The Growing Complexity of Global Engagement in Higher Education

From Coronavirus to Economic Espionage, What to Look Out For and How to Prepare

EAB Research
Three Big Questions to Keep in Mind

We Will Revisit these Throughout Today’s Presentation

1. What did you learn that confirmed what you think about global trends? What did you learn that changed the way you think about global trends?

2. What actions do you want to take or things you want to do differently in your unit with this context and information?

3. How did the content connect to how you see Missouri State University engaging globally in the coming years?
Goals for Today’s Webinar

Areas of Inquiry and Discussion

- Go beyond the headlines of global higher ed news
- Double-click on specific areas of international engagement
- Look ahead to this decade’s emerging trends
- Get everyone up-to-speed on what’s happening across campus.
- Establish an institution-wide framework for reviewing international partnerships

**Today Is Not Just About Coronavirus**

The onset and response to COVID-19 has exacerbated—and in some instances accelerated—the trends we will unpack today. We will discuss the coronavirus-related impacts for each area, but also want to explore the early indicators of growing complexity that were present well before the virus.

Source: EAB interviews and analysis.
Global Engagement Under a Media Spotlight

Below the Headlines Lie Emerging Structural Trends

**Isolated Media Storms**

Will coronavirus crisis trigger an enrollment crisis?

US charges three researchers with lying about links to China

Third of international students in US ‘discriminated against’

**Macro Climate Change**

**Protectionist Politics**
Increased protectionist movements in the US and abroad have prompted skepticism towards globalization and international institutions, including universities

**Contested Campuses**
Geopolitical and economic fractures increasingly trickle—and occasionally flood—down to impact campus culture

**Competitive Collaborators**
International universities have emerged as strong competitors to US institutions in terms of talent and research activity

**Regulatory Revisions**
Policies have changed to curtail certain partnerships and provide elevated scrutiny on others, especially research and advancement activities

Seeing the Forest Through the Trees

Current Conversations Often Overlook the Big Picture

Highly Dynamic Situation

Events and circumstances change rapidly, inhibiting effective planning; multiple actors and competing interests complicate decision making.

Interconnected Issues

Many perceived threats, such as cybersecurity, overlap with one another and cannot be managed in isolation.

Disruption to Business Model

Prospective and established business lines face revenue and operating challenges as a result of international and political rifts.

Compounded Risk Exposure

Amplified regulatory, financial, operating, and reputational risks accumulate through global exposure.

New International Operating Environment for Higher Education

- Greater volatility and uncertainty
- Elevated regulatory and public scrutiny
- Reduced opportunities and increased competition

Source: EAB interviews and analysis.
Our Focus Today

International Strategy at the Intersection of Four Campus Priorities

What We’re Discussing Today

- Current state of affairs
- Short-term trends
- Long-term projections
- Critical decision points
- How to prepare today

Enrollment

Research

Campus Experience

Advancement
1. Enrollment
2. Campus Experience
3. Research
4. Advancement
5. Looking Forward
Stagnation After Years of Growth

Shifting International Markets Points to the Need to Diversify Sources

International Enrollment Plateaus After A Decade of Robust Growth...

...Reflecting Changing Market Realities in Top Feeder Countries

- Four of the top five markets for US students stagnant (China, Canada) or declining (South Korea, Saudi Arabia)
- Increased competition from international universities in Canada, Australia and the United Kingdom
- Stronger affinity and incentives to attend domestic institutions
- Transitioning demographics in China and South Korea and funding challenges in Saudi Arabia

...But Masking Strong Growth in Emerging Markets

- 6-10% Growth in enrollment from under-tapped rising economies (e.g., Bangladesh, Brazil, Nigeria, and Pakistan)
- 3% Growth from India, which has one of the fastest growing youth population in the world

Source: EAB analysis of 2012-18 IPEDS enrollment data; IIE Open Doors Report; EAB interviews.

1) ‘Graduate’ includes all master’s and doctoral programs.

