

LEADING INTERNATIONALIZATION

Changing Demographics and Economic Realities

BY CHARLOTTE WEST



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NAFSA's 2016 Symposium on Leadership, "Leading Internationalization: Changing Demographics and Economic Realities," was held at the NAFSA 2016 Annual Conference & Expo on Tuesday, May 31, in Denver, Colorado. The symposium explored how higher education leaders can balance competing interests and economic pressures in the face of changing demographics and economic realities. More than 150 international education leaders—including more than one-third from outside the United States—gathered to hear how institutions are responding to challenges such as an increasing diversity of students, geographic shifts in mobility flows, reprioritization of government funding, and greater emphasis on return on investment. Symposium participants engaged in multiple breakout discussions to network and brainstorm solutions with representatives of similar institutional types from around the world.



Alex Usher, president of Higher Education Strategy Associates, gave the keynote address, "The Shape of Things to Come: The Role of Internationalization in Times of Change." He outlined five trends facing higher education institutions in the twenty-first century, and identified several markets where demand for education will be growing in the next several decades. Usher's presentation was followed by a panel discussion, "Comparative Institutional Perspectives," featuring José Celso Freire Junior, associate provost for international affairs at São Paulo State University (UNESP) and president of FAUBAI (Brazilian Association for International Education); Laura Howard, lecturer at the Universidad de Cádiz and president of the European Association for International Education (EAIE); and Ashish Vaidya, former provost and vice president for academic affairs and current interim president at St. Cloud State University. They provided a comparative view from three regions of the world: Latin America, Europe, and North America.



Senior international officers from four different institutions then shared their perspectives on leadership in times of change during the final session, “Lessons Learned: Voices from the Field.” The panel featured Douglas Palmer, vice president for academic affairs and associate professor of history at Walsh University; Kavita Pandit, associate provost for faculty affairs at Georgia State University and a member of the NAFSA Board of Directors; Mike Proctor, vice president for global initiatives at the University of Arizona; and Jeff Riedinger, vice provost for global affairs at the University of Washington and member of the NAFSA Board of Directors. They each shared scenarios they have encountered at their respective institutions and discussed the lessons they learned in light of the trends Usher identified.

RISING DEMAND AND CHANGING DEMOGRAPHICS

Usher identified five “megatrends” that will affect the global flows of students in the future: ris-

ing demand, changing demographics, financial constraints, changing institutional missions, and continued popularity of universities in Europe, Australia, and North America.

One of the major trends is a rising demand for higher education in the developing world, according to Usher. “Demand has more or less peaked within the developed world. But in the rest of the world, there’s a lot of room to grow,” he said, pointing to countries such as China and India as examples of markets with rising demand.

In developing countries, he explained, one of the simplest ways for students to distinguish themselves is to earn a degree from an English-speaking country. “That means the rising demand for international education will largely be met in developed countries,” he said.

He argued that many countries are also experiencing demographic shifts. According to Usher,

Comparative Institutional and Regional Perspectives

More than one-third of all attendees at the 2016 NAFSA Symposium on Leadership were international. In addition to representatives from North America, there were participants from Africa, Asia, Australasia, Europe, and South America. The panel “Comparative Institutional Perspectives” provided insights into developments in international higher education in three regions of the world.

BRAZIL

José Celso Freire Junior, associate provost for international affairs at São Paulo State University (UNESP), discussed several of the challenges faced by Brazilian higher education institutions in relation to poverty and access.

He described the current situation as “paradoxical”: “In Brazil, the public higher education system is free at all levels. However, the lower-income population that attends the free government high schools has little access to public higher education institutions, which are free and have better research programs,” he said.

Instead, many middle- and upper-class students who could afford higher quality private secondary education are much better prepared to attend public universities.

However, Freire added that the situation has changed somewhat in recent years with an overall decrease in poverty rates, and social inclusion policies promoted by the Brazilian government have helped increase social equality. “Specifically in higher education, the federal government has doubled the number of university vacancies in Brazil,” he said.

According to Freire, the government has also started to assist some public high school students in their transition to public institutions and reserved a number of university spots specifically for the indigenous population. For the private education sector, the government has launched a scholarship program for low-income students to attend private institutions and has provided more educational loans.

EUROPEAN UNION

Laura Howard, lecturer at the Universidad de Cádiz and EAIE president, presented the findings of a report—*Internationalisation of Higher Education*—that she coauthored for the European Parliament that provides a comprehensive overview of internationalization of higher education in the current European context. “More and more strategies for internationalization of higher education are being launched in European countries as the governments of these countries start to see internationalization as part of a bigger strategy to position their country in the world.

