

CHINA CONCEPT PAPER

The following text is based on *MSU China: A Template for International Engagement by Michigan State University in the 21st Century*, which was authored by the MSU China Working Group (Jeffrey Riedinger, convener; Thomas Coon, Christine Geith, Hairong Li, Marilyn McCullough, Gerald Rhead, William Schmidt, Weijun Zhao, and Yong Zhao) on 3 June 2005.

SUMMARY

To be a great international university in the 21st Century, Michigan State University must be engaged across the missions of research, teaching, and outreach in strategic countries around the globe. This engagement will complement the internationalization of our on-campus curriculum, our students and our faculty. MSU will embark upon a proactive, strategic approach to expanding this engagement, accelerating the expansion of our already considerable international presence. This initiative will be grounded in the thematic and world area expertise of MSU faculty and their commitment to collaboration and capacity building with colleagues abroad. Over the course of the next three years, in concert with host-country partner institutions, MSU will “roll out” three to four new programs of research, teaching and outreach in fields where we can make a difference (such as education, food safety, and ecosystems services) in three to four key countries (such as China, India and Brazil). Over the following five years, MSU and its partner institutions will roll out another four or five new programs of research, teaching and outreach in three or four more countries of strategic importance. By December 2012, MSU will be nationally and internationally recognized as *the* U.S. university partner in at least a half dozen world signature programs in countries of strategic importance to Michigan, the United States and the world.

MSU will better serve the students and citizens of Michigan if it embraces this strategic approach to international engagement. In the knowledge- and information- based economy of the 21st Century, economic development in Michigan will increasingly require better articulation with the world. MSU can facilitate these connections through academic programming, targeted research, and outreach. MSU's international involvement will help it maintain its top flight reputation and its market share in international higher education. In an era of declining state resources for higher education, this strategic approach will enable MSU to tap new external sources of funding to build research, teaching and outreach programming and to do so in a manner consistent with MSU's land-grant commitment to access and engagement. Expanded, strategic international engagement will enable MSU and its clientele to: better understand the dynamics of and opportunities attendant to international economic competition; improve our educational and business practices based

on lessons from overseas; and market our educational and economic services to a broader audience.¹

MSU also will better serve the students and higher education institutions of other countries if it embraces this strategic approach to international engagement. MSU's longstanding commitment to international capacity building will be enhanced through these strategic partnerships with host-country institutions to advance collaborative research, teaching and outreach programming.

The MSU China initiative, and parallel initiatives that will follow in other countries or world regions, is informed first and foremost by the expertise and interests of MSU faculty. MSU's fundamental missions of research, teaching, and engagement are similarly central to this initiative. This initiative also is informed by economic imperatives. In this resource-constrained environment, MSU must be strategic in its investments in international programming. Of necessity, it must prioritize programming in certain countries or world regions and on certain themes, at the expense of other meritorious, but less compelling, opportunities. This paper outlines a series of criteria by which such prioritizing will be conducted., with a necessary emphasis on "return" – in scholarly and societal impact, students reached, external resources mobilized – on investment.

BACKGROUND

For more than fifty years, Michigan State University has been identified with international engagement across the missions of research, teaching and outreach. This international identity is one of a half dozen signature elements of MSU's brand name. It represents a significant comparative advantage in the global higher education market. The increasing pace of globalization and international interdependence make it imperative that MSU maintain and strengthen its international programming in the 21st Century. Increasingly, this will involve extending select MSU course and degree offerings to strategic countries, in the form of online and face-to-face in-country instruction.

Expanding into the global marketplace and developing joint degrees with select overseas universities is consistent with the mission, vision and values of Michigan State University. Furthermore, globalization, brand enhancement and the expansion of Michigan State University's reach through technology mediated initiatives is a key strategic initiative of President Lou Anna K. Simon. In the dynamic global economic and political situation, MSU is well advised not to launch a campaign of expensive investment in brick and mortar infrastructure at this time. Instead, MSU should expand its presence in the global education

¹ MSU experience, and that of other leading U.S. universities, suggests that MSU will not generate significant surplus revenues from research and degree programs offered internationally; some positive returns may be generated by consulting activities. The initiative described here is intended to maintain and enhance MSU's international reputation for excellence, to further the internationalization of MSU on-campus programming, and to maintain market share in international higher education.

market through partnerships and alliances with select overseas universities, to offer classroom, online, and hybrid courses and degree programs.

