The University of Nottingham

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Rising to the Challenges and Opportunities of Global Competition

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- University of Birmingham
- University of Bristol
- University of Cambridge
- Cardiff University
- University of Edinburgh
- University of Glasgow
- Imperial College London
- King's College London
- University of Leeds
- University of Liverpool
- London School of Economics and Political Science
- University of Manchester
- University of Newcastle
- University of Nottingham
- Queen's University Belfast
- University of Oxford
- University of Sheffield
- University of Southampton
- University College London
- University of Warwick

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In today's global economy higher education is increasingly important

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Higher education is widely considered to be **critical to sustain growth and to adapt to globalisation**. (OECD, Going for Growth 2008)

We need to **improve education and training** to allow more people to reach their full potential, for their own sake and that of society as a whole. We need to **invest in research** to maintain our comparative advantage relative to competing regions. (**European Commission,** Lisbon Strategy).

In today's **global economy**, investment in **science and innovation** is not an intellectual luxury for a developed country, but an **economic and social necessity**, and a key part of any strategy for economic success. (**Lord Sainsbury**, The Race to the Top, 2007)

Our future national prosperity must be built in the competitive, **knowledge-based global economy…**While education is at the core of any national agenda for change, **it is higher education** with its twin functions of teaching and research which **will make a distinct difference** between simply adjusting to the forces which press upon us or establishing **a new economic, social and environmental order**. (**Australian Government**, Review of HE, 2008)

Universities have always been important economic, intellectual and cultural institutions. In a knowledge-based economy they have even more centrality – a flourishing university sector is **a precondition for a successful knowledge economy**. (**The Work Foundation**, An Analysis of the UK's Skills and Education Strategy, 2005)

UK research-intensive universities: a success story

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Strength in research: The **UK is ranked second in the world to the US** in its share of world publications (9%) and world citations (12%) despite only having 1% of the world's population[1]. It **leads the world** in terms of **productivity in research**.

- In the 2001 RAE, **78% of research staff in grade 5* departments** were at Russell Group Universities.
- Russell Group universities accounted for **66% (over £2.2 billion) of total research grant and contract income** for UK universities in 2006/07.[2]
- In 2006/07 RGUs received **£505m** in income from **contract research with business** (65% of the sector total) and **£299m** for **collaborative research with business** (45% of UK total).[3]

Strength in education: The UK HE **drop-out rate is one of lowest** in the OECD, and **rate of return** on UK degrees is **above the OECD average**.[4] The UK is **second only to the US** as a destination for **overseas students**.

- **Non-completion** averages **4% at Russell Group** universities.[5]
- Studying at a RGU confers an additional **wage premium** of around **10%.**[6]
- **14 RGUs** were ranked in the **world top 50**, in a 2007 **survey of graduate recruiters.**[7]
- **30% of STEM graduates** and **82% of graduates in medicine and dentistry** qualify from RGUs[8]

1.DIUS, *International comparative performance of the UK Research Base*, 2008; 2. HESA; 3. HE-BCI; 4. OECD, Education at a Glance, 2007; 5. HESA; 6. Chevalier & Conlon, *Does it Pay to Attend a Prestigious University?,* 2003; 7.THES QS World University Rankings 2007; 8. HESA, Destinations of Leavers, 2005/06;

Global challenges facing the UK's research-intensive universities

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1. Increasing investment in world-class HEIs

- The US invests **2.9% of GDP** on HE and China now spends **1.3% of GDP** (to be raised to 2.5% by 2020). In comparison, **the UK spends 1.1%**[1]
- Total OECD spending on HE has risen by **44%** since 1995 but only **20%** in UK[2]

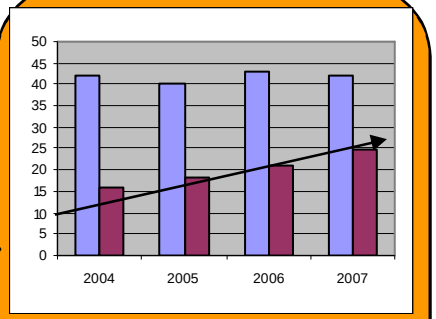
2. Greater investment in R&D and global research collaboration

- Spending by China's central government reached **£4.7 billion** in 2006 **compared with £3.2 billion in UK**[3]**. China's total publications** have increased **fourfold in the past decade** and look set to **overtake the UK in 2008**.[4]
- **US total expenditure on R&D** increased from $277 billion in 2002 to **$343 billion in** 2006. Total UK expenditure rose from $31 billion to $36 billion during the same period.[5]
- In 2002 the UK fell to **last place amongst G8 countries** in the proportion of **GDP spent on publicly funded R&D** (UK figure is 0.58% of GDP).[6]

