in order to secure advantageous positions and careers. However, the reality is that many students lack any international language skills, lack confidence in different cultures and are reluctant to study abroad.

FORCES TRANSFORMING HIGHER EDUCATION

Alongside the globalisation of the world's economies and the emergence of a global labour market, there are major transformations taking place in the world of education. Across the world and across the broad range of the education landscape, it is possible to identify a number of fundamental changes which are transforming all education sectors.

First, there is growing individual wealth in many countries where there is a high cultural importance given to education and to the benefits it can bring. This is leading to higher participation rates right the way through the school and college system to higher education. In many countries the state is unable or unwilling to provide the volume and quality of education required and there has been a significant growth in the private sector. This sector is composed of charitable, not-for-profit providers and an increasing number of for-profit providers. Indeed, the provision of private education is increasingly seen as a profitable area for investors to engage in and there has been a very significant growth in such provision, especially in Asia and South-East Asia. Much of this provision is owned and managed by Western providers, increasingly backed by large financial investors.

This immediately gives rise to questions of quality and quality assurance and to social equity. The growth in private education has often preceded the development of national quality assurance systems to oversee it. It is tempting for proponents of private education to argue that the supremacy

of market forces is sufficient to eliminate poor provision and to assure quality. However, there are major problems with relying on market forces for quality assurance even in the supply traditional consumer goods, let alone the consumption of more sophisticated personal services, such as health and education.

The state has an overall responsibility for the quality of the educational system, however much this is an unwelcome duty. The importance of education systems to a state is too important to leave entirely outside some degree of governmental oversight. So, can governments rely on the market to guarantee quality in private education and, if not, what is their response? Do quality assurance systems set up for state-funded provision meet the needs of the private sector? With universities, where public quality assurance is often light-touch, reliance cannot be placed on the transfer of the traditional mechanisms of quality assurance to the private sector. It is arguable, although not a popular argument, that such mechanisms do not work very effectively with state-funded provision anyway and will certainly not work with for-profit provision.

With international higher education delivering taught programmes, quality assurance systems need to cross national boundaries and this calls for effective co-operation between national regulatory agencies. Such co-operation is in its infancy. For research this is not a major problem, since the established quality systems relying on peer review and rigorous scrutiny of publication are well established, but there are no comparable processes for taught programmes.

The growth of for-profit education at all levels also raises important issues of social equity. These have often been addressed in a historical context, that is the impact of private education on social equity and mobility in the past, but rarely examined in the context of the growth of private education

in this century. This issue has to be placed in the context of the global pattern of overall shifts in personal wealth and growing inequality and the emergence of this as a significant but largely silent political issue².

For-profit private education is, by its very definition, aimed at those who have sufficient disposable income to pay what can be very high fees. If this provision is seen as being qualitatively better than the state provision, which it often is and certainly often assumed to be, what impact does that have on social equity and social mobility? School is an important determinant of life-chances. The great importance attached in many countries in the past to the provision of good education as the basis for a successful economy and society has made education an important political issue over the past century but the recent growth of the private sector raises issues about social equity and social development. This is particularly important for higher education. Universities are not all regarded as having the same status and standing. Although that status and social standing may not be based in objective reality, if people believe it, they will act accordingly. It is easy to see this playing out in the reality of the international league tables for universities, the competition to enter the “best” universities and the advantages often accruing in the employment market to the graduates from these institutions. If private schools give an advantage based on family wealth and there is strong competition for entry to the most sought-after universities, what is the impact on social equity in entry to higher education?

It is not always easy to raise these issues in public debate. In the UK, for example, raising these issues is often met with a strong, critical reaction and accusations of “left-wing” bias. The social impact

of the “public” schools system in the UK, which is actually private, (although few are for-profit), is almost “off-limits” in mainstream political debate.

The provision of private education in many countries of the world is nothing new. What is new is the scale of the growth in such provision, the rapid growth of the for-profit sector and the fact that this is an international market, with providers crossing national boundaries. The marketization of education on this scale is relatively new even for countries such as the USA and the UK where for-profit education is well established. It is increasingly important in many other countries, even China where it might have been assumed that the environment was less welcoming.

There is another major transformation taking place in many countries in the provision of personal services, including education. For a variety of reasons, increasingly the costs of such services are being shifted directly to the consumers, rather than indirectly supported through taxation. This saves governments money, reduces the role of the state as a supplier of services and insulates those services from the mainstream political debate. It also gives rise to business opportunities which otherwise would not be available and to a host of issues and challenges, some of which have been mentioned above.