In the 20th Century, MSU built its international reputation in part through its involvement in the creation of new universities and colleges around the globe, including bricks and mortar construction. In the 21st Century, a new model is needed and is made possible by information technology, the growing higher education infrastructure in developing countries, and the increasing number of faculty with advanced degrees at partner institutions abroad. MSU's international engagement in the 21st Century will be based on equal, transparent and reciprocal partnerships with host-country institutions. MSU is less likely to be involved in physical construction of branch MSU campuses and more likely to be engaged in blending virtual campuses with facilities on the campuses of partner institutions abroad, both public and private.

MSU CHINA: Developing a Strategic Template

China is central to MSU's plans for international engagement. We propose to develop in China a new strategic approach to international engagement and academic partnership, based on the thematic and country expertise of MSU faculty, existing MSU partnerships and programs, and emerging opportunities. This approach will serve as a template for similar strategic initiatives in other countries and world regions. As MSU develops and rolls out its portfolio of world signature programs in China, we will be developing and rolling out similar programs in two or three other strategic countries in the next three years and researching the needs and opportunities for additional programs in another four or five countries in the succeeding five years. A key deliverable by the end of the first three years will be to launch programming for capacity building and problem solving in a strategic theme area through products that will drive funding for consulting, services, training, research and degree programs. After the two to three year development and roll out phase, MSU will substantially scale up each program of research, teaching, and outreach. MSU and its international partners aim to be recognized as *the* leaders in a particularly theme area, marketing multiple lines of research, degree, and consulting products.

Why China? The combination of economic drivers in China -- including population growth, emerging industries, special economic and environmental challenges, growing success in primary and secondary education, affordability, and increasing government openness to foreign involvement in higher education -- create a competitive advantage for MSU branded degrees. MSU has considerable existing programming in China, in the form of faculty research collaborations and study abroad programs. MSU Global also has pilot initiatives running in China: there are eight China programs in various stages of development. Building upon existing and emerging partnerships, MSU has an opportunity to pioneer a model of strategic engagement in China, testing and improving our blueprint for the 21st Century university. In China we can identify and refine measures to address key challenges and opportunities attendant to international engagement in terms of faculty, students,

finance, and academic governance. Building upon these lessons MSU can expand its already considerable international presence in a new and more strategic manner.

ELEMENTS OF A STRATEGIC APPROACH

1. MSU must move from its current "laissez faire" approach to research collaborations to a strategic approach to partnerships for research, degree programs, and engagement.
 - a. China law requires that MSU partner with Chinese universities to offer degree programs.
 - b. MSU's focus in China must be on courses and degree programs where MSU has recognized strengths and comparative advantages as well as capacity and willingness to expand international programming (e.g., Education, Food Safety, and Ecosystems Services).
 - c. MSU should lead with top nationally (U.S.) ranked degree programs; in other fields MSU should first build a reputation based on research or consulting collaborations before moving to degree programs.
 - d. In selecting Chinese partner institutions and the fields of academic programming, MSU must work to assure that it will not be "traded" by China partners for more prestigious U.S. university partners at a later date.
2. MSU should adopt a strategic analog to the "Star Alliance,"² partnering with select universities and institutions in China.
 - a. Wherever possible, MSU should focus on "full service" partners, without ruling out single-program affiliations where a full service option does not exist.
 - b. MSU should explore possible three-way partnerships involving MSU, a Chinese university, and a Chinese or U.S. foundation or corporation.
 - c. MSU must identify partners which are capable of advancing MSU priorities for the next 10- 20 years.
 - d. MSU must identify partners which are geographically dispersed in China.
 - e. MSU's "Star Alliance" must be flexible enough for individual units to join or withdraw and seek individual partnerships so long as they do not conflict with the alliance partnerships.
 - f. All MSU degree programs must be under MSU control.
3. MSU China should plan to accomplish its research, teaching, and engagement missions in the aggregate.
 - a. MSU missions of research, teaching and engagement might be pursued with different alliance partners and/or under different models; not all alliance partnerships/models need address all three missions.

