



The All-Party Parliamentary
University Group

24 April 2019

Agenda

The subject of the meeting of the All-Party Parliamentary University Group is Universities in a Global Britain

- 6:00pm** **Dr Roberta Blackman-Woods MP**, Chair, All-Party Parliamentary University Group
- 6:05pm** **Graham Stuart MP**, Parliamentary Under Secretary of State (Minister for Investment), Department for International Trade
- 6:15pm** **Dr Erik Lithander**, Pro Vice-Chancellor (Global Engagement), The University of Bristol
- 6:25pm** **Daniel Shah**, Director of Research, British Council
- 6:35pm** Questions, comments, and discussion with university leaders, MPs and peers
- 7:30pm** Speaker meeting concludes.

Speaker Biographies

Graham Stuart MP



Graham Stuart has been the Minister for Investment in the Department for International Trade since 2018. This role involves managing the departmental policy on investment, including the strategic approach for managing foreign and outward direct investment and acting as the Department's ministerial lead for the education sector.

Graham has been the MP for Beverley and Holderness since 2005 having previously contested the 2001 election in the constituency of Cambridge. He spent three years as a member of the Education and Skills/Children, Schools and Families Select Committee.

He started his own publishing company, Go Enterprises, at the age of 22 and became managing director of CSL Publishing three years later. He remains non-executive chair of CSL.

He was elected to Cambridge City Council in 1998, and went on to become leader of the Conservative Group.

Dr Erik Lithander

Dr Erik Lithander joined the University of Bristol as Pro Vice-Chancellor in February 2016.

Prior to joining The University of Bristol, Erik spent three years as Pro Vice-Chancellor (International and Outreach) at the Australian National University in Canberra, and six years as Director of International Affairs at University College Dublin, Ireland's largest university. He has also held the role of Associate Director (International Relations) at the University of Auckland in New Zealand.



Erik holds a Candidature in Political Science from Université Libre de Bruxelles in Belgium, a BSc (Econ) from the London School of Economics, and an MPhil and PhD from the University of Cambridge, where his research focus was on contemporary Latin American literature.

In his current role Dr Lithander provides strategic leadership on matters relating to internationalisation, student mobility, marketing, public affairs, communications, student recruitment, alumni relations and development at the University of Bristol.

Daniel Shah



Daniel joined the British Council as Director Research in December 2018. He leads the Research Unit in the Cultural Engagement Directorate to pursue a strategic programme of research to underpin and support the cultural relations vision and mission of the British Council.

Before this Dan was based in India as Director of UK Research and Innovation (UKRI). In this role Dan developed and delivered UKRI's India strategy, bridged interests across HMG networks in New Delhi and Whitehall and worked with high level stakeholders in the India Government and academy.

Prior to joining UKRI, Dan was Assistant Policy Director at Universities UK International and before that, was a Senior Policy Advisor at the Russell Group. He has also worked in Government in the Department for Business, Innovation and Skills.

Briefing: Universities in a Global Britain

Prepared for members of the All-Party Parliamentary University Group

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either house or its committees. All-Party Parliamentary Groups are informal groups of members of both houses with a common interest in particular issues.

This briefing document has been produced by Universities UK which provides the secretariat for the University APPG.

Introduction

This meeting of the All-Party Parliamentary University Group will explore the international impact that UK universities have through transnational education, international students and higher education as an export.

In 2016, education exports and Transnational Education (TNE) activity was worth £19.9 billion to the UK economy, marking a 26% increase since 2010 and, based on current rates of growth, could be expected to reach an estimated £23 billion by 2020.

This guide will give further information about the different ways that higher education is being used as an export for the UK economy, the opportunities that exist for further growth and the challenges that remain in place.

Universities on the World Stage

Higher education accounted for £13.4bn of the value of education exports in 2016. In addition to the recruitment of international students, UK universities' international activities contribute to export earnings in a variety of ways. Transnational Education (TNE)- UK education delivered in a country other than the UK - provided over £550 million of revenue in 2014-15. Research, contracts and consultancy, including with international business and industry partners, contributed £1.2 billion, while English language teaching (ELT) generates a further £1.82 billion in export earnings for the UK annually.