©2020 by EAB. All Rights Reserved. eab.com
Global Enrollment Will Take Off in Next 20 Years

But US Poorly Positioned to Take Advantage of Future Growth

Massive Projected Growth in Global Higher Education Enrollment

Higher Education Enrollment Worldwide; 2015 (Actual); 2020 to 2040 (Projected); In Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>214.1</td>
<td>250.8</td>
<td>377.4</td>
<td>594.1</td>
</tr>
</tbody>
</table>

But Restrictive US Government Policies Pose Challenges for International Recruiting

- Delays in processing student visas and higher likelihood of visa denials
- Changes to “unlawful presence” policy, making it challenging for international students to maintain legal status in the US
- Travel bans impacting work and/or visitors’ visas from 12 countries

Covid-19 and Election Rhetoric Likely to Exacerbate Recruiting Concerns

- Uncertain travel restrictions
- Failure to contain virus, leading to loss of confidence in the US as a safe destination
- Anti-immigration rhetoric ahead of elections fueling concerns about racism and xenophobia

Long Term Growth Driven By Countries in Africa and South Asia

- Favorable Demographics: Rapidly growing youth populations in Sub-Saharan Africa and India
- Rising Economies: Majority of the fastest growing economies in the world located in these two regions
- Encouraging Student Mobility Trends: Nigeria’s outbound student migration grew by 32% between 2013 and 2017

Source: EAB Analysis of IPEDS Data; College Board, Trends in Student Aid, 2019, Calderon, Angel "Massification of Higher Education Revisited June 2018," RMIT University, EAB interviews and analysis.
Diversifying the Enrollment Playbook

Smart Institutions Experimenting with New Strategies within their Control

**Reducing Cost of Degree**
Extending domestic pricing to internationals, including offering in-state tuition to international students

**Implementing Test-Flexible Policies**
Accepting home country tests – IB scores, A-levels, Gaokao qualifications – in lieu of SAT and ACT

**Facilitating International Career Placement Opportunities**
Identifying skills gaps in foreign countries and building employer partnerships/tuition reimbursement arrangements with overseas employers

**Investing in Asset-Lite Global Network Models**
- Partnering with foreign institutions to confer American degrees abroad
- Acquiring campuses abroad

Source: EAB interviews and analysis.
Three Big Questions to Keep in Mind

Regarding Enrollment

1. What did you learn that **confirmed** what you think about global trends? What did you learn that **changed** the way you think about global trends?

2. What **actions do you want to take** or things you want to do differently in your unit with this context and information?

3. How did the content connect to **how you see Missouri State University engaging globally** in the coming years?
Enrollment

Campus Experience

Research

Advancement

Looking Forward
The Sign Says Open, but It Feels Closed

International Students, Faculty, and Staff Remain Targets of Discrimination

A History of Global Politics Playing out on College Campus...

**1940s-1950s**
International and domestic faculty were targets of McCarthy-era investigations.

**1950s-1970s**
International students were targets of anger and distrust during periods of global tension and war.

**2000s-Present**
International students and faculty from certain countries remain targets of investigations, bias, and hate crimes.

...Made Worse by Recent Events.

- Escalating economic and political tensions with China
- Distrust of Chinese (and all Asian) faculty on US campuses
- Increased pressure on other countries to pick a side
- Global pandemic that originated in China spread to the US

Source: EAB interviews and analysis.
Challenges Facing International Campus Communities in the Coming Years

Rise in Bias-Related Incidents on Campus
Universities are reporting an increase in discrimination based on race, nationality, gender, sexual orientation, and religion.

Decrease in Opportunities to Stay
The decline in employer-sponsored visas is making it tougher for international students to work in the US after they graduate, with many not wanting to test their luck in the lottery system.

Increase in Pressure to Return Home
Many countries are creating incentives for international students to return home for graduate school or work after completing their undergraduate studies abroad.

Rise in Bias-Related Incidents on Campus

- Global news networks are also picking up stories of bias and hate crimes, raising concerns about the safety and acceptance of international students in the US.

International Implication

- Unfriendly US visa policies reduce student interest in studying in the US, opening the door for other countries to recruit more international students.

International Implication

- Increased incentives encourage students and their families to consider domestic higher education options over US schools, with the hope that eventually local options become the first choice for all students.

International Implication

Source: Chronicle of Higher Education, “Hate Crimes on Campus are Rising, New FBI Data Show”; Bloomberg, “The International Student Slump Isn’t Just About Trump”; EAB interviews and analysis.
The Long Tail of Failed International Retention

Institutional Impact Goes Beyond Initial Enrollment Declines

1. Decline in undergraduate international enrollment
2. Fewer international students to stay for graduate school
3. Decline in graduate student enrollment
4. Fewer international graduates to fill PhD programs
5. Decline in doctoral program enrollments
6. Fewer high-caliber candidates for critical faculty roles
7. Decline in faculty candidate pools in certain disciplines
8. Fewer international faculty to model commitment to international students
9. Further decline in undergraduate international enrollment

Source: EAB interviews and analysis.
Three Big Questions to Keep in Mind

Regarding Campus Experience

1. What did you learn that confirmed what you think about global trends? What did you learn that changed the way you think about global trends?

