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27–28 September

UK Trade & Investment South African FE & HE Conference

Johannesburg, South Africa
For more details:
www.besa.org.uk

9–12 October

Australian International Education Conference

Melbourne, Australia
For more details:
www.idp.com/aiec

17–19 October

ICEF China Workshop

Beijing, China
For more details:
<http://www.icef.com/>

20–22 October

9th Annual UK Universities Exhibition

Amman, Jordan
For more details:
<http://www.bridge.index.com.jo/>

Internationalisation and the UK HE Sector

It may come as a surprise to some that the UK sells more brainpower per capita than anywhere else in the world. This summer the **Work Foundation** reported that knowledge services account for a quarter of all UK exports. The report noted that no other advanced country has developed knowledge services so quickly but that the UK's position cannot be taken for granted. It called for further investment in human capital, especially higher education (HE), to ensure the attractiveness of the UK as a location for research and science.

This report drives home the point, now widely appreciated, that the HE sector is fundamental to national economic success. It also, however, emphasises the importance of internationalisation – the trade in ideas and knowledge – to the maintenance of that success.

A recent report from the former **Education and Skills Select Committee** of the House of Commons acknowledged the financial, academic and cultural benefits of internationalisation in HE. The Committee looked at a number of aspects of internationalisation, including outward student mobility, the possible tension between maximising numbers and maintaining quality, funding for part-time study, and the increasing importance of international collaborative ventures in teaching and research. It singled out the UK-India Education and Research Initiative (UKIERI) by the British Council and UK government as a model for encouraging partnerships between HEIs, and between HEIs and industry. It urged that the government fund a similar exercise for China, including a foundation to provide scholarships and fellowships in partnership with the private sector, and that this should feature on the agenda at the ministerial summit in Beijing in late October. The report, however, underestimated the current

extent of UK HEI partnership activity in China and overlooked the **UK China Graduate Work Experience Programme**, a reciprocal venture to be signed off at the Beijing summit.

Another recent Parliamentary report, this time from **the House of Commons Science and Technology (S&T) Committee**, recommended that Research Councils UK (RCUK) should further extend its efforts to coordinate the international activities of the individual research councils. It expressed concern that the 'outward mobility of research is low' and argued for more flexibility for cross-council funding and dedicated financial support for mobility and visiting fellowships to help keep pace with the increase in research output from India and China. The report acknowledged **RCUK's international strategy**, published in July, which has as its focus the coordination of collaboration and mobility of researchers. RCUK is also opening offices in Washington and Beijing this year, and in Delhi in 2008.

It is easy to form conflicting impressions on how well UK HEIs are doing internationally. Contrast the S&T Committee's warning that the UK's position as a desirable international partner was 'slipping' with yet another report – this time for the **UK Office of Science and Innovation (now part of DIUS)** – showing that UK scientists are engaged in 50% more international collaborations than ten years ago and that the number of these with Chinese researchers is greater than with any European country.

What is certain from these reports is that internationalisation in higher education means more than student recruitment from abroad. For countries like the UK which have enjoyed success in international recruitment, a second, strategic phase of internationalisation is well underway.

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UK HEIs are in the vanguard of this development, though the Australians and Americans are also at the front of the pack. The additional areas of activity can be broadly characterised as long-term partnerships in teaching and research but the diversity of activities within this rubric ranges from institutional research collaborations to joint and dual degrees, other twinning arrangements, franchising, distance learning, and offshore branch campuses.

These international activities operate in parallel with recruitment. They will over the longer term also contribute to revenue streams. Just as importantly, they present a more sophisticated face to the world. They suggest that internationalisation is not a zero-sum game for developing countries and should benefit both sides of an international partnership.

From the UK perspective, outward-looking partnerships are the vehicles by which quality teaching and research – and thereby the international competitiveness of the UK HE sector – may be maintained. It is this shift in the internationalisation discourse that has led to the establishment of the **UK Higher Education International Unit**.

Markets & Intelligence

Australia leads academic pay scales; UK third

The Association of Commonwealth Universities 2006-07 Academic Staff Salary Survey has found that Australian academic pay scales, at all levels, continue to be above those of the other responding countries in terms of purchasing parity.

The survey examines academic salary scales and associated benefits in 46 institutions across five Commonwealth countries: Australia, Canada, New Zealand, South Africa, and the United Kingdom.

The purpose of the study is to provide comparative trend analysis and potentially useful indicators for academic policy-makers and stakeholders.

The report finds that Australian pay scales are above other countries in terms of purchasing parity. The overall average of the midpoints of the salary scales (including the bottom of the professorial scale) for Australia is PPP\$80,859. This is 26% higher than Canada, ranked second in the survey, a significant increase since the last survey.

Canada has an average of PPP\$63,969 and the UK trails closely behind in third place with an average of PPP\$63,735. Across all post levels this represents a difference of less than 0.4%.

The gap between Canada and the UK is much smaller than in the 2004/05 survey. New Zealand (PPP\$56,024) and South Africa (PPP\$52,232) continue to be ranked fourth and fifth, respectively.

