

The Growing Complexity of Global Engagement in Higher Education

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

Our Research Team



Today's Presenters



Jon Barnhart

Director, Research

JBarnhart@eab.com



Afia Tasneem

Associate Director, Research

ATasneem@eab.com



Jackson Nell

Senior Analyst, Research

JNell@eab.com

Contributing Researchers



Ann Lippens

*Managing Director,
Research*



Jeff Martin

*Senior Director,
Research*



Brooke Thayer

*Associate Director,
Research*

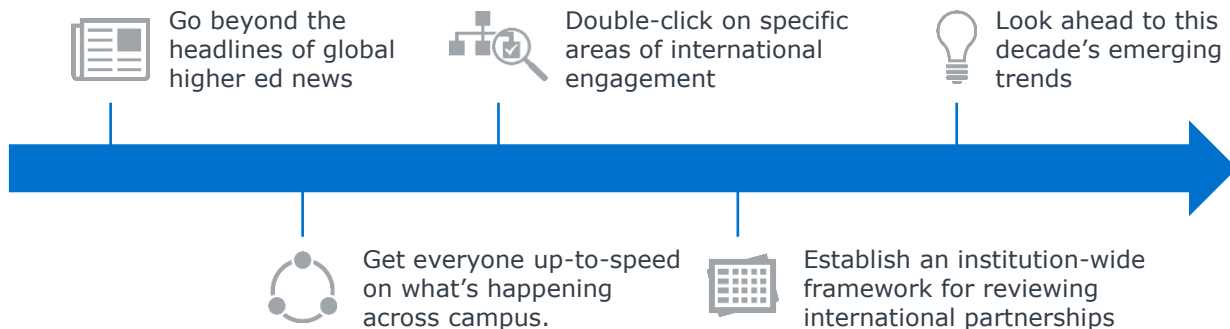


Mackenzie Pierce

*Senior Analyst,
Research*

Goals for Today's Webinar

Areas of Inquiry and Discussion



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.



Global Engagement Under a Media Spotlight

Below the Headlines Lie Emerging Structural Trends

Isolated Media Storms

INSIDE
HIGHER ED

Will coronavirus crisis trigger an enrollment crisis?

BBC
NEWS

US charges three researchers with lying about links to China

THE
TIMES
HIGHER
EDUCATION

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

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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

Our Focus Today

International Strategy at the Intersection of Four Campus Priorities



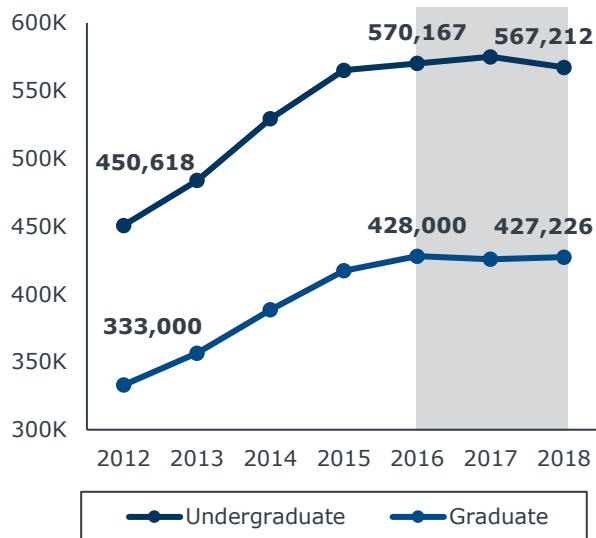
- 1 Enrollment
- 2 Campus Experience
- 3 Research
- 4 Advancement
- 5 Looking Forward

Stagnation After Years of Growth

Shifting International Markets Points to the Need to Diversify Sources

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

International Enrollments in US by Degree Level¹, 2012-2018



...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

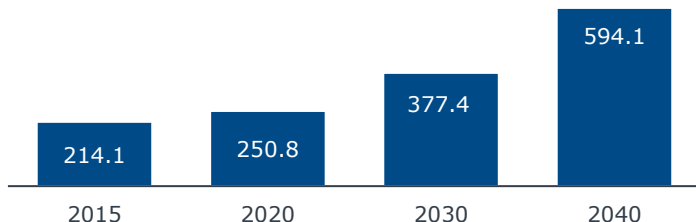
1) 'Graduate' includes all master's and doctoral programs.

