

The Economy, Higher Education, and Campus Internationalization

A DECADE INTO THE TWENTY-FIRST CENTURY, three factors have a high probability of shaping the future of campus internationalization and global student mobility: (1) the current economic downturn on top of years of higher education budget problems, and this as a catalyst for structural challenge and change in U.S. higher education; (2) growth in global higher education capacity; and (3) a widened set of drivers for campus internationalization.

The depth and breadth of the economic downturn have led some to dub it the “great recession,” certainly the worst downturn since the Great Depression, with very high unemployment, large losses in equity and housing markets, and growing public sector deficits and safety-net costs. All public sector revenue sources are under assault (e.g., income, sales, property, and capital gains tax revenues). More problematic, there were structural budget deficits at all levels of government prior to the recession and a return alone to economic health will not address these.

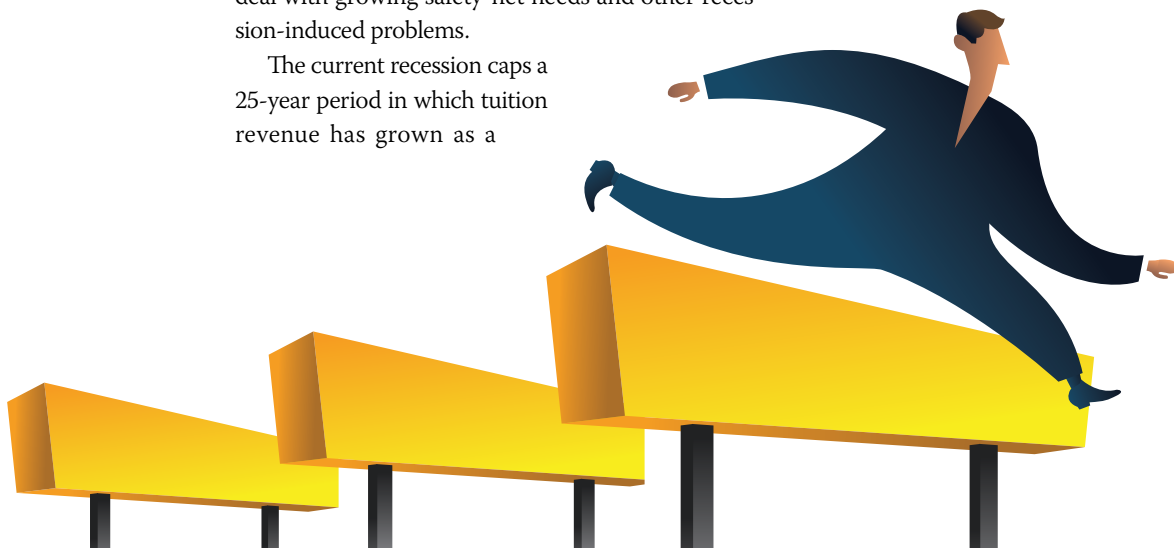
With education largely a function constitutionally reserved to the states, and because there is no national higher education system, state budgets heavily impact public higher education in the United States.

Historically, the worst years for state budgets have been the two years following the end of a recession. Large cuts in state budgets are expected through 2010 and additional cuts predicted for 2011 and perhaps 2012. More state cuts to higher education are likely, also forced partly by a transfer of available revenue to deal with growing safety-net needs and other recession-induced problems.

The current recession caps a 25-year period in which tuition revenue has grown as a

proportion of total higher education revenue (from 25 percent to 37 percent on average) and state support of the total proportionately decreased, as reported by a State Executive Higher Education Officers (SHEEO) report in 2009. In the current downturn, SHEEO estimates that constant dollar appropriations per full-time equivalent student remained lower in 2009 than most years since 1980. Tuition increases substantially above inflation compensate for public support, and this almost certainly reduces access and induces cost-cutting “trading” behaviors (e.g., attending public rather than private or two-year rather than four-year institutions, and foregoing enriching experiences such as education abroad).

Consumers and higher education likely will focus increasingly on differentiating core needs from “add-ons” as costs increase and ability to pay declines. The lesson therein for internationalization is to move from campus periphery to core, or risk substantial marginalization in the competition for scarce funds.



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Long-standing and immediate economic challenges put U.S. higher education at a crossroads. Most of the recent reactions constitute a “tactical retreat” in response to the speed and depth of the downturn (e.g., furloughs, across-the-board cuts, hiring, and spending freezes) and focusing on support rather than the academic units. Opinion remains divided about the capacity of U.S. higher education or its willingness to engage structural change. James Duderstadt, former president of the University of Michigan, building on the views of others, sees reform challenged by a system whose past achievements lull it into complacency about its future. The drag of maturity is a potent source of inertia.