UK universities have substantially expanded their TNE activity in recent years. This may take a variety of forms, with examples including overseas branch campuses, joint or dual degrees, and online distance learning. The value of TNE activity was estimated at £1.58 billion in 2014, but there are substantial downstream benefits too – not least the number of international students who choose to apply to a UK-based university based on exposure to that institution in their home nation. TNE enrolments have grown by 80% since 2008, and 13% in the last two years alone. Further evidence that TNE is on a growing trajectory comes through the finding that in 2015-16 there were 701,010 students studying wholly overseas compared to 663,915 in 2014/15, an increase of 6%.

The International Education Strategy was launched by the Department for Education last month and sets out an ambition to grow the total number of international students coming to the UK each year to 600,000 and generate £35 billion through education exports – a rise of 75% - both by 2030. The plans focus on not only retaining existing markets such as Europe, but raising the profile of the education sector in global markets such as Asia, Africa and Latin America.

The strategy includes a number of measures to help the sector maximise the potential of UK education exports abroad, including:

- Appointing a new International Education Champion to boost overseas activity by developing strong partnerships and tackling challenges across the world;
- Encouraging sector groups to bid into the £5 million GREAT Challenge Fund to promote the entire UK education offer internationally;
- Extending the period of post-study leave for international student visas, considering how the visa process could be improved for applicants and supporting student employment;
- Improving data on education exports to enhance and drive performance while also mapping out where the best opportunities lie globally; and
- Closer working across government departments on international education policy and opportunities.

The Department also agreed to work with the higher education sector and the British Council to identify more accurately the overall value of TNE to the UK economy and to encourage the sector to grow TNE by engaging in dialogue with countries with recognised export potential.

Brexit

The UK's impending departure from the European Union has presented some challenges to international collaboration, especially with EU counterparts. European Union research programmes provide funding for collaboration between universities across the EU. Horizon 2020 is the largest multi-lateral international research funding pot in the world, with a budget of nearly €75bn over seven years. Since it began in 2014, the UK is the second most successful country in terms of funding received and top in terms of number of participations and coordinators. Horizon 2020 provides a ready-made platform for collaborating with key European partners; over half of the UK's collaborative papers are co-authored with EU partners and therefore continued access to this programme would allow universities to collaborate with the best minds from across Europe.

The government's underwrite guarantee ensures that funding for much of cross-university collaborative Horizon 2020 projects involving UK researchers will not be affected even in a 'no deal' scenario, however this only covers multi-beneficiary pillars and not high-value European Research Council (ERC) and/or Marie Skłodowska Curie Actions (MSCA) funding. UK universities are concerned that researchers based at their institutions that have been successful in the ERC

Advanced Grant applications may move to other EU institutions due to Brexit uncertainty and the possibility that a no deal would lead to grant negotiations stalling. Erasmus+ is the EU's programme to support education, training, youth and sport in Europe. The programme has substantial added value for UK students, staff and universities, providing for roughly half of all UK outward student mobility.

If the UK leaves the EU with a withdrawal deal the UK can continue to participate in Erasmus+ until the end of the programme in December 2020. The government has also underwritten Erasmus+ funding for students that have their bids signed and approved by the EU Commission whilst the UK is a member state even if Brexit happens without a deal, however this does not go far enough as students due to start Erasmus placements later on in 2019 and during 2020 would not be covered.

There have been some signs that the international reputation of UK universities has been damaged by Brexit, with both Norway and Spain in recent weeks advising students planning to study in the UK on the Erasmus+ programme to go elsewhere. Others have argued that Brexit will create greater opportunities for collaboration as the UK may still seek third-party association to these programmes, plus the government could adopt a liberal visa regime to encourage more international students and staff to the UK.