And there is a growing trend away from ad-hoc internationalization to a far more systematic approach,” she said.



demographics have peaked in Europe and China with continued—albeit slow—growth in the United States. He said that Asia remains the main source of current growth. “Twenty-five years from now, Africa will have the only set of higher education systems that will still be growing,” he said.

Declining populations have impacted funding for higher education in some regions. Fewer students,

Usher said, means less funding: “Some of the universities that have been most successful at attracting international students, the ones with the highest proportion of international students, are situated in places with really nasty demographics.”

CHANGING DEMOGRAPHICS AFFECT FUNDING

According to Usher, changing demographics can also impact government funding. “If you don’t have an expanding youth population, the argument for higher education funding is trickier. We’ve seen that in countries all over the developed world,” he explained.

“The choice that many public institutions around the world face is between having leaner institutions...and having higher fees.”

With less funding per student, universities therefore have increased incentive to find alternative sources of income. For some institutions, the

In addition, national internationalization strategies are impacting institutional strategies. “We’re seeing a clear trend towards policy cascade...If there is no national strategy in place, institutions are developing their own responses,” she explained.

She added that as a result, universities are often under pressure to meet quantitative targets: “This means that institutions are under pressure to focus on numbers rather than outcomes.”

Other trends in Europe that she identified include insufficient funding for higher education, particularly in Central and Eastern Europe; increasing privatization; expectations that institutions will make key contributions to national development in terms of the quality of graduates and transferrable knowledge; increasing competition; and an increased move toward incorporating digital learning into internationalization strategies.

Howard added that in countries where they are seeing a rising number of students, there is a debate about “quantity versus quality.” “As student num-

bers rise, some countries and universities are starting towards improving the quality of what those students experience rather than just focusing on the numbers of those students.”

UNITED STATES

Ashish Vaidya, former provost and vice president for academic affairs and current interim president at St. Cloud State University in Minnesota, pointed to what he calls the “iron triangle” of “access, quality, and cost” as the primary challenges facing U.S. higher education. “We have had to provide more access, we need to control cost, and in fact reduce costs and at the same time we must provide excellent quality. This is the greatest challenge that we’ve been grappling with for the last 10 years or so. Two- and four-year public institutions in the United States have actually seen a decline in funding,” he said.

Vaidya also discussed the changing demographics of students in the United States in relation to achievement. He cited demographer William Frey of the Brookings

Institution, who recently predicted that college graduation rates would start to decline in 2020 based on current demographics. He added that the college enrollment rate of students from the poorest 20 percent of the population has decreased by 10 percent over the last five years, the greatest sustained decline in college-going for the poor in 40 years. He said that internationalization might be a way to help close the achievement gap. “At St. Cloud State University we prepare students for life, work, and citizenship in the twenty-first century. That drives everything we do: our curriculum, our relationship with the community, and our global engagement strategies that we follow,” Vaidya said.

He concluded by saying that an important aspect of St. Cloud State University’s approach to internationalization is increasing study abroad opportunities for underrepresented students. “Since study abroad is a high-impact practice which increases student engagement, this is an example of how we are working to close the achievement gap,” he said.

solution is recruiting international students. Others might seek grant funding, which is not always sustainable once the seed funding dries up.

Mike Proctor discussed the pressure he as Arizona State University's (ASU) senior international officer has faced in light of a 60 percent decline in state funding over the last five years. He presented a scenario in which ASU had received a grant from the Mexican government to help create a youth development network across Mexico. After a successful first year, ASU received news that the grant had been suspended. Palmer faced the dilemma of what to do about the staff members they had hired using grant money.

“(The question is) how do you avoid the risk of having to eliminate people if funding changes,” Palmer said.

Many institutions look to grants in order to supplement funding and they run the risk of being left in the lurch if the grant funding abruptly ends. Palmer said institutions need to focus on strategic planning and diversifying their funding.

“The key is to look at what sort of services an office needs to provide to operate in a given space. Then commit to the right balance of direct and indirect costing to be able to fund the needed positions on a sustained basis. If you are not going to simply central-fund a new position, you have to be able to create enough workflow to sustain the positions from other sources if the startup goes away,” Palmer explained.

He added that many international agencies are not particularly happy with the high overheads of U.S. institutions: “The key is to look at the actual—and preferably extraordinary—support or other services provided and be able to cost them out and reflect them as a direct cost, consistent with applicable rules on both the institutional side and the funding side.”

