

# From Malaysia to Mayfair: The foreign university that is sending out shivers in the higher education world

The overseas student market is worth millions of pounds to Britain, but the competition is increasing from private universities and companies. Are we in danger of falling behind?

By Lucy Hodges

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A stone's throw from the Ritz Hotel in the heart of London's Mayfair district lies an extraordinary new educational institution – a private Malaysian university which has opened a campus in Britain. This is the first foreign university from outside the United States to establish itself in the United Kingdom with the aim of competing with British institutions for the lucrative overseas student market – and it is sending out shivers in the higher education world.

Limkokwing University of Creative Technology set up shop in Piccadilly, next to the Cavalry and Guards Club, a year ago with hundreds of Malaysian and other students at any one time studying courses in design, business, IT, multimedia, and communications, media and broadcasting. Its presence has caused British universities to sit up and take notice of the threat that could be posed by an entrepreneurial and flexible outsider prepared to invest large sums in a business in Britain. The University of Chicago already has a presence in the UK and is seen as a threat. Could Limkokwing be one too?

Some universities are viewing its arrival as an opportunity for them to get a share of the action. Both Anglia Ruskin University and the University of Bedfordshire have gone or are going into partnership with Limkokwing. The result is that students will end up with two degrees – an Asian degree from Limkokwing and a British degree from one of the two UK universities.

"We are offering something that English universities don't offer," says Professor Dave Taylor, director of the London campus. "We don't necessarily take the most academic students. We're looking at those who would benefit from higher education. We take students with Ds rather than A grades, and we're offering to give them a close relationship with industry. We're training people to hit the ground running when they graduate."

The University of Bedfordshire talks in the same breathless language about its enthusiasm for the partnership with Limkokwing. "We're very excited about this," says Professor James Crabbe, executive dean of creative arts, technologies and science at Bedfordshire. "It's a wonderful relationship we have got. We are two outstanding institutions that are coming together transnationally to provide value added for students."

The deal involves students coming from Kuala Lumpur where they have completed the first two years of a degree in media, art, or design and spending their final year in Britain, partly at the Piccadilly campus and partly at the University of Bedfordshire in Luton. Crabbe insists that Bedfordshire is not doing it for the money but to promote education and knowledge

around the world. "It's about raising the profile of the excellence of British higher education," he says.

The London campus of Limkokwing believes that it can compete with British universities when it is not collaborating with them. It is charging its students the same kind of figure as they would pay to a UK university, around £7,000 to £10,000 a year for a classroom-based subject, according to Taylor.

Students are accommodated in rooms in Brentwood built by Thames Valley University – and pay extra for that. But the university is not offering British degrees (except in the partnerships described above, and in those cases the degrees belong to the UK universities concerned), so it does not have to undergo the UK's rigorous quality assurance regime.

Developments such as Limkokwing's expansion around the world reflect the fact that the higher education scene is changing rapidly as universities – and private education companies – take advantage of the new marketplace.

Higher education is now a huge business, worth around £200bn a year globally. Many countries in the world are experiencing a rapid growth in demand for university education – and the state simply can't fund and provide for all these students. This is where the private providers come in.

In India, for example, 30 per cent of higher education is provided by not-for-profit private foundations, according to Neil Kemp, adviser to the UK-India Education and Research Initiative and former head of Education UK, the British Council's marketing arm.

These institutions charge fees and pay their staff well, just like private Ivy League universities in America and lay on degree courses that the state simply could not provide for the vast numbers of people now clamouring for a higher education, Kemp told a conference organised by the UK Higher Education International Unit last week.

Then there are the for-profit companies, such as Phoenix, which provides mainly vocational higher education for adult learners, and Laureate and Kaplan, which own universities around the world or have partnerships with universities internationally. They are all American and have really taken off in the past few years.

Kaplan, which is owned by the Washington Post group, itself owns the Dublin Business School in Ireland and the Holborn College of Law in London, but also has partnerships with Sheffield, Glasgow and Nottingham Trent universities to give English language and other teaching to overseas students who are not well enough prepared for an English degree course. They get them up to the required standards and the students can then transfer to one of the British universities.

Laureate owns 12 universities outside the USA, including Universidad Europea de Madrid, Ecole Supérieure du Commerce Extérieur in France and Cyprus College in Nicosia. And it is famous in Britain for its partnership with Liverpool University which includes an online MBA.

"This is an interesting partnership where both organisations benefit," says Kemp. But the real feather in Liverpool's cap is the university it has created in China in partnership with Laureate

and a Chinese institution. The Xian Jiaotong Liverpool University is running degrees closely related to the needs of a massive industrial park in Suchow, near where it is located.

The aim is not to make money for Liverpool University, insists Professor Kelvin Everest, Liverpool's director of academic affairs for China, but to burnish the university's brand and put it on the global map.

"Obviously you don't want to do things that lose money," he says. "But you need to make sure you are operating in a contemporary way and do the things you are there to do, like educating people and carrying out research.

"For us it's been very bracing. It's raised our profile and made us much more visible than we were."

Nottingham University led the way in China with its own campus, Ningbo, and others have followed, using different models. Almost every university in Britain now has a presence in China. But, when it comes to private companies, the British have nothing that can rival Laureate and Kaplan in their activities around the world. Although INTO UK University Partnerships has moved into a number of campuses to bring overseas students up to the standard needed to enter degree courses, it is small compared to the American companies.

This, says Kemp, is something we should be concerned about. "Given that the UK has a leading role globally, where are the big UK companies?" he asks. "We're going to get overtaken by US big business."

Most of the private colleges in Britain are similar to the London College of Commerce, which he advises, and are run by single-owner proprietors who do not have the huge resources of a Kaplan or a Laureate, he says. That makes it difficult to take advantage of a potentially large market such as India where there are going to be big players with whom it would be worth joining up with now.

Not everyone shares Kemp's pessimism. John Fielden, director of CHEMS Consulting, argues that British universities are doing rather well overseas by establishing joint degrees with overseas partners and by setting up a supply chain of students who come to the UK for their final year of study. And Shaun Curtis, head of the UK Higher Education International Unit, who commissioned a report published last week on how the international work of British universities is organised within institutions, says there is a distinct lack of complacency in Britain.

"We sometimes beat ourselves up too much about how our universities are faring in the global marketplace," he says. "The UK seems to be ahead of the game and is thinking quite deeply about this issue."

It looks as though the Government is not self-satisfied. It has commissioned Professor Drummond Bone, the vice- chancellor of Liverpool University, to look at how well UK higher education is doing internationally. One of the most useful things he could do would be to commission a report into what private universities and companies are doing around the world and how Britain is responding to the competition.