² Star Alliance is the trade name of a global alliance of airlines. See: http://www.star-alliance.com/star_alliance/star/frame/main_10.html

- b. This possible separation of MSU missions is consistent with China's history of separating research, teaching and extension institutions. Over time, MSU can help its Chinese partner institutions to broaden their missions to encompass research, teaching, and outreach.
 - c. One example of the separated but aggregated approach to fulfilling MSU's missions, is to have MSU's consulting operations in China informed by research, but to conduct consulting and research activities under separate operations or subsidiaries (e.g., MSU China Educational Assessment Inc. "paired" with MSU China Educational Research Inc.).
 - d. Models may vary by academic program and partner institution (e.g., undergraduate and graduate programs in agriculture and engineering and possibly teacher education with Zhejiang University, graduate program in Teacher Education with Beijing Normal University; graduate food safety program with Chinese Academy of Agricultural Sciences).
 - e. Purposeful integration across the missions of research, teaching and outreach is crucial and the hallmark of a land- grant university.
4. In making its investment decisions, MSU should emphasize "net return" from the aggregate of all its operations in China.
- a. It is important to maintain MSU's non-profit status with respect to degree programs and research.
 - b. MSU may be able to generate a positive net return from consulting activities conducted under the auspices of a separate entity under MSU China.
 - c. MSU must be able to repay any investment or start-up loan (principal and interest) from the net return of the aggregated operations.
5. MSU will seek to accomplish the functions and goals described here through existing institutional and structural arrangements. If it cannot do so, it should consider establishing "MSU China" as a subsidiary of MSU, with separate "branches" of MSU China.
- a. One possible structure for MSU China is to establish it as a "holding company" with subsidiary operations (e.g., MSU China Education, MSU China Turfgrass, MSU China Food Safety).
 - b. MSU should establish an MSU China Liaison Office in Beijing to provide leadership and coordination, but operate multiple subsidiaries on separate campuses or in separate locations.
 - c. At some locations, MSU China will offer multiple programs (a "mini campus"); in other locations, MSU China will operate a single subsidiary program.
 - d. For the near and medium term, MSU should limit its investment in new bricks and mortar. Where physical structures are needed, MSU should consider investing in or leasing real estate or portions of new building constructed by/for others.
 - e. MSU China should be legally empowered to contract with alliance partners for specific programs, on an "expenses plus" basis in which the partner is

compensated for actual costs of recruiting students, instructional costs incurred by the partner, plus a reasonable return to the partner. Chinese partner institutions will no longer settle for serving only as recruiting agents for foreign universities.

6. In the event major start-up capital is required for one or more of the MSU China initiatives, possible sources for such investment capital include a loan from the MSU Foundation and investment by Chinese partner institutions, corporations or foundations.
 - a. In all cases, such investment decisions will hinge on the development of sound and compelling business plans. The dynamic nature of the economic and political situation in China poses special challenges to accurate long-term business forecasting.
 - b. The remainder of any net proceeds would be shared between MSU (which assumes the risk of loan repayment) and MSU China.
7. MSU should maintain the integrity of its tuition structure for MSU China degree programs.
 - a. Students in MSU China programs should be billed per the existing MSU tuition structure (maintain "sticker price"). That said, MSU must make a strategic decision -- based on cost and revenue as well as affordability and access considerations -- as to whether or not international students enrolled in MSU courses and degree programs in China (and other international settings) should be billed at the prevailing in-state or out-of-state tuition rate.
 - b. Where appropriate, MSU should provide scholarships back to select or all students (representing, in effect, an MSU China partnership discount).
8. MSU should explore whether or not MSU China can effectively serve and recruit from the broader Asia market (MSU Asia).
 - a. How wide can MSU Asia draw the circle?
 - b. Serving the larger Asian market is consistent with China's growing economic and political integration with other Asian countries.
9. To extend course and degree offerings in China, MSU must utilize alternative faculty and instruction models.
 - a. MSU should explore the feasibility of "hybrid" or "sandwich" approaches to degree programs to address cost considerations. In such models, students begin their course work at a Chinese partner institution, move to the MSU East Lansing campus for a semester or year of study and/or experiential learning, and then return to China to complete their senior research project, Master's degree thesis or Ph.D. dissertation.
 - b. To complement in-country and online course offerings, select MSU East Lansing faculty will travel to China to offer short (two- to three-week), intensive semester-equivalent courses.