CLOSER CONNECTIONS TO GLOBAL BUSINESS

Usher also pointed out that universities have a major role to play in the global economy. As a consequence, higher education institutions are becoming increasingly interconnected with business through global supply chains. “Former industrial centers have become centers of high-tech production, and there is always an educational institution at the center of that transformation,” he said.

“As a university, we need to be engaged with the wider community...”

He argued that the most successful institutions are located in urban centers, engaged in the local economy, and the boundaries between universities and surrounding businesses are increasingly permeable. This has led to a reorientation of universi-





ties' teaching and research missions toward closer collaboration with the private sector. "You can't tell where the institutions begin and businesses end," Usher said.

The University of Washington (UW), based in Seattle, is an example of an institution with increasing permeability with the local business community. "As a university, we need to be engaged with the wider community, be involved efforts to improve the region's competitiveness and join in the local community's efforts to attract foreign direct investment to bolster the economy," said Jeff Riedinger, UW vice provost for global affairs and SIO.

The UW has recently launched the Global Innovation Exchange² in collaboration with Tsinghua University in China and with foundational support from Microsoft. "We had to answer the question, 'how do we as a university bring our global partners to Seattle in a way that creates new degree opportunities, encourages corporations to come here, and strengthens the companies that are here already?'," Riedinger said.

Through the exchange, faculty from UW and Tsinghua will teach in new degree and certificate programs, such as a recently launched master's of science in technology innovation. Microsoft employees may participate as students, mentors and project advisors, and in some cases, instructors. "There's only one city in America right now that has China's leading research university building a physical presence," Riedinger said.

**"You can't tell where
the institutions begin
and businesses end."**

"The vision of GIX is to be a global partnership between major research universities and innovative corporations to develop future thought leaders in innovation. Our goal is to help solve some of the world's most pressing problems through cross-con-

continent collaborations, not just encourage corporations to come here,” he added.

Usher added that many developing countries, which are still building their educational systems, are being left behind in terms of these global developments. He argued that investments in higher education, with the possible exception of China, are the result—rather than the cause—of industrialization. “Don’t believe the hype that there are all these universities in developing countries that are about to rival those in North America. For the very foreseeable future, European, North American, and Australian institutions are going to have a huge advantage,” Usher predicted.



NAVIGATING LEADERSHIP CHANGES AS AN SIO

Kavita Pandit recently became associate provost for faculty affairs at Georgia State University after holding positions as associate provost for international education at the University of Georgia and senior vice provost at the State

University of New York (SUNY) system. She offered advice to SIOs who might be transitioning to new roles at their institutions, or who might be experiencing changes in institutional leadership.

For SIOs who have new leaders joining their institutions, she advised: “Don’t make the assumption of thinking you know what your new boss wants.”

She also said that many SIOs see their role as trying to convince their new boss to buy into their current goals for internationalization. “SIOs can be so wedded to the strategic plan they’ve developed, and the direction they are going, that they see their job as getting the new person coming in to understand what they’re doing. So much effort is put into convincing them—or getting them up to speed—rather than really listening to what they may want of you,” Pandit explained.

“Seek out your new boss’s perspective early on. Your ability to very early on respond to what the boss wants and do it successfully will go a long way,” she recommended.

HOW MEGATRENDS IMPACT GLOBAL STUDENT MOBILITY

When analyzing global student mobility trends, Usher looks at seven factors: growth of the youth population, the viability of the middle class, domestic opportunities to study at top universities, desire to immigrate, who pays for education abroad, exchange rate risk, and political risk. He shared his analysis of the top 10 countries that send students abroad.

According to Usher, countries such as China, Korea, Vietnam, and Germany will continue to face demographic declines, although he expects the supply of students from China to continue to grow in the near future. France and the United States will continue to have limited growth. On the other hand, the youth population in countries like India, Malaysia, Saudi Arabia, and Nigeria will continue to grow.

Usher also predicted that the United States, Korea, Germany, and France will continue to have a strong middle class, with a growing middle class in China, India, Malaysia, and Saudi Arabia.

Usher added that in terms of domestic opportunities to study at top universities, China is an example of a country that has consciously avoided expanding the number of spots at its top universities. It has focused on developing quality and has allowed other universities to grow. Usher expects countries such as Nigeria, Vietnam, India, and Saudi Arabia, with less developed national educational systems, to continue to send their students abroad.

Another factor that Usher said impacts global student flows is whether education is seen as a pathway to immigration. He pointed to the United Kingdom as an example of a country that has seen a decline in international applications due to restrictive immigration policies. “One of the big things that Australia and Canada have gotten right is using higher education as a way in for immigration,” Usher said.