2. What actions do you want to take or things you want to do differently in your unit with this context and information?

3. How did the content connect to how you see Missouri State University engaging globally in the coming years?
1. Enrollment
2. Campus Experience
3. Research
4. Advancement
5. Looking Forward
Suspicion Overtakes Collaboration

As China Rises to the US’s Level, Protectionist Instincts Set In

China’s Scientific Rise Is Capturing Headlines...

- **China Declared World’s Largest Producer of Scientific Articles**

- **China is Overtaking the US in Scientific Research**

- **Tsinghua University May Soon Top the World League in Science Research**

...and the Attention of Lawmakers and Regulators

- **National Priority Suspicion**
  - China’s explicitly stated national priorities have yielded a defensive reaction from the US, so far focused on protection and punishment.

- **Foreign National Suspicion**
  - From graduate students to tenured faculty, lawmakers have grown increasingly distrustful of Chinese scholars at US universities.

- **Foreign Engagement Suspicion**
  - All forms of foreign investment in research are under scrutiny, including gifts, equipment, and industry money.

Source: Nature, China Declared World’s Largest Producer of Scientific Articles; Bloomberg, China is Overtaking the US in Scientific Research; The Economist, Tsinghua University May Soon Top the World League in Science Research; EAB interviews and analysis.
Some Justified Growing Concerns

Research Caught in the Middle of a Trade War

Loss of Top Talent (Intentional or Not)
The ripple effect of faculty investigations and talent acquisition programs is costing us our best and brightest.

Espionage in Sensitive Labs
Investigations continue to expose intentional placement of foreign researchers into restricted spaces.

Direct Influence of Ongoing Research
Foreign governments continue to access research through funding, gifts, and partnerships, often with unwitting faculty.

Cyber Attacks Against Universities
Concentrated, coordinated cyber-attacks by state-sponsored actors are becoming more common and getting better results.

Intellectual Property Theft
Through direct theft or indirect acquisition, foreign agents continue to extract discoveries from universities.

Abdication of Global Leadership
While we turn inward to combat specific threats, the rest of the world continues to invest and excel in R&D without us.

Source: EAB interviews and analysis.
## Potential Benefits

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing more funding</td>
<td>Competition can galvanize financial support for science from government and industry</td>
</tr>
<tr>
<td>Solving complex societal issues</td>
<td>Advances in science create global dialogues around societal problems and connect disparate efforts</td>
</tr>
<tr>
<td>Developing the next generation</td>
<td>Innovative science competition can captivate the minds and creativity of the next generation of scientists</td>
</tr>
<tr>
<td>Creating jobs along the way</td>
<td>Economic and technological competition result in net benefits for global science research and markets</td>
</tr>
</tbody>
</table>

### Coming Together When It Matters Most

Of course there are people in competition. This is the human condition. What is important is to come up with a solution for everyone. The way to achieve that is to collaborate.

**Dr. Yazdan Yazdanpanah**
Director, Infectious Diseases
Inserm, France

Three Big Questions to Keep in Mind

Regarding Research

1. What did you learn that confirmed what you think about global trends? What did you learn that changed the way you think about global trends?

2. What actions do you want to take or things you want to do differently in your unit with this context and information?

3. How did the content connect to how you see Missouri State University engaging globally in the coming years?
ROAD MAP

1. Enrollment
2. Campus Experience
3. Research
4. Advancement
5. Looking Forward
Foreign Giving Under Scrutiny

Dept. of Education Dusts Off Section 117 and Holds Schools Accountable

Section 117 in Brief

- Federal foreign gift and contract reporting requirements for universities stem from Section 117 (Sec. 117) of the Higher Education of 1965 as amended in 1986
- Requires universities to disclose, through semi-annual reporting, gifts and contracts received from a foreign entity that meet or exceed a threshold of $250,000 in total value

Legacy (1986-2017)

- Deprioritized regulation
- Loose reporting standards
- Limited policy compliance guidelines
- Few investigations and enforcement actions

Present (2017-2020)

- Amplified pressure to prioritize regulation
- Scrutiny of prior university and department procedures
- Increased reporting requirements
- More investigations and threats of enforcement