- c. To supplement MSU East Lansing faculty, MSU China will need to hire MSU-equivalent adjunct faculty or post-doctoral fellows to serve as instructors for some course offerings in China.
 - d. MSU Global must support the development of appropriate online MSU courses to supplement course offerings by Chinese partner institutions, MSU and MSU adjunct faculty.
 - e. MSU must refine the process of course content and credit evaluation to facilitate transfer credits from Chinese partner universities.
 - f. MSU must expand blended language (English and Chinese) and Chinese language course offerings for its programming in China.
10. To build capacity and long-term partnerships, MSU should offer (or require) continuing certification of MSU adjunct faculty and post-doctoral fellows.
- a. MSU should consider requiring MSU-funded MSU Ph.D. students from China to stay on campus for one additional year as post-doctoral fellows. Such students can then return to China for appointment at a Chinese university or elect to be hired for a five year term with MSU China.
 - b. Other Ph.D. students employed as MSU adjunct faculty by MSU China should be required to complete a one-year post-doctoral fellowship and participate in periodic (every two years) re-certification by MSU or be actively engaged with MSU faculty in research related to their teaching assignment.
11. To facilitate expansion of MSU's course and degree offerings overseas, MSU must work to improve on-campus institutional structures and practices.
- a. Streamline transfer credit and course evaluation and approval processes for course offerings at partner institutions
 - b. Adopt strategic and responsive approach to international student recruitment

ACTION AGENDA

1. NEAR TERM (years one to three)
- a. June 2005: form a university-level steering committee with representatives from key academic colleges, appointed by the President or Provost; establish an on-campus MSU China project office under the Dean of International Studies and Programs.
 - b. July – August 2005: establish an external advisory board for MSU China including representatives from business, government, and donor communities.
 - c. July – September 2005: appoint a small (two to three person) working group to examine existing models utilized by peer institutions to operate branch campuses, in the United States and abroad, and other models to deliver courses and degree programs overseas; identify what works and what does not work and why; also review of on-campus structures and processes

relating to course and degree program offerings abroad – what improvements must be made to support a significant expansion of MSU offerings abroad?

- i. Draw upon expertise in MSU's HALE (Higher, Adult, and Lifelong Education) Program.
 - ii. Examine of issues relating to traditional disciplinary department boundaries and tenure system versus fixed term faculty. Identify open, entrepreneurial departments and institutes to advance the MSU China initiative.
- d. April - May 2005: conduct in-country feasibility studies, identify appropriate partner institutions, and identify potential sources of funding for a limited number of academic programs, strategic consulting and research activities for which MSU has a comparative advantage.
 - e. September 2005: enroll students in new MSU-Tsinghua University degree programs in Advertising and Urban Planning.
 - f. September – October 2005: negotiate and sign partnership agreements and arrange financing.
 - g. October – December 2005: develop the business plan to roll out in year two a program for capacity building and problem solving in a strategic theme area through products that will drive funding for consulting, services, training, research and degree programs.
 - h. January 2006: establish MSU China Liaison Office in Beijing with local hire staff (preferably a Chinese MSU alumni for Director), provide logistical support for ongoing and developing MSU research, teaching, and outreach activities; begin strategic promotion of MSU brand through Chinese media, joint conferences, and international student recruitment.
 - i. March 2006: begin theme area -specific marketing and recruitment.
 - j. September 2006: enroll students in one or more new strategic MSU China theme area degree programs; expand market share for associated consulting, services, training and research products.
 - k. October – December 2006: develop the business plan to roll out in year three a program for capacity building and problem solving in a strategic theme area through products that will drive funding for consulting, services, training, research and degree programs.
 - l. March 2007: begin theme area-specific marketing and recruitment.
 - m. September 2007: enroll students in one or more additional new strategic MSU China theme area degree programs; expand market share for associated consulting, services, training and research products.
2. MEDIUM TERM (years four to eight)
 - a. Roll out four or five additional academic programs for which MSU has a comparative advantage based on consulting and/or research partnerships in China.

- b. Continue strategic investment in a limited number of consulting and/or research activities with a view to building longer term course and degree offerings.
 - c. Recruit and hire in-country MSU-caliber faculty to staff MSU course and degree program offerings
3. LONGER TERM (years eight and beyond)
- a. MSU should determine whether, and if so, when and where, to build a 21st Century MSU campus in China to achieve economies of scale
 - b. If MSU decides to establish an MSU China campus, MSU must identify and secure Chinese and/or U.S. funding for the same.
 - c. Submit applications to Chinese government for approval and form an administrative team;
 - d. Program review by Chinese government.