Another major change factor on education and especially higher education, is the impact of advanced communications technology. The impact of communications technology on society is profound and irreversible. This is having an enormous impact on education, with more massive changes to come. The way in which people, particularly young people communicate and access information has changed in the last twenty years. Much formal education has yet to catch up, but catch up it must. The technology provides massive opportunities to access information but it also poses con-

² Well presented by Thomas Piketty, *Capital in the Twenty-First Century*, Belknap/Harvard, 2014.

siderable challenges to the traditional roles and method of operation of universities. Few universities have adjusted their delivery model to recognise the new environment. It is both a major challenge and a massive opportunity.

Thus, higher education is not immune to the same sort of impact which technology has had on other industries, such as retailing, media and entertainment:

“Higher education faces strategic challenges similar to those faced by the media a decade ago: the digital revolution, growing demand and globalization”³.

Innovation is essential in the content of programmes, but also in the ways in which people access those programmes. There has been much talk of the impact of MOOCS, (Massive Open On-Line Courses), on higher education and many premature obituaries for traditional land-based universities. On-line provision increases the amount of information available to those who seek it. Much of it is of outstandingly high-quality and gives students across the world easy access to some of the top academics in the world. This supplements the world of the land-based provision, rather than replaces it for the majority of learners who still need support and help in using and understanding this information. For many programmes, of course, the practical application of knowledge is an essential part of the credentialing process. I imagine that few of us would be happy to be treated by a doctor who had only studied his/her first medical degree on-line.

What this could do is to transform the professional role of the academic. If a student can access the latest work in his/her field, say natural sciences, from the world’s leading academics easily by way of the internet, what is the point of attending a traditional lecture given on the same topic in a regional university, say, in the North of Eng-

land? How could those expensive, local resources be better used to support students’ individual learning. What impact would this have on the professional skills and roles of those academics who, whilst good and meritorious, are not world experts? This also raises major questions about the future direction of individual universities, the professional formation of academics and the overall public policy environment in which they operate. Few universities and few governments are addressing these issues — but if they are not addressed the factors for change, which are already underway, will have unanticipated and possibly unwelcomed impact.

The opportunities of for-profit provision are not confined to privately or corporately owned suppliers. Many so-called (or once) state-funded institutions have been providing services on the private, fee-paying market for years. State funding has often been limited to certain categories of students; others must pay. For example, in Hong Kong, the entitlement to generous state funding for undergraduate study is strictly controlled. Those who do not qualify for state provision must pay for private tuition, often provided by the “state-funded” universities alongside their “normal” provision. Most post-graduate programmes are offered on a fee-paying basis too.

In the USA, funding support is selectively available to certain institutions and to qualified individuals, but the predominant model is of a fee-paying system. In the UK, the revolutionary reforms of 2010–2011 have shifted the burden of fees to individual students, many of whom can access state loans, repaid on an income-contingent basis, post-graduation. However, as in the USA, the financial consequences of these systems for both individuals and the state are presenting challenges to the system’s sustainability.

It is in the field of international higher education that many “state” universities

³ Thomas Rabe, CEO Bertelsmann SE & Co.

have entered the competitive, for-profit market place, with the recruitment of non-domestic fee-paying students to the home campus, the franchising of provision to partner institutions off-shore and, in a small number of cases, by the development of wholly or jointly-owned and operated “off-shore” campuses. These activities have often become crucial to the financial viability of universities and to the sustainability of certain academic programmes where insufficient domestic demand has been supplemented by international demand.

Indeed, some university leaders have argued that the development of delivery capacity outside their home country, (or country of origin), is a crucial step in broadening the basis of operation of their institution and reducing its dependency on — and exposure to — a single, political system. It is not clear that governments have woken up to the challenge of a domestic university system which is increasingly outside their political “reach”.

Private sector, for-profit higher education will pose an increasing challenge to the “state “or publicly-funded sector. Where the regulatory regime permits it, this challenge will be to the core provision of taught degree programmes. Where the market forces are already operating as in the existing international provision, then the challenge will come there too.

Although not all private provision is of good quality, there is no inherent reason why for-profit private providers cannot compete on both price and quality with the “public” sector and in many countries they do this very successfully. Private providers appear to have a number of advantages over their “public” sector competitors. Often the reward system for staff is more flexible and less expensive. Private providers are not bound by existing collective agreements, established working practices, pension arrangements and their workforce is

rarely unionised. This does not mean that these providers are necessarily bad employers, paying low wages and imposing poor conditions. It does mean that their system of rewards and conditions of employment are more flexible and generally significantly less expensive than the “public” sector.