3. Global market for talent & research

- HEIs increasingly have to compete for **global talent:** Between 1995/06 and 2002/03 there was a **16% increase in academic staff hired from overseas**.[7]
- With its large number of **international students**, UK is particularly susceptible to **downward trends** in recruitment of students from abroad and will also be increasingly **accountable** for the quality of the student experience.
- Critical **shortage of homegrown postgraduate students** restricts the supply of early-career academics from within the UK. **30% of academic staff within the Russell Group are from overseas** (compared to 21% in UK as a whole).[8]

The role of HEIs is vital for the UK's future position in the global economy



From 2003, due to high levels of central government investment, China's historic 10 universities have been **increasingly climbing the Top 500 international league table** rankings of universities, while UK universities have remained steady

Source: Shanghai AWRU 2004-07

1&2. OECD, *Education at a Glance*, 2007;3. Demos, *China: The next science superpower?*, 2007; 4. DIUS, *International Comparative Performance of the UK Research Base,* 2008; 5. OECD, *Main Science and Technology Indicators*, 2008; 6. DTI/OSI, *PSA Target metrics for the UK Research base,* 2007; HEPI, Brain Drain, 2005. 7. HESA, 2006/07

Global Competition

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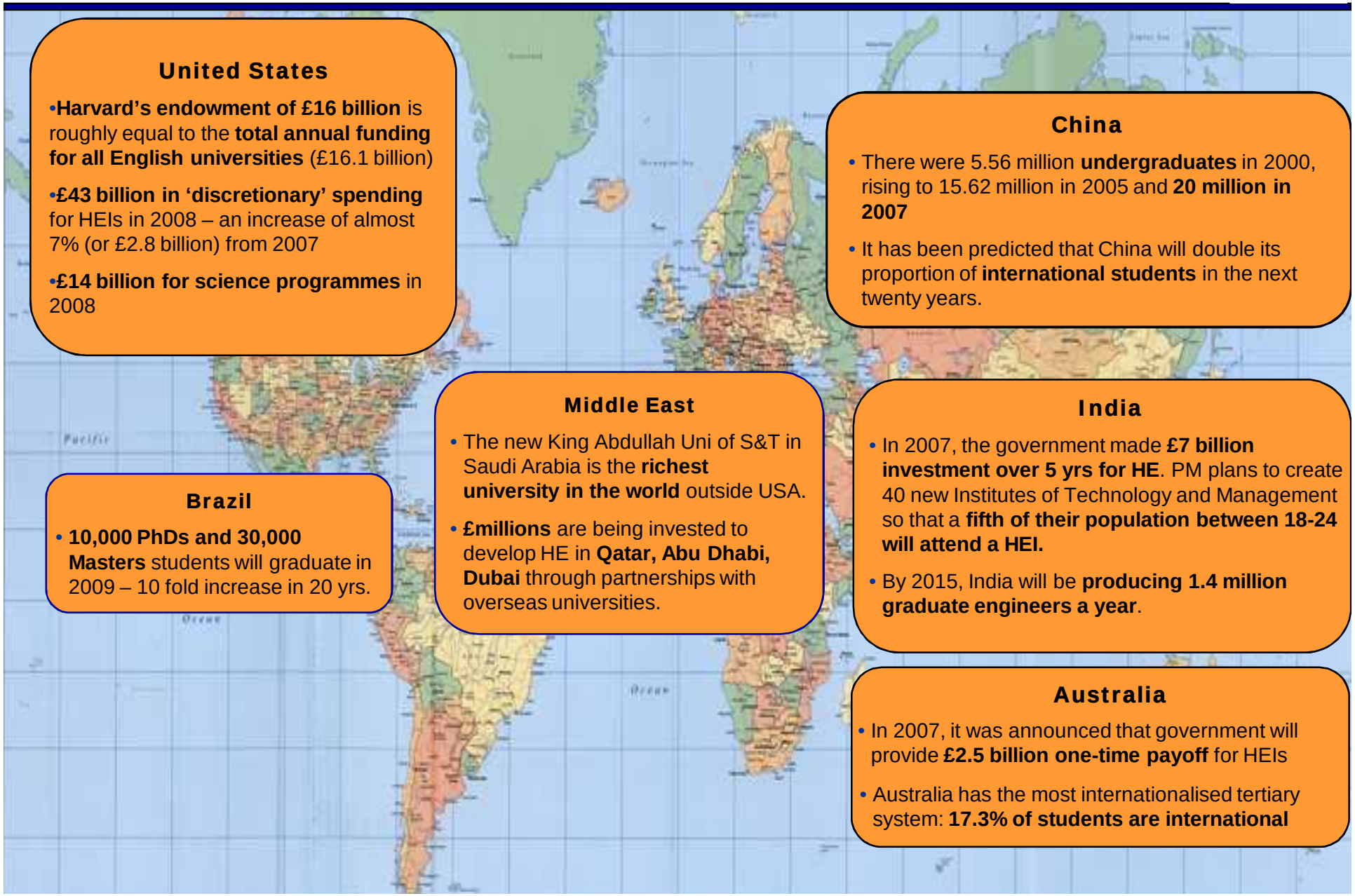