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



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

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**

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



Facilitating International Career Placement Opportunities

Identifying skills gaps in foreign countries and building employer partnerships/tuition reimbursement arrangements with overseas employers



Implementing Test-Flexible Policies

Accepting home country tests – IB scores, A-levels, Gaokao qualifications – in lieu of SAT and ACT



NEW YORK UNIVERSITY

Investing in Asset-Lite Global Network Models

- Partnering with foreign institutions to confer American degrees abroad
- Acquiring campuses abroad



KEUKA
COLLEGE



Northeastern
University

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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

Climbing a Steeper Hill

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.

International Implication

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



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.

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.



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.

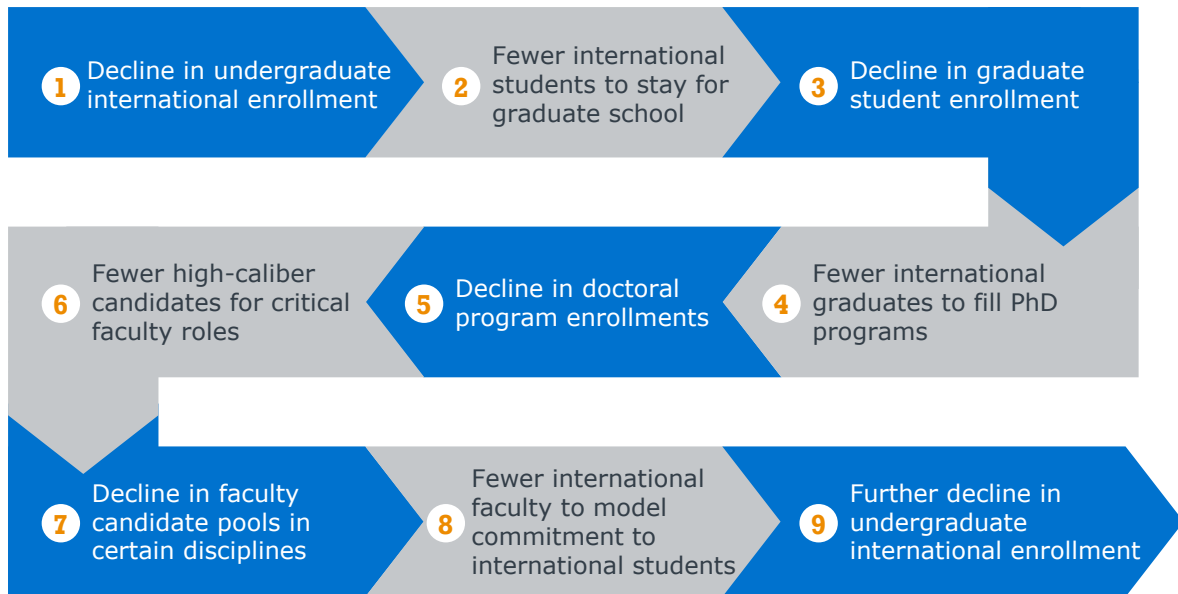
International Implication

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.

The Long Tail of Failed International Retention

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Institutional Impact Goes Beyond Initial Enrollment Declines



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Suspicion Overtakes Collaboration

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

China's Scientific Rise Is Capturing Headlines...

nature
International Journal of Science

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

...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

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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

In the Middle of the Storm, A Silver Lining



Downstream Benefits to Increased Competition

Potential Benefits



Securing more funding

Competition can galvanize financial support for science from government and industry



Solving complex societal issues

Advances in science create global dialogues around societal problems and connect disparate efforts



Developing the next generation

Innovative science competition can captivate the minds and creativity of the next generation of scientists



Creating jobs along the way

Economic and technological competition result in net benefits for global science research and markets

“

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

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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



Department of Education

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



Universities

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

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

New Operating Rules on Foreign Gifts

Potential Impacts of Sec. 117 Changes on Colleges and Universities



Partnerships

Suppresses international activities, partnerships, and collaborations by adding new formal and informal barriers



International Giving

Removes donor confidentiality, un.masks previously anonymous donors, and constrains eligible and interested donor pool



Compliance

Adds administrative as well as due diligence burden that universities are not equipped to handle without substantial resource investments



Liability and Risk

Dramatically expands institutional regulatory and compliance risk, as well as legal liability for individual institutional leaders