According to Usher, Malaysia, China, India, Vietnam and Nigeria are countries with a high demand



for immigration abroad: “The desire to immigrate really changes how students search. If you ask students from Germany, for instance, why they picked a particular university, the answer is there was a specific program. A student from India or Vietnam would say, ‘I wanted to go to the United States.’”

“If you’re recruiting in these countries where the demand for immigration is high, I’ve got one piece of advice for you: speed up your admissions decisions,” he added.

Usher also sees countries where families finance higher education abroad as durable markets. He pointed to the recent drop-off in student flows from countries such as Brazil and Saudi Arabia, which have both had large-scale scholarship programs in recent years. “Brazil looked like a really good bet four or five years ago,” Usher said.

He added that markets, such as South Korea and China, where families pay for education out of

savings rather than current spending, are also more stable.

He concluded by touching on the role of economic/exchange rate risk and political risk. Nigeria, for example, poses both economic and political risks, as its economy is reliant on a single export—oil—and the government has recently introduced foreign exchange controls in a bid to prop up its currency, including funds for study abroad.

CREATING A UNIQUE VALUE PROPOSITION

Usher concluded his keynote by challenging institutional leaders to rethink their educational offerings in global terms. “One of the most difficult challenges that I see institutions grappling with is whether or not they have a globally meaningful, unique value proposition. A lot of institutions have developed their value proposition in very local terms. That means nothing to international students...,” Usher said.

However, a global perspective can also appeal to domestic students. An example of an institution that has created a unique value proposition based on its international programs is Walsh University, a small, private Catholic institution in northeastern

“We had to understand not just the expenditure impact of having a campus in Rome, but also the revenue impact.”

Ohio. In 2006 Walsh inherited a 20-acre campus in Castel Gandolfo, just outside of Rome, Italy. To take over the campus, Walsh had to undertake a multimillion dollar capital improvement project and sign a lease covering rent, staff, and the overall operating budget for the campus. Between 2010 and 2015, Walsh faced a decline in enrollment at

home and encountered a dilemma when the Rome campus lease came up for renewal. It needed to come up with strategies to make the campus financially sustainable in the long term.

Because many Walsh students are first-generation college students and come from low-income backgrounds, study abroad is not always a viable option. Walsh decided to send cohorts of 15 students to Castel Gandolfo for eight-week terms, which meant less of a time and financial commitment for students and also opened up spots in the on-campus residence halls in Ohio. “We found some creative ways to build success. We had to understand not just the expenditure impact of having a campus in Rome, but also the revenue impact. If we can get 45 students over the course of an academic year, that in essence frees up 45 beds in our residence halls. It was going to financially benefit the university if we could keep that enrollment number (in Rome) up,” Palmer said.

Now, some students say that they choose Walsh precisely because it has a campus in Rome. “As a





MEETING STUDENTS' NEEDS IN AND OUT OF THE CLASSROOM

Usher also challenged senior international leaders to think about whether or not their teaching pedagogy meets the needs of both domestic and international students. “You’ve got lots of different ways of learning. Your teachers have to be a lot more skilled in cross-cultural education to make it work in classrooms that might be 40 or 50 percent international,” he added.

In addition to academics, Usher argued that universities need to think about how they take care of students outside of the classroom: “There’s an instinct to sort of separate them (international students) and put them somewhere else, and I’m not sure that is necessarily what you want to do.”

He said that universities need to find ways to integrate domestic and international students. “That’s something that very, very few institutions have done well. Lots are trying, but they’re still trying to find the secret sauce,” he concluded.

Catholic faith-based institution, we have a mission. Having a campus in Rome has been something to distinguish us from our peers,” Palmer said.

“Looking a step ahead to where there is a potential for growth in terms of students seeking an international education is a way to develop long-term successes.”

1 *Internationalisation of Higher Education*, by Hans de Wit, Fiona Hunter, Laura Howard, and Eva Egron-Polak, is available for download at [http://www.europarl.europa.eu/RegData/etudes/STUD/2015/540370/IPOL_STU\(2015\)540370_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/540370/IPOL_STU(2015)540370_EN.pdf).

2 See <https://www.washington.edu/gix/> for more information.

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Erich Dietrich, associate dean for global and academic programs at New York University’s (NYU) Steinhardt School of Culture, Education, and Human Development and NYU’s assistant vice president of global programs, moderated the panel with Douglas Palmer, Kavita Pandit, Mike Proctor, and Jeff Riedinger.

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