International Students and the Immigration System

International higher education students make a significant contribution to the UK and our world-class HE sector, both economically and culturally. Figures from the Higher Education Statistics Agency (HESA) show the number of international students starting courses at UK higher education institutions in 2017/18 are the highest on record, with a 5% from the previous year. These students, both EU and non-EU, contributed an estimated £11.9bn to the UK economy in tuition fees and living expenditure in 2016.

But the economic contribution of international students goes far beyond tuition fees alone. When considering other payments to UK universities, off campus spending, and spending by students' international visitors, international students generated a total £25.8 billion in gross economic output in 2014-15. This contributed £13.8 billion in gross value added to UK GDP and supported over 200,000 jobs, plus £3.3 billion in tax receipts.

In September 2018 the Migration Advisory Committee (MAC) released a report on international students in the UK, which covered the economic and fiscal impacts, impact on domestic students and impact on the wider community. The report recommended that the government should ensure that there is no cap on the number

of international students, but that they should not be removed from net migration targets. It also called on the government and the sector to continue to grow the number of students coming to the UK and for the post-study leave period extended to six months for Master's students.

Following the MAC's recommendations, the government released an immigration white paper in December 2018 giving details of what the future immigration system would look like from 2020, when they proposed for freedom of movement with the EU to come to an end. The white paper proposed Undergraduate and Master's students will be able to stay in the UK to look for work for six months after graduating. They will also have three months before graduating during which they can find work and change from a study visa to a work visa. PhD students will be able to stay in the UK for a year to find work after graduating and will also have three months before graduating during which they can find work and change from a study visa to a work visa. International graduates will be given two years after graduating during which they can apply to switch their UK study visa to a UK work visa from outside the UK. In a report published in November 2018 the APPG for International Students called for the government to offer a clearly labelled and attractive post-study work visa which allows up to two years of work experience in the UK. These calls have been echoed by Universities UK who launched a Post-Study Work proposal that would allow all higher education institutions registered as Tier 4 sponsors to sponsor their graduates to search for and gain work experience in the UK for up to two years on a more flexible basis than currently permitted by the Tier 2 visa, bringing the UK in line with international competitors.

The white paper also maintained the MAC's recommendation that the minimum salary threshold for intermediate skills be set at £30,000, although it was agreed that this should be consulted on before a final figure was agreed. Universities UK has led calls for this to be reduced to £21,000 as median salary thresholds for all science, engineering and production technician, and language assistant roles are well below the £30,000 mark. When giving evidence in front of the Home Affairs Select Committee in February 2019 the Home Secretary, Sajid Javid, mentioned early-career researchers as an example of where the salary threshold may need to be more flexible.

Transnational Education

Transnational Education or TNE is defined as the delivery of an educational award in a country other than that in which the awarding body is based. It can include but is not limited to, branch campuses, distance learning, joint and dual degree programmes, fly-in faculty, or a mix of these, often referred to as blended learning.

The UK is a world leading provider of higher education TNE and the sector's provision is growing in terms of both scale and strategic importance.

- 138 UK universities delivered TNE to over 700,000 students worldwide, reaching 1.6 times as many students as there are international students based at universities in the UK.
- UK TNE reached 228 locations (countries, territories and administrations), demonstrating that overseas partners, including governments, view UK universities as partners of choice to meet local higher education capacity and demand.
- Estimates by the Department for Education place the UK's total TNE revenue for 2016 at £1.9bn.

The most high-profile form of TNE is the branch campus, with examples ranging from the well-established such as the University of Nottingham Malaysia Campus to the newly opened University of Birmingham Dubai.

Branch campuses only account for a small portion of the total number of TNE students however, with the majority studying through some form of collaborative provision or through supported distance learning. Some courses reach tens of thousands of students each year such as Oxford Brookes University's hugely popular BSc degree in applied accounting, while others are smaller in scale and focus on meeting niche educational needs of partner countries such as the University of Liverpool's dual award Masters degree in Sustainable Food Systems offered in partnership with Bicol University in the Philippines.