Department of Education

- Amplified pressure to comply
- Recognition of lapses in reporting procedures
- Elevated industry saliency and leadership awareness
- Unmitigated and high risk

Universities

- Deprioritized compliance
- Inconsistent reporting
- Lack of university oversight and due diligence
- Unmitigated but low risk

Source: EAB interviews and analysis.
## New Operating Rules on Foreign Gifts

### Potential Impacts of Sec. 117 Changes on Colleges and Universities

<table>
<thead>
<tr>
<th>Partnerships</th>
<th>International Giving</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppresses international activities, partnerships, and collaborations by adding new formal and informal barriers</td>
<td>Removes donor confidentiality, unmasks previously anonymous donors, and constrains eligible and interested donor pool</td>
<td>Adds administrative as well as due diligence burden that universities are not equipped to handle without substantial resource investments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liability and Risk</th>
<th>Financial Practices</th>
<th>Broad Scope of Sec. 117</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dramatically expands institutional regulatory and compliance risk, as well as legal liability for individual institutional leaders</td>
<td>Increases scrutiny of institutional accounting practices due to their failure to fully disclose necessary financial transactions, potentially having implications on institutional audits and creditworthiness</td>
<td>Indiscriminately impacts activities with allied and neutral nations, not just adversarial actors</td>
</tr>
</tbody>
</table>

Source: EAB interviews and analysis.
International Philanthropy in the New Era

Four Macro Trends That Will Likely Shape the Years to Come

1. **Economic volatility**
   - Brought about by COVID-19 and trade war disruption will impact donor wealth and willingness to give.

2. **New wealth centers**
   - Emerge in maturing economies in East Asia and the Middle East, shifting donor pool’s composition and preferences.

3. **Nationalist governments**
   - Will scrutinize international relationships and want to see their country's interests prioritized and protected.

4. **Global competition**
   - Arises as donor’s have more opportunities and stronger incentives to invest in their home nation.

Source: EAB interviews and analysis.
Three Big Questions to Keep in Mind

Regarding Advancement

1. What did you learn that **confirmed** what you think about global trends? What did you learn that **changed** the way you think about global trends?

2. What **actions do you want to take** or things you want to do differently in your unit with this context and information?

3. How did the content connect to **how you see Missouri State University engaging globally** in the coming years?
1 Enrollment
2 Campus Experience
3 Research
4 Advancement
5 Looking Forward
Once a Sure Bet, Now a Risky Investment

Reviewing the Opportunity-Risk Nexus of International Engagement

<table>
<thead>
<tr>
<th>Historical Opportunity</th>
<th>Present-Day Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition revenue to subsidize flat or declining domestic enrollment</td>
<td>Enrollment</td>
</tr>
<tr>
<td>Positive experiences yield long-term engagements, widens recruitment channels</td>
<td>Campus Experience</td>
</tr>
<tr>
<td>Collaborations increase global brand exposure, funding, and discoveries</td>
<td>Research</td>
</tr>
<tr>
<td>Expanded donor pool to regions with wealth and enthusiasm for the university</td>
<td>Advancement</td>
</tr>
</tbody>
</table>

**Critical Question:**

Is the opportunity still great enough?

**Critical Question:**

How much exposure are we comfortable with?
Throw Out the One-World Playbook

Focus Instead on Core International Engagement Principles

**Sample International Engagement Principles**

- **Shares university’s fundamental values**
- **Advances university’s core mission**
- **Balances risk and opportunity**
- **Benefits both partner universities**

**Sample Evaluation Criteria**

- **Shares university’s fundamental values**
  - Is the partnership equally accessible to all students and faculty?
  - Does it uphold our institution’s/state’s/country’s values?

- **Advances university’s core mission**
  - Does the partnership advance knowledge and discovery?
  - Does it strengthen the student learning experience?

- **Benefits both partner universities**
  - What does each partner gain?
  - How long before the partnership produces benefits/ROI?

- **Balances risk and opportunity**
  - What risks does the partnership present?
  - How often are partnerships reviewed?

Source: UC Berkeley, Principles for Global Engagement; MIT, Goals and Principles for Global Engagement; EAB interviews and analysis.
Three Big Questions to Keep in Mind

One Last Time!

1. What did you learn that confirmed what you think about global trends? What did you learn that changed the way you think about global trends?

2. What actions do you want to take or things you want to do differently in your unit with this context and information?

3. How did the content connect to how you see Missouri State University engaging globally in the coming years?