Financial Practices

Increases scrutiny of institutional accounting practices due to their failure to fully disclose necessary financial transactions, potentially having implications on institutional audits and creditworthiness



Broad Scope of Sec. 117

Indiscriminately impacts activities with allied and neutral nations, not just adversarial actors

International Philanthropy in the New Era

Four Macro Trends That Will Likely Shape the Years to Come



Economic volatility
brought about by COVID-19 and trade war disruption will impact donor wealth and willingness to give



New wealth centers
emerge in maturing economies in East Asia and the Middle East, shifting donor pool's composition and preferences



Nationalist governments
will scrutinize international relationships and want to see their country's interests prioritized and protected



Global competition
arises as donor's have more opportunities and stronger incentives to invest in their home nation

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Once a Sure Bet, Now a Risky Investment

Reviewing the Opportunity-Risk Nexus of International Engagement

Historical Opportunity

Present-Day Risk

Tuition revenue to subsidize flat or declining domestic enrollment



Enrollment



Global instability and shifting markets not yielding expected financial return

Positive experiences yield long-term engagements, widens recruitment channels



Campus Experience



Increasingly negative experiences deter current retention, future enrollments

Collaborations increase global brand exposure, funding, and discoveries



Research



Greater scrutiny, fear of criminal charges lead to disengagement

Expanded donor pool to regions with wealth and enthusiasm for the university



Advancement



Political backlash, increased oversight lead to decreasing financial return



Critical Question:

Is the opportunity still great enough?



Critical Question:

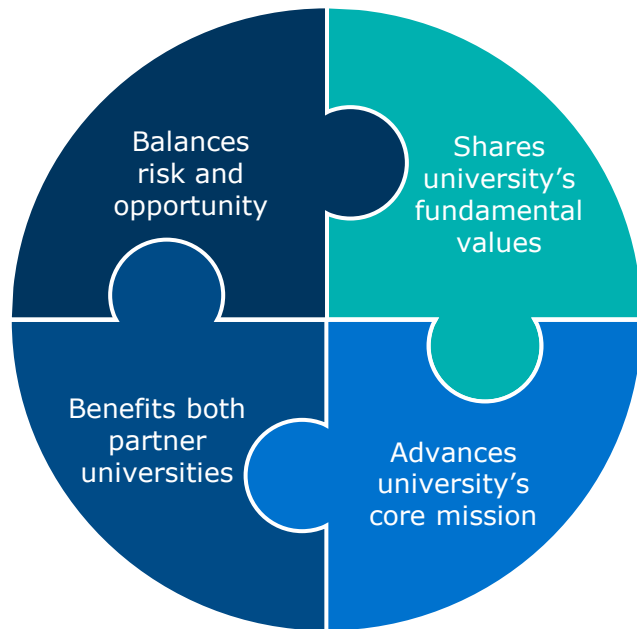
How much exposure are we comfortable with?

Throw Out the One-World Playbook

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Focus Instead on Core International Engagement Principles

Sample International Engagement Principles



Sample Evaluation Criteria

- **Shares university's fundamental values**
 - Is the partnership equally accessible to all students and faculty?
 - Does it uphold western/democratic 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?

Tough Choices for the Right Reasons

Which Types of Partnerships to Continue, Reevaluate



Joint Degree Programs

Includes two-plus-two programs and US degree conferrals abroad.

7/10 **3/10**
Opportunity Risk



Third-Party Partnerships

Includes recruiting agencies and employer partners.

7/10 **6/10**
Opportunity Risk



Study Abroad Programs

Includes university-exchange programs.

6/10 **7/10**
Opportunity Risk



International Campaigns

Includes dedicated international MGOs.

7/10 **5/10**
Opportunity Risk



Faculty Exchange Programs

Includes fellowships and agency-arranged programs.

8/10 **7/10**
Opportunity Risk



Distance Campuses

Includes temporary and permanent locations.

5/10 **9/10**
Opportunity Risk



Research Agreements

Includes one-off projects and MOUs.