TNE helps meet local and sector skills needs and contributes to upskilling the local workforce in the host country. The benefits are reciprocal given the considerable value TNE provides to the UK institutions which deliver it. For UK universities, TNE provides deeper international partnerships, an alternative stream of revenue, and develops an international reputation or overseas 'footprint' that helps create a pathway for students to study in the UK. Over a third of all international first degree entrants are recruited from transnational courses delivered by UK institutions.

TNE engagement requires commitment and significant resources at all stages of development and delivery. That is why it is highly encouraging to see the UK government recognising the value of TNE in its recently released International Education Strategy and committing to actions including more accurately identifying the value of TNE, engaging in dialogue with TNE partner countries and promoting TNE through exhibits, webinars, and engagement sessions.

Global Context

The UK currently has 4 universities ranked in the top 10 in the world, according to the QS1 world rankings, and the Higher Education Policy Institute estimates that over 50 serving world leaders have benefited from a British education, making it a very attractive destination for international students and the second most popular destination for international students after the USA. Despite growth in the number of internationally mobile students, the UK's market share has declined in recent years, with growth typically registering between 0-2%. In the same period, the USA, Australia, Germany and Canada have observed consistent growth of between 6-8% per year and China saw growth of 11% between 2016-17. This stagnation of overseas student recruitment can be attributed to the negative rhetoric around immigration policy and the idea of a 'hostile environment' for migrants coming to the UK, whether to work or study.

There is also more work to be done to increase the number of UK students being outwardly mobile during their degrees by going to work or study abroad. 15% of US students, 19% of Australian students and 25% of German students currently experience an international placement as part of their studies, compared with just under 7% of UK students. Globally mobile students can be some of our most powerful ambassadors in demonstrating to the rest of the world that the UK remains a welcoming, dynamic, outward-looking nation. Universities UK launched a sector-wide campaign ('Go International: Stand Out') in 2017 with a target to double the percentage of UK-domiciled undergraduates which participate in outward student mobility programmes by 2020 - to 13%.

TNE is approached in different ways by different provider countries and is often referred to by different terminology such as cross-border higher education. Australian TNE operates along similar lines to UK TNE, however its provision is several times smaller and concentrated in South-East Asia. Provision from the USA largely takes the form of distance learning, and branch campuses which can facilitate outward student mobility. TNE from European competitors such as Germany and France is often publicly funded and frequently is delivered by groups of universities operating in consortia, rather than by individual institutions. New provider countries are emerging, especially in Asia, with China opening its first overseas campus in Malaysia in 2013 and Japan following suit in 2018.

Future Opportunities

While the UK's international higher education sector is clearly in a very strong position there is still room for growth. This has been recognised by the Department for Education with the launch of the International Education Strategy and its targets

for increased numbers of international students. The Department for Business, Energy and Industrial Strategy is also in the process of creating an International Research and Innovation Strategy which should provide a roadmap for greater expansion in international collaboration between universities.

There is scope for UK universities to expand into different markets with the Association of Southeast Asian nations (ASEAN) offering exciting opportunities to diversify and grow their operations while building new revenue streams. ASEAN has a combined GDP of £1.9 trillion and nearly a third of the region's 630 million population are school-age. The region's economic growth trajectory is forecast to continue and for ASEAN to become the world's fourth largest economy by 2050. The UK are market leaders in the provision of TNE in ASEAN and a British higher education is highly prized. However competition is increasing and there is further room for expansion.

At a critical moment in the UK's international relations, universities will have a crucial role to play in establishing new networks and influence around the world. Government and the higher education section has the capacity to cooperate in order to grow the UK's influence in new economies and developing nations.



The All-Party Parliamentary **University Group**

Future meetings

Tuesday 30 April 2019

BAME attainment gap

17:00-18:00, Grimond Room

Tuesday 14 May 2019

Higher Education/Further Education pathways

8:30-10:00, Terrace Dining Room B

Tuesday 25 June 2019

Post-18 Education and Funding Review

18:00-19:30, TBC

For more information about the group please email appug@universitiesuk.ac.uk or visit www.universityappg.co.uk