United States

- **Harvard's endowment of £16 billion** is roughly equal to the **total annual funding for all English universities** (£16.1 billion)
- **£43 billion in 'discretionary' spending** for HEIs in 2008 – an increase of almost 7% (or £2.8 billion) from 2007
- **£14 billion for science programmes** in 2008

China

- There were 5.56 million **undergraduates** in 2000, rising to 15.62 million in 2005 and **20 million in 2007**
- It has been predicted that China will double its proportion of **international students** in the next twenty years.

Middle East

- The new King Abdullah Uni of S&T in Saudi Arabia is the **richest university in the world** outside USA.
- **£millions** are being invested to develop HE in **Qatar, Abu Dhabi, Dubai** through partnerships with overseas universities.

India

- In 2007, the government made **£7 billion investment over 5 yrs for HE**. PM plans to create 40 new Institutes of Technology and Management so that a **fifth of their population between 18-24 will attend a HEI.**
- By 2015, India will be **producing 1.4 million graduate engineers a year**.

Brazil

- **10,000 PhDs and 30,000 Masters** students will graduate in 2009 – 10 fold increase in 20 yrs.

Australia

- In 2007, it was announced that government will provide **£2.5 billion one-time payoff** for HEIs
- Australia has the most internationalised tertiary system: **17.3% of students are international**

European Competition

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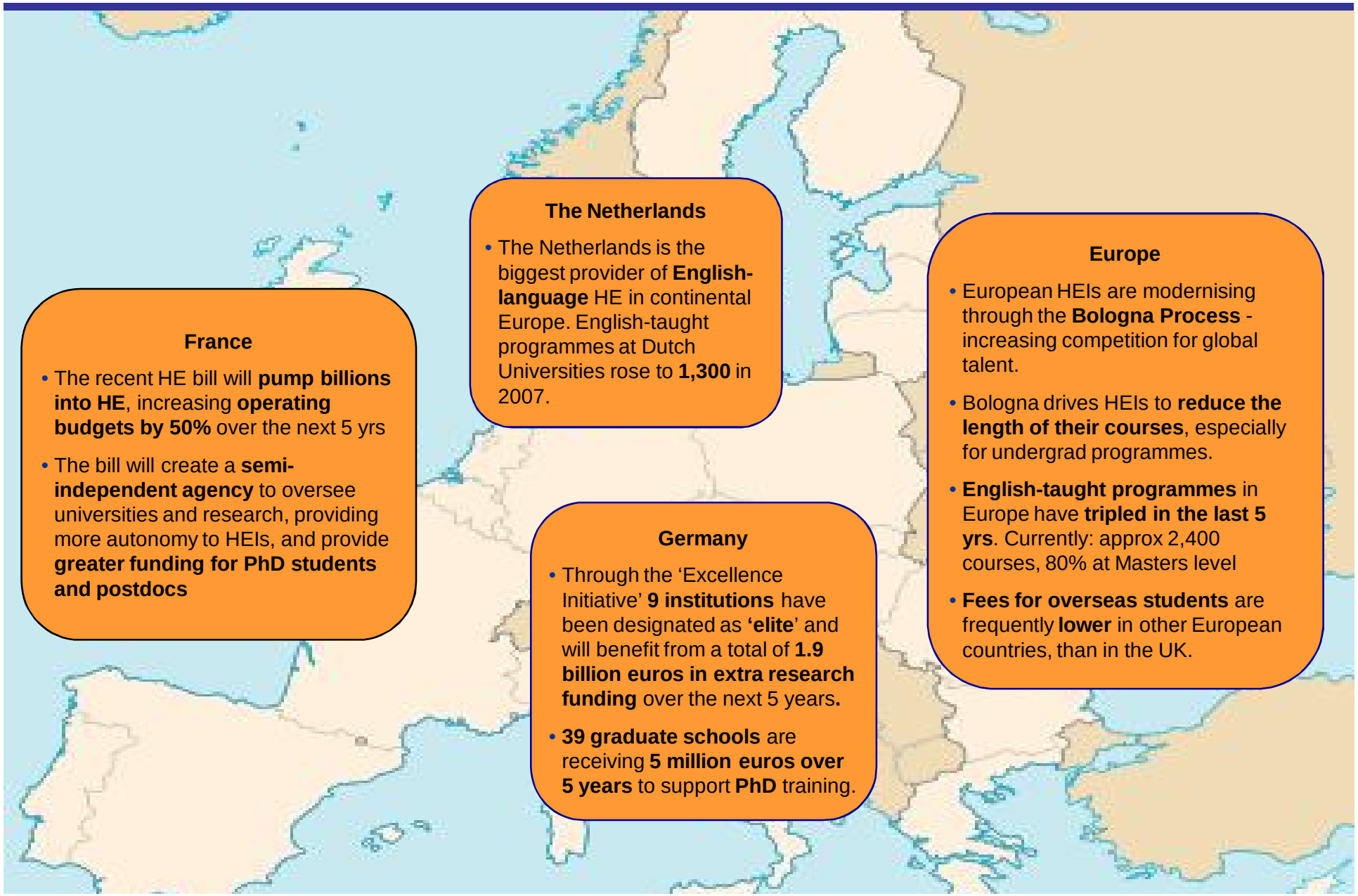