7/10 **8/10**
Opportunity Risk



Specific Countries

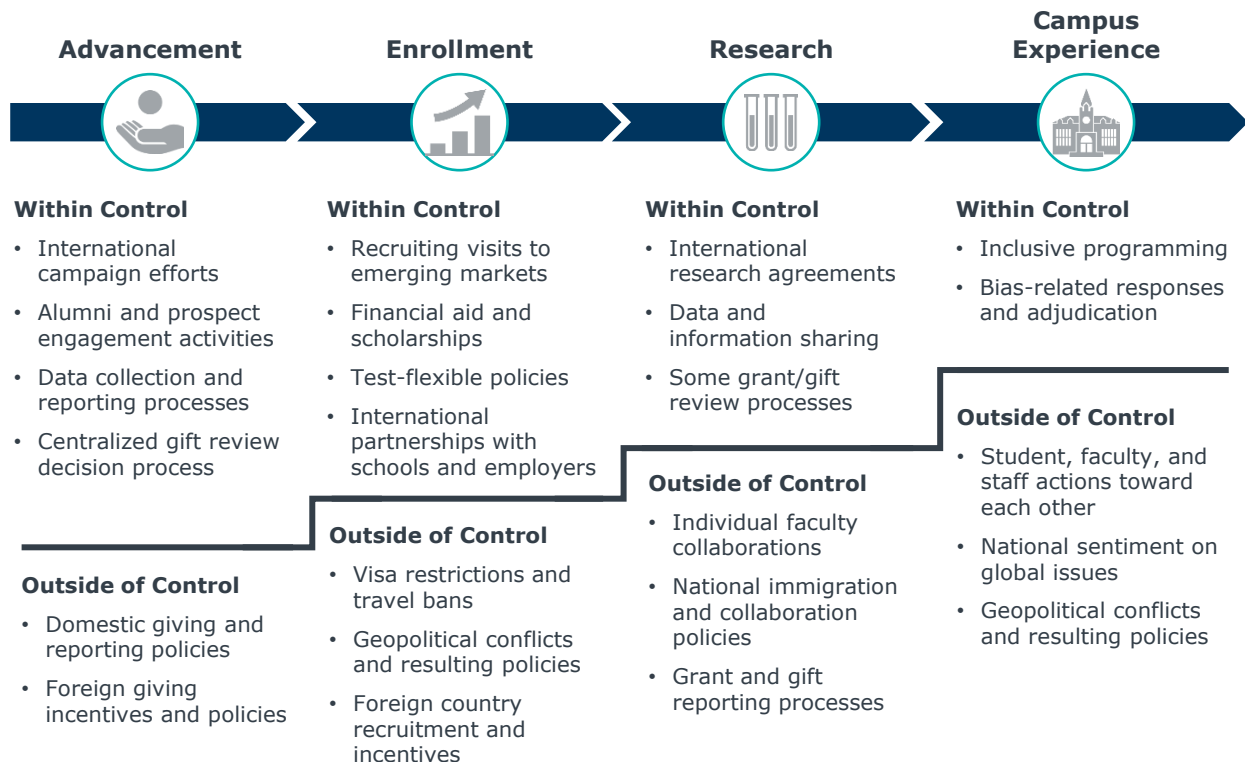
Includes specific states/provinces and federal governments.

5/10 **7/10**
Opportunity Risk

Start With What You Control

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Strategic Considerations for Impacting Each of Today's Focus Areas



Resources from EAB



Materials to Help You Navigate the Complex Global Higher Ed Landscape



COVID-19 Resource Center

This resource center helps partners navigate their institution's response to COVID-19. It provides quick access to what other public health organizations, education associations, and institutions are doing to respond to the crisis.



International Student, Alumni, and Prospect Resources

- Diversifying International Student Populations Webinar
- International Student Support Systems Resource Center
- Engaging International Alumni and Prospects Roadmap



Foreign Interference Toolkit

This toolkit is designed to help Chief Research Officers educate stakeholders on the pressures of foreign interference, stay up-to-date on emerging policy and political movements, and identify measures to help safeguard the university's research enterprise.

Additional Resources from EAB

We are exploring what other data, resources, analyses, and tools would be most helpful for you all.

Please use the chat function or webinar feedback survey to tell us what you want to see from EAB in the coming months.

Thank You!

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Questions? Feedback?

Please complete the automated survey that will be sent to your email following this webinar.



Contacting EAB

Jon, Afia, and Jackson would be happy to continue this conversation with you and your teams.



Jon Barnhart

Director, Research

JBarnhart@eab.com



Afia Tasneem

Associate Director, Research

ATasneem@eab.com



Jackson Nell

Senior Analyst, Research

JNell@eab.com