Others foresee a “new normal” emerging that will force long-term structural and strategic change because further tactical responses will be insufficient and tuition cannot grow enough to take up slack. Rising pressure from Washington and elsewhere for higher education to enroll and graduate more students in the national interest and to do so without significant additional public support adds pressure for change. Globalization of higher education is likely to produce additional sources of pressure for change.

The Global Economy and Globalization of Higher Education

There is little indication that the economic downturn has affected global higher education growth, and also little evidence of an impact on student mobility. This reflects in part that the significant “emerging” economies continue to out-perform the more developed OECD economies. Continuing development of global higher education capacity has implications for competition as well as an impetus for structural reform in U.S. higher education.

Predictions by analysts based largely on global data sets (such as those from UNESCO, OECD, and IDP) currently coalesce around a view that by 2025 global higher education demand will increase to about 250 million seats annually (a 150 percent increase since 2000). Global international student mobility, currently at 2.9 million, could more

than double to 7 million annually by then. The number and size of higher education institutions globally will increase dramatically. “Emerging economies” will account for a majority of growth and significantly define the global higher education profile. With increase in demand and capacity, more of the world’s higher education systems will move from elite to more widely accessible models.

Student mobility will boom. Worldwide, more students will study at home, take degrees abroad, and incorporate education abroad into their home programs. Higher education will become ever more globally traded. Nontraditional students will grow in number. Global competition for the best faculty, administrators, and students will intensify. Price competition is likely to intensify. Competitiveness will require rapid higher education innovation. Quality control will be challenged.

Pressure for U.S. higher education to engage in change will come via “world” markets. One hesitates to draw the comparison too tightly, but shades of the U.S. automobile industry come to mind. The OECD 2008 higher education report underscores that we are already in and moving more deeply into an integrated world labor market. The concept of “workforce ready” students has a global meaning and so must educational systems preparing them, including community colleges which now account for over half of postsecondary enrollments. The cycle time for new ideas, markets, and skill needs is significantly shortened in a global knowledge society, and education systems will need to constantly innovate to remain competitive.

How Might Structural Change Impact Internationalization and Student Mobility?

Structural change to U.S. higher education may be unavoidable, even though such change will evolve over years, not months. If

the core of the enterprise begins to change in fundamental ways, it seems only prudent to expect such change to spread throughout. Budget crises are an opportunity for change, or to put it less elegantly, provide the “cover” to take actions that otherwise might not have been feasible. Based on a review of wider calls over the last few years for structural change in higher education, what might be the more salient of pressures for change that could impact campus internationalization?

■ **Funding, accountability, and stature based on outcomes.** Pressure is growing for higher education to document outcomes and impacts (e.g., what students actually learn, what they can do, what jobs they get, or the reputation and applications of faculty research?). The widening interest in measuring outcomes will spread to internationalization and its components such as education abroad. Will the international education community be able to demonstrate the achievement of desired outcomes with hard data?

■ **Speeding time to degree.** Pressure is growing to increase substantially the number who complete postsecondary education and reduce time to degrees. Will internationalization of the curriculum and, for example, language learning and education abroad delay time to degree by adding requirements? What are the wider innovations and reforms necessary to avoid this?

■ **From “add-on” to integration into the core.** When budgets tighten, organizations of all kinds seek to define their core and to distinguish the “must do’s” from the “nice to do’s” and the “don’t need to do’s.” If campus internationalization is viewed in a tight budget climate as an “add-on,” it can be “subtracted off.” Integration of internationalization into the academic core becomes important. For example, integration of international content into existing degree requirements (e.g., general education as well as majors) is one strategy. Championing adoption of more flexible academic calendars and learning modules can increase the ease with which international content is included during the degree. Internationalization may itself have to become a catalyst for such change, but at the very minimum it cannot afford to be aloof from it.

Perhaps we have reached a tipping point and an understanding that we can't pretend to be graduating "educated" persons if they know little beyond our borders.

■ **Review of curricula, academic core, and governance.** There are calls for a complete review of the academic core in response to a variety of challenges including budgets, globalization of higher education, and national needs. Whether such systematic review occurs, the speed with which cutting-edge knowledge emerges in a global knowledge society, and the decreasing half-life of cutting-edge knowledge, requires ongoing and reduced cycle time for curricular revision. In the interest of being competitive, it also requires decisionmaking and governance systems that reduce their own cycle time. Can institutional governance systems become more responsive? Will advocates of campus internationalization be at the core of ongoing change in curricula and governance deliberations; or will they and the elements of internationalization be on the periphery and an afterthought? The latter chases marginalization.