The report cautions that the salary figures reflect the established scales of the university; they do not reflect any additional bonus sums or pay incentives that might be received by staff – for example the UK is the only country where institutions reported childcare allowance.

Some institutions indicated in the additional benefits section that discretionary bonuses do exist at their institutions but this was not the case at all institutions.

Download Salary Survey**Investment opportunity in the Philippines**

UK Trade & Investment (UKTI) has learnt that a specific opportunity has arisen in the Philippines that may be of interest to UK universities seeking to develop a presence in the region.

A private university in the Philippines may be available for purchase. The University occupies a 10ha site approx 1km from Cebu City Centre, has a capacity for 10,000 students but this could be expanded to 18,000 without additional capital outlay.

The indicative buy out price is PP700m (£7.8m). The university already caters for top students from China and South Korea.

Interested universities are likely to face competition from buyers from South Korea or the US.

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Research & Collaboration

Concerns raised over China and India's research output

China needs a better return on its fast-rising investments in research and development (R&D) and higher education if it is to meet its goal of becoming an "innovation-oriented" economy by 2020, according to a new OECD report. In its first review of China's innovation system, the OECD says China still has a long way to go to build a modern, high-performance national innovation system.

China is now the sixth biggest spender in the world on R&D, yet the OCED claims that the country is producing fewer science graduates than it used to. Despite a vigorous government programme to promote research and development, the number of undergraduate degrees awarded in science subjects has fallen. In future China could face a shortage of skilled workers in science and technology, despite currently having more researchers than any other country except the United States.

The OCED report highlights the key role that universities play in China's innovation system. They run more than one in ten Chinese science and technology firms, account for one in five patents granted each year and provide venture capital to promising start-ups. Further reform of these public research organisations would help increase the quality and efficiency of researchers - current demand for talented managers or highly qualified researchers exceeds supply.

The report concludes that China's emergence as a global player in science and innovation should benefit both China and the rest of the world. To manage its smooth integration into the global knowledge economy, however, China and OECD countries

need to boost the level of university and business co-operation and partnerships.

Meanwhile, the Chairman of India's Scientific Advisory Council, C N R Rao, has expressed concerns over his country's apparent declining contribution to the international scientific research. At a recent science conference in India, Prof Rao claimed that India contributed just 0.5% of the top 100 scientific papers published globally.

Prof Rao also stated that while the number of Indian research articles published in international journals was about 4,000 per year, the equivalent figure for China was 16,000 and 23,000 for the United States. Prof Rao blamed low levels of financial support to Indian universities by both Union and state governments.

Read the OECD report

British Inter-University China Centre launched

The inaugural conference of the British Inter-University China Centre (BICC), a new national centre for excellence in Chinese studies, was held in London on 27 June 2007.

BICC is a collaboration between the universities of Oxford, Bristol and Manchester, and is one of five national centres funded by HEFCE, the ESRC, AHRC and the Scottish Funding Council under the Language-Based Area Studies Initiative.

BICC aims to be the UK's premier research and teaching facility on China. It will foster original research in Chinese studies, expand both undergraduate and postgraduate teaching of Chinese studies and language, and undertake a range of dissemination and outreach activities in the UK.

BICC currently cooperates with Peking University on language teaching. Thus far, research cooperation is with Tsinghua, Peking, and Minzu (Nationalities) universities, and this is set to expand considerably.

www.bicc.ox.ac.uk

In Focus: Britain and Global HE



Britain's Place in the Global Higher Education Market Breakfast Briefing, 18 July 2007, Houses of Parliament

It was standing room only at the House of Commons on 18 July for a breakfast briefing on Britain's Place in the Global Higher Education Market. Seventy-six delegates from government, industry and the higher education sector attended the event, hosted by Tim Boswell MP and jointly organised by the UK HE International Unit and the Council for Industry and Higher Education.

Professor Drummond Bone, Vice-Chancellor of the University of Liverpool, chaired proceedings in one of his last events as President of Universities UK. Delegates had gathered to discuss the impact of internationalisation on both university students and university staff, and to consider how the UK could improve its performance in creating greater overseas opportunities for both groups.

The event began with an address from Bill Rammell, Minister for Universities, on the need for the HE sector to encourage greater outward student mobility for UK students. Drawing on his own experience as an international student Mr Rammell emphasised the cultural and intellectual benefits of internationalisation, as well as the economic advantages that accrue to the country – a message echoed by Tim Boswell, a previous Minister for Higher Education.

Two research reports were launched that morning. Professor Paul Wellings, Vice Chancellor of the University of Lancaster, presented the findings of a Universities UK report on Talent Wars: the international market for academic staff. Professor Wellings explained the international dimensions of academic staff recruitment and provided comparisons between the UK and key competitor countries.

He stressed that UK universities are themselves international organisations: one fifth of academics working within our universities are from outside the UK. It is a similar story in competitor countries, and the result is extremely strong international competition for the best academic staff.