France

- The recent HE bill will **pump billions into HE**, increasing **operating budgets by 50%** over the next 5 yrs
- The bill will create a **semi-independent agency** to oversee universities and research, providing more autonomy to HEIs, and provide **greater funding for PhD students and postdocs**

The Netherlands

- The Netherlands is the biggest provider of **English-language** HE in continental Europe. English-taught programmes at Dutch Universities rose to **1,300** in 2007.

Germany

- Through the 'Excellence Initiative' **9 institutions** have been designated as **'elite'** and will benefit from a total of **1.9 billion euros in extra research funding** over the next 5 years**.**
- **39 graduate schools** are receiving **5 million euros over 5 years** to support **PhD** training.

Europe

- European HEIs are modernising through the **Bologna Process** - increasing competition for global talent.
- Bologna drives HEIs to **reduce the length of their courses**, especially for undergrad programmes.
- **English-taught programmes** in Europe have **tripled in the last 5 yrs**. Currently: approx 2,400 courses, 80% at Masters level
- **Fees for overseas students** are frequently **lower** in other European countries, than in the UK.

Competition within the UK

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Global competitors on our doorstep

- **Chicago Business School** has opened a campus in the City of London and is developing its range of courses.
- The **UK's first Malaysian University** opened on Piccadilly in October 2007 offering British-style degree courses.
- **Private HEIs** - In October 2007, **BPP** (a leading private provider of professional qualifications) became the **first private company in the UK to be granted degree-awarding powers**. This leads the way for other private providers.
- **FE Colleges** have been given **degree-awarding powers** for the first time to award Foundation Degrees.

Russell Group universities responding to global opportunities:

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More opportunities to undertake ground-breaking research through international collaboration:

- UK internationally co-authored papers have risen to **37,000 (45% of all papers)**[1]
- The RGUs account for **48% of non-UK academic staff** and **52% of non-UK postgraduate research students** in the UK.[2]
- In 2006-07 The Russell Group received **nearly £145 million EU research funding** (58% of the UK sector total).[3]
- The **Cambridge Neuroscience Partnership** was launched in 2007. It has 300 international collaborations with 29 countries.
- The interdisciplinary **Web Science Research Initiative** is a major research collaboration between **University of Southampton** and MIT.
- RGUs have invested in **international networks which facilitate research collaboration** such as World Universities Network, League of European Research Universities, International Association of Research Universities and Universitas 21.

Growing opportunities to engage with students from other countries:

- More than **2 million** students worldwide are studying **outside their own country**. This will increase to **8 million by 2025.**[4]
- In 2006-07, under **ERASMUS**, **16,000 students came to the UK and 7,000 UK students went abroad**. **6 Russell Group** universities (Sheffield, Cardiff, Manchester, Glasgow, Nottingham, Birmingham) received **in excess of 350 students** each.[5]
- **270,000 students** are **studying overseas** for a qualification from a **UK HEI.**[6]
- **University of Nottingham** has over **5,000 students** studying at its campuses in Ningbo, **China** and Semenyih, **Malaysia**.
- **UCL** has announced that it will establish a **School of Energy and Resources in Adelaide, Australia**.

1. DIUS, *International Comparative Performance of the UK Research Base*, 2008; 2&3. HESA 2006/07; 4. Altbach, *Globalization and Forces for Change in HE*, 2008; 5. European Commission, 2006-07; 6. DIUS, *Transnational Education and HEIs*, 2008;