isolated and protected U.S. study abroad programs that are common in Europe. The introduction of master’s programs in Europe may allow for the development of joint degree programs between North American and European graduate schools, programs that until now have been rather difficult to put together.

The next phase of the EU-U.S. and EU-Canada programs could help to address some of these concerns and assist in finding ways of overcoming misunderstandings about the implications of the Bologna process. The EU and the two North American partners might also look into the option of merging the two programs and thereby truly promoting multilateral cooperation to a greater extent.

The world is not a static place, and the United States is not the only player in international higher education. Students and scholars respond to a complex nexus of pushes and pulls when seeking a place to study. The demand for foreign study remains high—about 2 million students studying outside of their home countries now, a number that is likely to grow to 8 million by 2025. Other countries, such as Australia and the United Kingdom, are especially aggressive in recruiting international students. The European Union, with its Bologna Initiative to harmonize academic systems and encourage cross-border study, is implementing significant change. Japan has been successful in recruiting students from other Asian countries. While the United States stands still or falls behind, other countries are rapidly moving ahead.

Reasons for the Decline

Tipping points have many causes, and the decline of America’s international prominence is no exception. The “tip” occurs when there is a preponderance of precipitating forces. We have now reached the tip. September 11th is a central factor. The increased concern about security, the Patriot Act, and other restrictions have created a profound change in attitudes and perceptions, both within the United States and abroad. The many tales of the difficulties that students and scholars from abroad have in obtaining visas, the perceived disrespect for visa applicants shown at American embassies around the world, and the delays inherent in the entire immigration system have been significant deterrents. Recent attitude surveys as well as a wealth of anecdotal evidence support this. Prospective international students no longer see the United States as a welcoming environment. While foreign students in the United States say that they feel reasonably safe and have few complaints, those abroad thinking about studying in America express fear about safety there as well as criticism of the U.S. system, according to a recent survey.
At the same time that the United States is perceived as a problem, other countries have aggressively moved into the international education market. Australia and the United Kingdom now count on international enrollments to help solve serious financial problems at home. The EU wants to encourage students to study in Europe to build future relationships for trade and politics. Japan seeks to bolster its relationships in Asia by providing “scholarship diplomacy.”

Repercussions
The most important effect of America’s declining presence in worldwide academe is not on the more than $12 billion that international students contribute to the U.S. economy annually, but rather on the future of U.S. scientific and intellectual leadership. In the globalized world of science and scholarship, knowledge knows no borders. The United States is currently the most successful academic system in the world and benefits by attracting the best and brightest from other countries. Some of this talent remains in the country after completing academic degrees—the large majority of graduates from China and India, the two largest senders of students to the United States, do not return home–and they greatly benefit U.S. universities and the economy. Most foreign graduates do return to their home countries but maintain their connection with the United States.

For American universities to maintain their quality and influence, they must continue to attract top-quality students and scholars from abroad. The sign of scientific power is quite literally the attractiveness of the university to people from around the world. If the present barriers are allowed to remain, the United States will inevitably see a decline in both the quality and the influence of its universities—and this will have lasting implications for the economy, for science and research, and for America’s role in the world.

What Can Be Done?
A combination of factors has contributed to a tipping point in international education. While it is now time to declare a crisis, American academe has many strengths, and it is possible to reverse the decline. The American university system is the best in the world, and foreigners say that the United States, all things being equal, is their preferred choice. American culture also has a certain lure for students from around the world. English is the lingua franca of scholarship, and studying in an English-language environment is an attraction. And America remains a relatively welcoming environment for students and scholars from other cultures. But there needs to be a significant and concerted change in government policy to ensure that the United States is again seen as a preferred destination for study. If this does not occur, the decline will accelerate, and the inevitable result will be the weakening of a major resource—the university.

Revenue Diversification in Higher Education

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Pressure to maintain quality and competitive standing in the face of menacing resource constraints has become the primary challenge facing colleges and universities in the United States and elsewhere. Faced with limited tuition revenues and public subsidies, institutions have increasingly entered into the aggressive pursuit of alternative revenue streams. Now, rising proportions of institutional revenues are being provided by sources other than governments and tuition. New revenue-seeking efforts fall into eight general domains. Each is introduced below.

Instructional initiatives: many institutions have begun targeting new markets of learners, focusing on people seeking nondegree pre- and postbaccalaureate certification as well as those seeking degrees. Often, instructional initiatives require significant new investment on the front end, signaling a need for careful examination of likely financial and nonfinancial costs and returns. Sometimes, new offerings are delivered through for-profit subsidiaries or partnerships with corporations, governments, or other institutions. Ideally, such partnerships can leverage a university’s name and existing course content with minimal expenditure of time, money, and credibility—all without endangering the exclusivity of the institution’s own degrees.

Research and analysis initiatives: many universities are reorganizing their research and analysis capabilities in pursuit of revenues. Many have developed technology-transfer offices to improve chances for such financial returns from ideas developed on campus. Among the