The Council for Industry and Higher Education published a new report on the Global Horizons for UK Students. The author, John Fielden, outlined the barriers preventing UK students from studying overseas and potential means for overcoming the problem.

Employers prefer graduates with mobility experience. Although programmes are offered to UK students, encouragement and support is hindered by heavy administrative burdens within universities – an issue that must be addressed if there is to be a substantial increase in UK students studying abroad.

Download the reports:

Global Horizons for UK Students

Talent Wars: the international market for academic staff



Laws & Regulations

China: Approvals process for proposed TNE ventures

Although the **Chinese Ministry of Education** provides a set of laws and regulations in regard to establishing transnational education ventures, the British Council in China currently (September 2007) advises that 'The approvals situation in China is complex. The Chinese government is reviewing the process of quality assurance and approvals. Approvals are taking place but a slowdown in the process may not be due to the approvals process itself but could be due to your partner.'

Basic guidelines are:

- Be clear on the regulatory context, particularly that approval is usually needed at both central and local level
- Be clear on your current status (and perceived status)
- See status issues as your responsibility and not just that of your local partner
- Have an exit strategy in place

More in-depth market intelligence on China is available from the British Council's China Education Market Intelligence Site (**CEMIS**). CEMIS is provided as a service to UK institutions that are China subscribers within the **Education UK Partnership**

United States: New study abroad legislation

In July 2007 the US Congress passed the Senator Paul Simon Study Abroad Foundation Act of 2007 (H.R. 1469, S.991).

Its intent is to broaden and democratise access to such programmes, which in the US have been seen as the preserve of the few. The federal Commission on the Abraham Lincoln Study Abroad Fellowship Program had called in a recent report for a quintupling of study abroad participation to 1 million within a decade.

NAFSA's website has an enthusiastic endorsement of the 'visionary' legislation and invites American and international organisations to add their support.

http://www.nafsa.org/public_policy.sec/commission_on_the_abraham

India: Regulatory environment in flux

Legislation and regulations directly affecting foreign providers of higher education in India are in a state of radical flux.

Domestic political issues are affecting reform attempts in both areas.

Issue 2 of International Focus will provide an update on recent developments and the implications for UK HEIs.

Australia: Foreign students face tougher visa laws

In an echo of procedures already in place in Canada and the UK, the Government of Australia introduced a new citizenship test and tighter English-language requirements for skilled immigrants on 1 September 2007.

The test is known as a '**mateship test**'. Immigration Minister Kevin Andrews said the changes would have the greatest impact on international students, many of whom seek residency and work in Australia after completing studies

'Competent English' will now require a higher score of 6 on the Australian points system. Education Minister Julie Bishop said the changes would help maintain the international reputations of Australian universities.

www.visabureau.com/

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Recruitment

Dutch offer 1,300 study programmes in English

Study in Holland: International Degree Programmes, a new guide published by the **Netherlands Organisation for International Cooperation in Higher Education (Nuffic)**, demonstrates Holland's dominant position as the biggest provider of English-language higher education in continental Europe, with significant implications for the UK HE sector.

UK Universities face intense competition from Dutch HEIs in the area of international student recruitment. The number of English-language study programmes offered by Dutch universities is set to rise to 1,300 during 2007-08. These courses cover the entire spectrum of university and higher professional education, from music and economics to social sciences and biotechnology.

Nuffic's Study in Holland campaign, combined with low tuition fees, has led to a significant increase in the number of foreign students in the Netherlands, a figure approaching 50,000 out of half a million students in total. The number of foreign researchers studying for a PhD at a Dutch university is also rising, particularly in science faculties. The Netherlands continues to invest significant resources in recruiting international doctoral students as part of the country's knowledge policy.

US international grad recruitment increases – overseas collaboration to expand

According to the Council of Graduate Schools (CGS), offers of admission to prospective international students by US graduate schools increased 8% from 2006 to 2007. This is the third consecutive year of growth in a gradual recovery in international student flows. The rate of increase, however, slowed from last year's 12% gain and international applications are still below their 2003 levels at many schools.

The **latest survey by CGS** shows how changes in admissions of prospective international students vary by size of institution, field of study, and country of origin. For example, the admissions increase at the ten institutions with the largest international graduate enrollments was 2%, while admissions increased 13% overall at the institutions outside the largest 50. Offers of admissions in Humanities & Arts increased 36% at the largest 10 universities, compared to 5% at the smaller institutions. On the other hand, admissions to applicants from China surged 38% at the smaller institutions, compared to 8% at the ten largest.

The CGS report also demonstrates the impact of globalisation on US higher education. Nearly 30% of US graduate schools have established joint or dual degree programs with international universities, and almost 25% plan to establish new collaborative degrees in the near future.

The US has more international partnerships with European universities than with those of any other region. Of particular interest to UK HEIs is the claim that 24% of US graduate schools plan to establish new international collaborative degree programs in the next two years, and the number is even higher for the institutions with the largest number of international students: 33% of the 10 largest and 39% of the 50 largest – which enroll 41% of all international graduate students in the U.S. – indicated that they plan to do so.