

Will the Higher Education Budget Cuts in the UK Fuel International Competition for Students?

Description

by Deena Al Hilli

Last week the Higher Education Funding Council for England (HEFCE) announced the funding of Â£7.3 billion for universities and colleges in England, which is a reduction of Â£449 million from previously announced plans for the 2010/11 financial year.

These university budget cuts have sparked varied reactions nationwide. Many issues such as job losses, larger class sizes, denied access to thousands of students and closure of courses have been raised in the aftermath of the announcement. Amid the fears is that international institutions will now gain a competitive edge, as the quality of UK institutions become at risk.

A major concern that has risen is that the higher education sector in places like Asia, Europe and some parts of the USA is receiving increased funding to get out of the current economical crisis, whilst the UK is working in the reverse order. Wendy Piatt, Director General of the Russell Group, said "Our competitors in Europe, Asia and the US are pouring more resources into higher education as a strategy for coming out of recession." The group also said, "If government targets these huge cuts on university budgets they will have a devastating effect not only on students and staff, but also on our international competitiveness, national economy and ability to recover from recession." In an article for the Guardian, the Russell Group also says, "Nicolas Sarkozy has just announced an investment of 11bnÂ Euros in higher education in France, stating he wants 'the best universities in the world.' Germany pumped a total of 18bn Euros into promoting world-class research alongside university education, while Barack Obama ploughed an additional US\$21bn into Âfederal science spending."

Britain is a very popular destination for international students, particularly with Indian students. However the Indian government recently announced plans to allow foreign universities to offer degrees and set up campuses in India, which may reduce the number of Indian students studying in the UK.Â Â However, it appears that UK institutions need to limit the number of spaces per course in any case, as government enforced fines will take place with over recruitment of students. Six thousands fewer students will gain places at university this year. With Europe, Australia and New Zealand welcoming an increased number of British applicants, could this lead to international institutions gaining those six thousand places and more? Or will leading UK institutions be able to sustain their competitive advantage?

Sir Alan Langlands, Chief Executive of HEFCE said, â??This is a challenging financial settlement, but we are doing all that we can to support excellence in teaching and research by keeping across-the-board reductions in core funding to universities and colleges to a minimum. Our approach will also give institutions maximum flexibility to pursue their priorities.â?•

The HEFCEÂ says, â?•As an initial step to meet the Government's wish for more research concentration we have enhanced funding for world-leading research by introducing a steeper funding 'slope' for all subjects by increasing the weightings for research activity at different quality levels from the previous 1:3:7 to 1:3:9. We continue to recognise excellence wherever it is found.â?•

The latter quote could breed some hope for UK institutions. Although institutions such as London Business School have had a huge cut of up to 14%, research funding has increased. Universities may need to work on certain faculties and departments that arenâ??t strengthening their position, and reshuffling certain areas could work to their advantage. Whilst a lot of universities donâ??t want to be taking a businesslike approach by process of elimination, particularly with many long term faculty staff members and reducing their student intake, many may argue that the business approach is what is needed to sustain a competitive advantage.

UK Institutions have worked long and hard to uphold their current reputation, they need to be able to withstand the current climate and be able to use their resources wisely. Sally Hunt, General Secretary of the University and College Union said, â??Anyone who thinks this wonâ??t massively impact on the quality of education in this country is living in a dream worldâ?• however, the institutions that have suffered the most are the most reputable institutions who are at the top of the league tables. Alison Devine, Regional Manager Education UK, Middle East, at the British Council said the matter needs to be put â??into perspective.â?•We are talking about small budget cuts â?? at about 1 per cent and 0.7 per cent last year,â?• she told Khaleej Times at an education event in January. â??

So whilst on one hand these cuts may have shaken the UK Institutions, as they feel they are being pushed back rather than forward like other institutions located in varied geographical locations. On another hand additional funds are still going in to research, particularly to the institutions that have received the largest proportion of budget cuts, there is still a possibility of sustaining a competitive advantage within the research field. The reputation of UK institutions however will not be affected by these budget cuts, applicants will still be applying to try andÂ gain a place, making University admission a lot more competitive. The current budget cuts may have more of a long term effect; however let us hope that the financial climate will get better before any major damage is done to the UK higher education system.

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