



# Rethinking International Fees and Global Partnerships

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**A**t the Universities UK conference in September 2022, there was a panel discussion comprising experts from Australia, Canada, and the United Kingdom who reflected on the financing and spiralling costs of higher education and the importance of rethinking the mix between student fees and public subsidy. There were also valuable suggestions on reforming the payment regime for graduates who had taken loans to finance their higher education.

## A Business Model Built on Exploitation

During the debate, there was acknowledgement that the burden of the cost of higher education had fallen too heavily on the fee element of the financing equation, and most participants supported the need to rethink the balance in favor of a greater subsidy to universities. But I also suggested that a deeper deliberation on international fees was required as part of this review of the financing of higher education. After all, there was widespread recognition that the fees charged to international students were excessive. In the case of one UK university, SOAS University of London, the actual cost of delivery of a doctoral degree was calculated to be about GBP 4,600 per annum per student. SOAS fees for international students are about GBP 20,000, a markup of about 400 percent. This excessive markup would not be tolerated in most private companies. How then can public universities have such fees when they claim a public good and social justice mandate?

The response was interesting. Most of the audience either avoided the question or justified the business model on the grounds that students were attracted to the research brand of universities in the United Kingdom, United States, Australia, and Canada. This is a common justification for the high fees charged to international students, but there is very little empirical evidence provided to support the assertion.

Are there great research universities in these countries? Absolutely! Is this the driver for international student mobility to these countries? Probably not. The principal driver is the desire to access jobs in the global job market through degrees from these countries. The motivation driving international student mobility is, effectively, inequality.

## Consequences for Our World

One vice-chancellor in the audience argued that the costs of higher education were way above the public subsidy and the fees charged to domestic students in the United Kingdom. He held that excessive international fees were necessary if UK universities were to survive financially. He effectively voiced the implicit consensus of most at the conference: Leave international fees be as they are.

This is because the business model underlying higher education in the United Kingdom, the United States, Australia, and Canada has at its heart a dual cross-subsidization. Firstly, research is significantly cross-subsidized by the income generated from teaching and learning. Secondly, the costs of the teaching and learning enterprise itself are cross-subsidized by the astronomical fees charged to international students across universities in the Anglosphere. Without this, most of these universities would not break even. This business model is increasingly being consolidated and expanded by both government policy and university executive acquiescence to this agenda. In the United Kingdom, at the prompting of the Department of Trade and Industry (DTI), international student recruitment to universities has grown from 480,000 to just over 600,000. A Higher Education Policy Institute (HEPI) report on this recruitment trumpeted it as an

## Abstract

There is widespread recognition that the fees charged to international students in a number of countries are excessive. Is there a need to think through the consequences for our world? This business model is also negatively impacting human capabilities and institutional capacities in low-income countries by accelerating the brain drain. What is critical now is a collective ownership of the problem, to ensure the legitimacy of our institutions and the university system as a whole.

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unqualified good, with some GBP 28 billion in earnings that benefit towns and communities across the country. While this is a necessary corrective to the right-wing fearmongering of the anti-immigration lobby in the United Kingdom, is there not a need to think through the consequences of this business model for our world?

This business model is negatively impacting human capabilities and institutional capacities in low-income countries by accelerating the brain drain that inevitably arises from the focus on recruiting young students from these places. It is also imperiling the collective ability to address the transnational challenges of this historical moment, such as pandemics, climate change, migration, poverty, and political and social polarization. These challenges require the deployment of both global science and technology, and local knowledge. This requires an engagement between knowledge systems across the world, which is not possible through a global model of higher education essentially organized around the establishment of northern enclaves of teaching, learning, and research. These universities are effectively pursuing short-term financial strategies that could compromise the global community's collective long-term future.

### Adopting a Radical Pragmatism

This recognition need not lead to a right-wing, anti-immigration, and nationally chauvinist stance. Neither does it need to lead to the adoption of an unrealistic understanding of what is managerially possible in a constrained and adverse policy environment stewarded by conservative governments. The stance adopted by university executives that managerial decisions are conditioned by the current policy environment is essentially a cop-out. It is true that there are constraints, but university executives also have relative autonomy to mitigate the worst excesses of this truly exploitative business model.

On the fees front, this would involve a recognition that there are systemic policy drivers that force universities to charge excessive international fees. But there should also be a commitment to do everything possible within our constraints to mitigate the consequences. At least, this should involve including international fees as part of the broader deliberation on the financing of universities. This would allow university executives to think through the challenge. Could there be a sliding scale of payments for students funded by governments vs. those whose costs are borne by families? Should students from different countries be subject to differential fees? Given that the governments of China, Qatar, and Saudi Arabia have generous scholarship schemes for their students to study outside those countries, would it be possible to charge those students higher fees?

On the need to enable an engagement between knowledge systems, would it be possible to think through transnational education partnerships between universities in the North and South? This would have to be done carefully, and with attention to the quality assurance mechanisms on both sides. But it could lead to codeveloped, cotaught, and coaccredited academic programs that would mitigate the need for students to leave their home countries to earn university degrees that open up the global job market to them. It would have the added benefit of providing graduates with knowledge and skills that are not only academically excellent, but also contextually relevant. Given the reduced labor costs resulting from the sharing of academic duties, these programs could be sustained with lower fees.

Some of the suggestions advocated here may be partial solutions that require more work. And there may be other possibilities that have not been considered. But what is urgently required is collective ownership of the problem of an expensive and exploitative business model of higher education in the United States, United Kingdom, Canada, and Australia.

Taking collective ownership will demonstrate that universities recognize the problem and are doing as much as can be done within the constraints that they confront. This is important for the legitimacy of the institutions and the university system as a whole. University leaders cannot invoke social justice for domestic students and not do so for international students. Similarly, they cannot speak of the importance of addressing global challenges like pandemics and climate change, and simultaneously adopt business models that undermine the collective ability to address these crises. University leaders must challenge their selective morality, and begin putting in place better business models that can be deployed more widely as and when political circumstances change. ▲

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