

STATEMENT
FOR THE NATIONAL ACADEMY OF SCIENCES ON

The Higher Education Act, Title VI
and the
Mutual Educational and Cultural Exchange Act, Section 102(b)(6),
International Education and Foreign Language Studies

On Behalf of the
BUSINESS AND INTERNATIONAL EDUCATION (BIE) PROGRAM

Madame Chairwoman and Members of the Committee:

My name is Kelly Murphrey and I am Director of the Center for the Study of Western Hemispheric Trade and Associate Director of the Center for International Business Education and Research in the Mays Business School at Texas A&M University. I am pleased to have the opportunity to present to you on the Higher Education Act, Title VI, Fulbright-Hays, and particularly the Business and International Education (BIE) program.

The BIE program serves as a major catalyst for international business education and U.S. competitiveness across the United States. Since its initial funding, in 1983, the U.S. Department of Education has awarded approximately 575 two-year BIE grants (~\$75,000/yr) to colleges and universities across the U.S. in support of the BIE program's authorizing purposes. Institutional matching of 50 percent of the total cost of the program is a statutory requirement. Each BIE program serves as a focal point, within a business school, for capacity building and strengthening its ability to develop globally competent managers that can successfully lead U.S. businesses in the highly competitive global marketplace. This is accomplished by implementing a broad range of interdisciplinary activities that enhance international business programs of educational institutions and provide training and services to the business community and managers so they can develop the skills and knowledge to successfully compete in the international business environment.

On September 11, 2001 international education (and more specifically, *international business education*) became, without question, a national security imperative. In an increasingly interdependent global environment, it is essential to provide formal educational processes to foster international business, foreign language, and cross-cultural knowledge and understanding necessary for effective U.S. leadership, competitiveness, and security. Globalization is obliterating the distinction between foreign and domestic issues. The global economic/business and technology revolutions are redefining the nation's economic security and reshaping how we do business. These realities are impacting us today and are increasing the need and demand for U.S. managers

who can think and operate in the global business environment. The opening of global markets, the explosion of trade, the globalizing effects of the Internet and technology, and the need for U.S. businesses to source and compete in countries around the world is increasing the need for international business classes and content in U.S. colleges and universities. A critical need that is not being met by many colleges and universities. In short, U.S. business leadership, competitiveness, prosperity, and national security in this century, will be impacted greatly by how well U.S. educational institutions prepare business students in international business, foreign language, and cross-cultural skills and knowledge.

PURPOSE

The broad purpose of the BIE program is to promote education and training that contributes to the ability of United States business to prosper in an international economy. The BIE program is designed to promote linkages between institutions of higher education and American businesses engaged in international economic activities. Each BIE program must both enhance the international academic program of the institution and provide appropriate services to the business community which will expand its capacity to engage in commerce abroad. Each grant application must be accompanied by an agreement between the institution and a business enterprise, trade organization or association engaged in international business activity.

The Business and International Education Program is authorized under the Title VI, Part B, of the Higher Education Act of 1965 as amended and was based on these Congressional findings (Section 611 (a)):

(1) the future economic welfare of the United States will depend substantially on increasing international skills in the business community and creating an awareness among the American public of the internationalization of our economy;

(2) concerted efforts are necessary to engage business schools, language and area study programs, public and private sector organizations, and United States business in a mutually productive relationship which benefits the Nation's future economic interest;

(3) few linkages presently exist between the manpower and information needs of the United States business and the international education, language training and research capacities of institutions of higher education in the United States, and public and private organizations; and

(4) organizations such as world trade councils, world trade clubs, chambers of commerce and State departments of commerce are not adequately used to link universities and business joint venture exploration and program development.

The legislative purposes of the Business and International Education (BIE) program are:

(1) to enhance the broad objective of this Act by increasing and promoting the Nation's capacity for international understanding and economic enterprise through the provision of suitable international education and training for business personnel in various stages of professional development; and

(2) to promote institutional and noninstitutional educational and training activities that will contribute to the ability of the United States business to prosper in an international economy.