■ **Cost control, access, and innovation.** Cost control and access will be core challenges in U.S. higher education for at least the coming decade. Campus internationalization cannot proceed effectively in the present and future budget climates if it adds huge cost burdens. How can campus internationalization be mainstreamed (access to it democratized) in a cost-effective manner? This will be the major challenge for campus internationalization in the decade ahead; innovation will have to occur in the way that expands access to international content and learning, and this will require creativity in what is taught and how subject matter, courses, and programs are delivered. Some longstanding modes of delivery and content will have to be jettisoned. Advances in campus internationalization will be inextricably tied to creativity and innovation in its definition and delivery.

■ **Partnerships and collaborations.** Some calls for structural reform focus on building bridges across disciplines, institutions, and borders. There are longstanding calls for increased interdisciplinary programs and subject matter in higher education (e.g., environmental studies); internationalization can contribute to such efforts. Calls to reduce programmatic duplications across institutions or to shut low enrollment programs will

force greater attention to inter-institutional partnerships, both domestic and international, to deliver content and programs.

■ **A broadening of internationalization beyond teaching and learning.** With the "globalization" of nearly everything (e.g., information, communication, research capacity, and the cross-border flow of problems and opportunities) institutional research and problem solving increasingly cross borders, and broaden the meaning of campus internationalization. Although arguably, all institutions of higher education engage to some degree in both knowledge creation and knowledge dissemination, there is tremendous diversity in the attention and priority given instructional, research, and outreach missions across institutions (from liberal arts four-year institutions to the big research institutions). With allowances for such differences in emphasis among types of institutions, campus internationalization will be challenged on many campuses to move beyond its curricular and instructional foci.

■ **Pressure to forge cross-mission synergies.** Budget constraints prompt interest in investments that produce "twofer" and "threefer." This, too, challenges campus internationalization to be more mission holistic and synergistic in its orientation. In a more synergistic environment, for example, the choice of institutional partners is not simply a matter of finding a conducive education abroad site, but one that could also serve institutional research and outreach missions. Campus internationalization will increasingly have to become intertwined with all relevant institutional missions (teaching, research, and outreach problem solving). Are there cross-walks on campus between those focused on internationalizing curriculum and learning and those engaged internationally in research and outreach?

■ **From expertise for the few to access for the many.** The "massification" of higher education globally will mean a movement away from elite to more widely accessible models. The parallel in internationalization is moving from programming that focuses on building regional and area expertise for national needs and toward simultaneously mainstreaming international content and perspective into the learning and work of all students and faculty—democratizing access. Building expertise and mainstreaming are both essential in the twenty-first century.

■ **Responding to nontraditional student need.** Part-time students, students with families to support, students who must work while enrolled, returning students, adult learners, and students from diverse backgrounds are the new majority and the new "traditional" student. As higher education changes to respond to diversity, how will campus internationalization facilitate access and mobility for a more diverse client pool?

Forces Propelling Internationalization in the Face of Budget Constraints

Many forces shape institutional choices about whether and how to engage internationalization. Professor Alan Ruby of the University of Pennsylvania suggests that internationalization proceeds and endures not because of government assistance but, rather, through a combination of internal institutional values, recognition of market forces, and changing views of core missions. The U.S. decentralized model diminishes the potential influence of the federal government and establishment of a national higher education policy, but it also encourages a rich diversity of approach and programming for internationalization.

In an article written for the *International Educator* a year ago, I noted that "many key U.S. programs supporting international education and exchange were conceived during the Cold War; since the end of that era, the somewhat singular focus on national security as the rationale for developing language and international expertise has broadened to include many other compelling reasons." Arguably, a wider rationale for campus internationalization has created a condition where

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institutions have little choice but to internationalize. Perhaps we have reached a tipping point and an understanding that we can't pretend to be graduating "educated" persons if they know little beyond our borders.

General public opinion as reflected in both national surveys (American Council of Education) and state-level surveys (Michigan State University) demonstrate that a majority of Americans, sometimes great majorities, believe language study should be required, education abroad strongly encouraged or required, and international content in curriculum and learning expanded. As part of choosing a college to attend, increasingly students and parents want to know the international learning opportunities that will be available. A February 2010 Association of American Colleges and Universities report of survey results from business representatives strongly reinforces that graduates must be internationally informed and capable of global engagement.

National security, global competitiveness, and needs for a globally informed society all have strengthened interest in internationalization over the last 40 years. So, too, the shrinking of public support and the encouragement of entrepreneurialism has widened the range of clientele to whom institutions must be responsive.

Funding is, of course, important and the current economic downturn on top of a long prior period of disinvestment presents challenges to the continued strengthening of campus internationalization. However, numerous internal and external factors align to strengthen the visibility and perceived importance of campus internationalization. The challenge will be to connect campus internationalization with the opportunities presented by change rather than the challenges presented by budget constraints. **IE**

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