

Steve Priestley  
Clerk to the Committee  
Foreign Affairs Committee  
Committee Office  
House of Commons  
London SW1A 0AA

06 January 2006

Dear Mr. Priestley

Further to the invitation to submit evidence to the Foreign Affairs Committee inquiry into East Asia issued on 17 November 2005, please find the response of the 1994 Group attached.

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## **The 1994 Group offers the following evidence for the Foreign Affairs Committee inquiry into East Asia**

Given that the UK can offer many areas of knowledge and interest to the PRC and in doing so gain a considerable position of influence; and given that there is much, potentially, to be gained from influencing and working on the inside rather than from banging on the door from the outside; one of the areas in which the UK can offer world class expertise is through its HEIs. This expertise lies not only in teaching/training, but in research, consultancy, enterprise development and income generation. Detailed examples are as follows:

### **(i) Training the managers and influencers of the future:**

Very strong encouragement and support should be given towards establishing opportunities for HEIs to deliver the right products to the PRC market at the right price and in the required way. This may include local delivery, dual degrees, advanced standing, distance/web learning, access and language courses and involve complex relationships with local HEIs and other education providers. Help in assessing, accessing and negotiating those opportunities requires strong British Council, UKTI and Embassy knowledge and engagement as well as sufficient resources to build up, maintain and deploy that expertise.

This will include a fully resourced and user friendly visa-regime that encourages not discourages visa applicants. The interchange of staff and students between both countries will continue to be significant (though may well, in each individual instance, be of shorter duration than has been the case). The history of visa issuing in China over the last few years has been woeful and has to be addressed if any new initiative is to have a chance of succeeding (Universities UK have had and are having continuing dialogue with the UK Visas and the Home Office and should be able to furnish the 1994 Group with the latest situation and history of transgressions).

The flow of full degree, full-time PRC students that the UK has experienced over the last 5 years has peaked and will continue to decline as the PRC seeks to develop its own HE capacity and looks for better value for money in the deployment of its foreign exchange and its citizens.

### **(ii) Developing PRC HE:**

There is a very considerable interest amongst Chinese HEIs as to how UK HEIs are constituted, managed and financed. This comes at a crucial point in the PRC government's plans to improve the quality and the internationalisation of Chinese HE (e.g. 211 Project, etc). The UK is very well placed to capitalise on that opportunity, but this again would need funding and an organisational structure to assist in ensuring the most beneficial 'fit' of requirement and expertise. The British Council is again the obvious choice for this, not least because of the 'International Partnerships' aspect that is likely to dominate the Prime Minister's Initiative 2, when it is launched later in 2006.

### **(iii) Enhancing mutually beneficial research outputs through joint research:**

Given the economic strengths of China and the increasingly sophisticated and demanding requirements of their emerging domestic markets, there is a case to be made for strengthening the opportunities for joint research. This will need a special line of funding both to encourage UK HEIs and to demonstrate that the UK is serious about its relationship with the PRC. Such funding should include a significant element that goes to Chinese partner institutions and should reflect the areas of UK expertise that are of interest and relevance to Chinese institutions. There should also be a minimum of bureaucratic requirement in distributing and deploying these funds. This may be

achieved through the Research Councils and there are examples of country specific research funds being made available.

**(iv) Strengthening HE-industry links within both countries and between both countries:**

The UK Government has been very active and successful in promoting the development of these links in the UK via the HEIF funding. This initiative, together with the research park culture, has generated considerable expertise that offers the opportunity to develop such links. Again, UK Government and Industry, along with HEI partners, should be overtly funded to seek such opportunities between both countries and UK Government should seek to encourage a reciprocal response from its counterparts in the PRC.

**(v) Looking to develop enterprise start-ups and spin-outs making best use of the opportunities presented by the economies of both countries:**

The recent award of the SETsquared Partnership DTI award to further US-UK enterprise is an interesting model that could be sensitively used in the context of the PRC.

In summary, British Policy with regard to East Asia and the PRC in particular should seek to maximise the comparative advantages that the UK has to offer in the short to medium term, at the very least. One of the areas of advantages is in the layered expertise that UK HEIs have to offer. However, in order to pump-prime those activities there needs to be considered and considerable resource made available to lever maximum success. In order for such initiatives to succeed, resources amounting to several £10M over 3 years will be required, thus placing the UK in a strong position in the PRC and the region in the short to medium term.

The emergence of China as an academic powerhouse is to be welcomed but there is no doubt it will create competition for the UK HE sector and its resources will inevitably come to dwarf those available to the UK. The best solution is for UK HEIs to seek to collaborate rather than to become aggressive competitors. The proposal by the UK government to set up a budget for the development of such collaborations is a sensible way forward.

There is one issue that has the potential to cut across all or any progress of any initiative with Asia – Bird Flu. If bird flu was to develop into a pandemic, the economic consequences are likely to be catastrophic. It has been estimated that the consequences of SARS led an economic loss in the second quarter of 2003 that was equivalent to approximately 2 % of East Asia's regional GDP. (The ramifications run far outside East Asia.)

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Appendix A attached

## **The 1994 Group**

The members of the 1994 Group are:

University of Bath, Birkbeck College, University of Durham, University of East Anglia, University of Essex, University of Exeter, Goldsmiths College University of London, Royal Holloway University of London, Lancaster University, London School of Economics, University of Reading, University of St Andrews, University of Surrey, University of Sussex, University of Warwick, and University of York.

The 1994 Group of internationally renowned universities engaged in leading-edge research and high-quality teaching is committed to meeting the diverse needs of students, staff and policy makers. The 1994 Group provides a framework for collaboration between research-intensive universities in the UK. The aim of this collaboration is to enhance the ability of member universities to act collectively where appropriate whilst maintaining their individuality and thriving in the highly competitive higher education sector.

The Group's main aims are to:

- secure widespread recognition that enables it to influence decision and policy making groups;
- achieve awareness and profile that underpins the ambitions of member universities in global markets;
- promote the need for diverse and distributed centres for research and teaching excellence;
- share good practice that enhances the staff and student experience;
- provide services that enable members to respond flexibly and rapidly to developing market conditions.

Group members are committed to shared values. These are that:

- institutional identities and tradition can be respected and aligned with innovative thinking;
- research intensive universities should play a full role at local, regional, national and international level;
- high quality research and teaching are mutually supportive and should reinforce each other;
- students and staff from diverse backgrounds should be enabled to maximise their potential in a well-maintained environment that provides a stimulating choice of academic, cultural, and social opportunities.