STRENGTHS

Broad Array of Authorized Program Activities

The Business and International Education legislation outlines twelve broad activities that can be conducted to accomplish the goals and purposes of the BIE program. This selection provides the flexibility for each educational institution to tailor its program to meet the international business needs of their students, faculty, and business community.

Authorized BIE program activities to be conducted by institutions of higher education are:

(1) Innovation and improvement of international education curriculum to serve the needs of the business community, including the development of new programs for nontraditional, mid-career or part-time students;

(2) Development of programs to inform the public of increasing international economic interdependence and the role of American business within the international economic system;

(3) Internationalization of curricula at the junior and community colleges, and at undergraduate and graduate schools of business;

(4) Development of area studies programs and interdisciplinary international programs;

(5) Establishment of export education programs through cooperative arrangements with regional and world trade centers and councils, and with bilateral and multilateral trade associations;

(6) Research for and development of teaching materials relating to international education, including language materials, and facilities appropriate to business-oriented students;

(7) Establishment of student and faculty fellowships and internships for training and education in international business activities;

(8) Development of opportunities for business and other professional junior faculty to acquire or strengthen international skills and perspectives;

(9) Development of research programs on issues of common interest to institutions of higher education and private sector organizations and associations engaged in or promoting international economic activity;

(10) The establishment of internships overseas to enable foreign language students to develop their foreign language skills and knowledge of foreign cultures and societies;

(11) The establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this program; &

(12) Summer institutes in international business, foreign area, and other international studies designed to carry out the purposes of this program.

Significant Impact on Academic Programs and Students

The BIE Program has a strong impact on the internationalization of business schools and other programs through new course development and course revisions. Naturally, this results in an increased number of students being exposed to new material in international business, culture, and foreign language. In addition, many BIE projects go beyond developing or revising courses and create more formal international programs, such as *international business certificate* programs and *international business majors* and *minors* (often available to non-business majors, in disciplines such as Agriculture, Engineering, Science, Foreign Languages, International Studies). The BIE programs commonly foster new and strong interdisciplinary ties between business school programs and foreign language/area studies programs. In addition, many BIE programs develop overseas linkages that allow students to gain international skills and knowledge first-hand in overseas internships and study abroad programs.

Significant Impact on Faculty

Faculty development, the enhancement of faculty to teach international business, is an important aspect of internationalization and has a long-term impact. The BIE programs commonly sponsor internationalization workshops and seminars for business, foreign language, and areas studies faculty. Many BIE programs provide support for faculty to attend CIBER Faculty Development International Business (FDIB) programs and to conduct overseas student study

abroad programs. BIE programs also support and encourage faculty to conduct research on international business issues related to U.S. competitiveness.

Significant Impact on Business Community/Business Managers

BIE programs make available international business outreach programs to the regional business community that provides U.S. businesses with the skills and knowledge to become more globally competitive. BIE programs are required to develop a relationship (agreement) with a business enterprise, trade organization or association engaged in international business activity to assist with outreach and academic activities. These relationships are often with organizations such as the U.S. Department of Commerce Export Assistance Centers, World Trade Centers, District Export Councils, International Small Business Development Centers, and many others. BIE institutions and trade organizations commonly co-sponsor export counseling, regional international trade workshops and presentations, and foreign language and cross-cultural training for entrepreneurs and small and medium-sized businesses interested in expanding into the global marketplace.

Significant Impact on Regional and National U.S. Business Competitiveness

The BIE seeds of internationalization are planted regionally in the global skills and knowledge gained by students, faculty, and executives – as time passes, this human capital spreads out across the nation broadening the impact. Individually and collectively, the BIE programs have a tremendous impact on American economic competitiveness by advancing the ability of American managers to understand foreign cultures and business practices, to perceive and grasp overseas marketing and investment opportunities, to overcome language barriers, and to deal effectively with foreign governments and international institutions. This impact is achieved through the implementation of innovative programs that achieve the education and outreach objectives of the federal statutes and the regional international business needs of each educational institution.

Impact a Diverse Group of Educational Institutions Each Year

A distinctive feature of the BIE program is the fact that a broad array of educational institutions are selected each year. In any given grant cycle, 2-year Colleges, Community Colleges, Technical Schools, 4-year Research Universities, Hispanic-serving Institutions, Historically Black Colleges and Universities and other types of educational institutions may be represented. This allows the program to impact a wide range of students, faculty, and business managers – representing diverse ethnic, social, and racial backgrounds – from across the nation. The BIE program has also laid the foundation for a number of business schools that later received CIBER grants.