The private sector is certainly under more pressure in many ways than the “public” sector. To begin with, they have no inherited capital assets, paid for by government, and therefore must raise the finance necessary to deliver their programmes. Although in many countries, such as the UK, there is now little capital funding available to universities, there is an asset base made up of previously-funded resources, to which a more market-based approach is now adding. The private sector must use its asset base more effectively, which also means more intensively by, for example, delivering taught degree programmes in a more intensive and shorter time period.

The student support system may not be available to the private sector in some countries, although there are strong political pressures to make it so and to “level the playing field”. This has, for example, been a contentious development in the UK over the last few years.

In some countries the distinction between “public” and “private” sectors is beginning to blur. This may be an intentional policy outcome or it may be the unintended consequence of a series of un-integrated decisions. Again, to take the UK as an example, governments are totally schizophrenic when it comes to the status of universities. Sometimes, they state categorically that they are private institutions, not under government control, for which the government takes no responsibility. Other times, they are regarded as part of the public sector, for example, with the expectation that they will comply with public sector pay restraint.

As the direct state funding of universities declines or is replaced by indirect funding and as universities raise more and more of their income from non-state sources and from outside the country of origin, they enter a “grey” world where ownership and control becomes opaque, notwithstanding the regulatory regime in which they operate.

In this context entrepreneurial and ambitious universities may take a leadership role outwith national policy. In the context of the major changes taking place in higher education across the world and the predictable changes yet to come, universities need to operate internationally. In their country of origin they should provide students with opportunities to study for part of their programmes outside their home country and, at the very least, provide those students who cannot or will not study abroad, with a truly international experience at home. This has an impact on the curriculum, with added importance to supplementary language education and cultural awareness programmes.

In the absence of a state policy and framework within which internationalization can be addressed, individual universities have a responsibility to their societies and to individual students to provide the necessary resources to enable internationalization to take place.

In order to take advantage of the commercial opportunities available on the international market and to reduce their dependency on a single nation state, universities need to do more than just recruit fee-paying foreign students to their domestic campus. They need extensive, long-lasting and deep partnerships with providers in other countries and possibly a small number of wholly or jointly-owned campuses operating on a for-profit basis.

Research collaboration across boundaries needs to be developed into truly international research partnerships, capable of

competing for research funding wherever it is available and enduring beyond the life of an individual project.

As the distinction between “public” and “private” becomes eroded and less and less relevant, those institutions which are able to be flexible, market-oriented and mobile will have great advantages over those which are not. So far, much of the leadership in developing international higher education has come from western countries. The USA, the UK, Australia and Canada have been the market leaders. However, in the autumn of 2014 the Chinese Government appears to have accepted that the time is now ripe for the export of Chinese higher education across the world. That will have a profound impact on the world of the university.

CONCLUSION

The factors making for change in the global pattern of the distribution of economic activity, trade and wealth, are already having a fundamental and irreversible impact on the balance of global economic and political power. To these factors must be added the impact of technology and advanced communications systems. The processes leading to change are largely outside the control of individual nation states.

The same processes are and will increasingly impact on higher education. Universities are increasingly important economic actors. They are increasingly international. As successful institutions transcend national boundaries and reduce their dependency on individual national governments, they will come to have a degree of independence and political power outside of national political systems and regulatory systems. The pace of change in the next twenty years will transform higher education and pose major challenges of control and quality not yet being addressed.

Интернационализация высшего образования: новая проблема в политической повестке

Малкольм МакВикар, до июля 2014 года ректор Университета Централ Ланкашир и президент UCLan Group. В настоящее время работает экспертом в сфере высшего образования

***Аннотация.** В условиях, когда образование становится важным фактором развития государств, а также под влиянием глобализации университеты становятся международными экономическими акторами, играющими видимую роль в политической и экономической повестке дня. Среди вызовов, с которыми сталкиваются сегодня университеты: контроль за качеством образования, увеличение доли частного сектора в высшем образовании, проблема инноваций и технологий, развитие международного рынка труда и многие другие. В связи с этим интернационализация высшего образования обуславливает необходимость реформирования и адаптации университетов во всем мире.*

***Ключевые слова:** высшее образование, глобализация, частное образование, государственное образование, инновации, университеты.*

The Internationalization of Higher Education: an Emerging Political Agenda

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***Abstract.** Given growing importance of education as a factor of internal development and in the context of globalization universities can be considered to be international economic actors playing an increasingly significant role in economic and political agenda. Universities face a lot of challenges, to wit: quality control, further privatization of higher education and for-profit education, the problem of innovations and advanced technologies, the emergence of international labour market etc. Therefore internationalization of higher education determines the necessity to reform and adapt universities around the globe.*

***Key words:** higher education, globalization, private education, for-profit education, state-sponsored education, innovations, universities.*