



By: **Harvey Morris**

China security fears fuel debate on UK university funding



The UK's financially hard-pressed universities are being challenged to rethink their reliance on recruiting students from China as the government considers measures to address the security threat it says Beijing poses to British academia.

University vice-chancellors are due to be summoned to a government security briefing after Oliver Dowden, the deputy prime minister, **warned** that access to sensitive technologies being developed on Britain's campuses had the potential to become a chink in its security armour.

Dowden, outlining his concerns in a speech this month, said the government was looking at ways to prevent such technology being transferred to foreign competitors such as China, which he described as the "number one state-based threat to our economic security".

Once again, then, the shifting geopolitics of the UK-Chinese relationship are threatening to ruffle the tranquillity of Britain's ivory towers. Have the universities been too relaxed about the potential risks of closer ties with China, or are they victims of the vagaries of foreign policy?

The "golden era"

Prominent China critic Iain Duncan Smith, a former Conservative party leader sanctioned by Beijing, **has accused** some institutions of being so dependent on their Chinese funders that they have stifled campus debate in order not to offend them. "A lot of universities have basically admitted to me they are completely in hock with Chinese students," he told the Mail newspaper, "that they wouldn't be able to exist if they didn't have their fees."

Barely more than a decade ago, in the warm glow of the "golden era" of UK-China relations initiated during the premiership of David Cameron, higher education was seen as a sector that would benefit from closer ties.

In 2013, then-chancellor George Osborne relaxed visa rules for all Chinese citizens,

telling students in Beijing: "We already have 130,000 Chinese students like you studying in Britain. I want more of you to come...There is no limit to the number of Chinese who can study in Britain."

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By 2021-22 that intake had topped 150,000, the highest from any single country.

International students have provided a lifeline for many institutions at a time when fees paid by their British undergraduates have been capped at £9,250 since 2017. Foreign nationals are charged between £10,000 and £26,000 annually for lecture-based degrees, while a medical degree can cost them almost £70,000 a year.

Chinese students now account for a quarter of the £30 billion annual revenue universities raise from international students. There are additionally some 6,000 Chinese nationals on the academic staff in British universities. In an era of expanding research cooperation, particularly in technology and biological sciences, one-in-10 UK research papers now have Chinese collaborators.

The policy shift

It is this growing reliance on Chinese money, encouraged in the Cameron-Osborne era, that their government successors would now like to reduce as they seek to "de-risk" the relationship with China. It is a country now seen as posing an epoch-defining challenge to the international order, in the words of prime minister Rishi Sunak.

The policy shift leaves the universities facing two uninvited challenges at once: how to make changes that meet the government's security concerns and how to reshape their finances if Chinese funding dries up.

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The latter could happen rapidly in the event of a further crisis in international relations. "Given the volatility of geopolitical relationships, it is entirely possible that the flows of students from a particular country or region could reduce significantly overnight," education consultant **Dr Vicky Lewis** told University World News.

She said this threat, along with other challenges, underlined a situation in which the growing reliance of most UK universities on fees from international students to balance the books was unsustainable.

The consultant PwC has calculated that, if the growth rate for international students were to drop by just 20 per cent below current forecasts, four out of five universities could be in deficit by next year.

Funding challenge

A paper co-authored last year by former universities minister Jo Johnson noted somewhat unhelpfully that a big problem was the lack of viable alternatives to China in terms of high-quality research partners and student fee-payers.

It raised the possibility of higher fees for UK students, on which universities are currently losing money. That is a solution that would likely be political unpopular but has been embraced by some academic administrators.



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There are suggestions that fees should be tied to the costs of different courses and to the potential earning power that they offer.

Others have argued that frozen domestic fees should be raised to reflect inflation. That would immediately set them at £13,000 a year rather than the current £9,250. On its own, however, such a measure would not be enough to resolve the wider funding challenge.

The UK has some of the most sought-after universities in the world, hence their attraction to foreign students and academics, not least the Chinese. Somewhat perversely, however, foreign students are viewed not so much as an academic asset to centres of learning but rather as their income stream.

Security concerns aside, it might be time to refocus on domestic educational need and finance that from the taxes of those who most benefit financially from their time at university, while protecting those, such as university lecturers, who reap less tangible rewards from their hard-earned degrees.