Creates an International Business Education Focal Point

An important outcome of the BIE program is that it often creates an “*international business focal point*” in the business school that serves as a catalyst for international business education and outreach. Prior to receiving a BIE grant, if asked, few of these business schools would be able to point to the person in charge of their internationalization efforts. With the BIE grant, a person is officially designated to strategically coordinate the internationalization efforts of that business school. Many of the BIE programs lead to a formal institutionalization of the BIE efforts with the formation of a “Center” or “Institute” to coordinate business school international activities (i.e., curriculum reviews, study abroad, internships, etc.).

WEAKNESS AND CRITICISMS

As shared earlier, the BIE program is a very solid program that is having a tremendous impact, in many ways, on American economic competitiveness. That said, I believe the program could be strengthened if a few “mini-grants” (~\$10,000) were awarded each year to schools that are in the initial stages of internationalization, demonstrate promise, and would like to initiate a few internationalization activities, but are not ready to pursue a full BIE program of activities. These business schools and others would also benefit from the development of an online-based training program on “*How to develop a successful BIE grant proposal*”.

I would be remiss, not to point out the fact that the success of this program could be expanded to benefit more educational institutions (students, faculty) and U.S. businesses (business managers) across the U.S., if additional funding were made available to the Department of Education for this program.

SUCCESSFULNESS AND EFFECTIVENESS

To determine the successfulness and effectiveness of the BIE program one could conduct a systematic evaluation, of the past and present programs and the people served by those programs, using objective performance measures to provide reliable and meaningful quantitative and qualitative evidence about grant operations and outcomes. In this study, one could evaluate how many faculty, students and executives have been impacted, the number of courses that have been developed or revised, the number of outreach programs that have been conducted for executives, and the number of new study abroad programs and internships that have been established by each BIE program. Faculty, students, and executives could be interviewed or surveyed to determine how the BIE internationalization activities have impacted them. Partner trade organizations could also be interviewed and surveyed to gain insight into the impact of the partnerships. This type of evaluation of the BIE program was conducted in 1995 by the University of Texas CIBER and yielded interesting data

and information. A summary of that study can be reviewed in Title VI-B BIE Funding, A Survey of Success, *Internationalizing – The Business Curriculum* (Scherer, 2003).

However, as interesting and helpful as a formal study would be, I think we need to be careful in how that information is used when determining the success or effectiveness of the BIE program. What complicates matters is the fact that the BIE program and its efforts are a long-term investment into human capital and the ability of United States businesses to prosper in an international economy – and short-term findings may not predict the long-term impact.

In addition to using formal objective measures, I would encourage you to consider this issue from a different and more practical perspective by asking the following question -- *“If we didn’t have the BIE programs to assist with internationalizing business schools, would the U.S. be more or less competitive in the global business environment?”* I think it is easy to realize that U.S. businesses would be less competitive if our business schools were not actively internationalizing business students, faculty, and managers. The BIE program is playing a crucial role in the future success of the U.S. by serving as a stimulant for international business education and U.S. business competitiveness.

USE OF EVALUATION RESULTS

Evaluation results should be used to assess the quality and effectiveness of individual school activities in order to stimulate continuous improvement and to develop a compendium of “best practices” to help guide future business school internationalization efforts.

BIE PROGRAM IS DIFFERENT FROM OTHER FEDERAL PROGRAMS

The Title VI BIE and Center for International Business Education and Research (CIBER) programs are the only federal programs focused on internationalizing business education and U.S. business competitiveness. And, the BIE program is the only program to fund community colleges and 2-year colleges seeking to internationalize their business programs.

CONCLUSION

In order to increase and maintain U.S. economic competitiveness, business leaders of tomorrow must possess global skills and knowledge. The BIE program is having a significant impact on students, faculty, and executives across the U.S. and is serving as a model for international business education. The Business and International Education program is making a major contribution to the global competitiveness and economic readiness of American businesses.