

After 25 years of devolution in Wales we are still struggling to define what our universities are for

New data shows that the number of 18-year-olds applying to university in Wales was the lowest in the UK, with only 34% having applied by the end of June as compared to 42% for the rest of the UK. This comes at a time when applications from overseas students have also been in steep decline, leaving the sector facing a perfect storm for the next financial year, with some estimating that higher education in Wales is facing a loss of around £100m for 2023-24.

Why has this happened? The latest student data from the Higher Education Statistics Agency (HESA) shows that there has been a considerable shift by Welsh universities towards the recruitment of international students, a market that is now in free fall. In fact, there has been a 37% increase in the number of international students coming to Wales since 2015 compared to a 14% increase for UK students.

Three universities – Aberystwyth University, Bangor University, and the University of South Wales (USW) – have been struggling to attract UK students, with USW seeing a fall of 22% in UK students and Aberystwyth a fall of 16%. However, this trend is not uniform across the whole sector, with increases in the number of home students at both the Open University (103%) and the University of Wales Trinity St David (61%).

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The fact that both Aberystwyth and Bangor have only 35% of their students from homes in Wales might surprise many, given

the iconic nature of both as Welsh institutions although the most worrying performance is the collapse in Welsh students attending the University of South Wales between 2015 and 2023.

According to HESA, the proportion of students from Wales studying at the university has dropped by 33%, representing a loss of 6,470 Welsh students. Whereas there were 19,345 students from Wales studying at USW in 2015, this number had fallen to 12,875 by 2023, and this decline occurred during a period when the number of Welsh students attending Welsh universities increased by 3.5%.

This is enormously disappointing for an institution that previously prided itself on being rooted in its local communities in the South Wales Valleys and Newport. More detailed statistics on local authority data will be released in September, but I suspect that closing two campuses in Newport and transferring world-class creative industries courses from Wales' third city to Cardiff will have led to a collapse in the number of students from the old county of Gwent attending USW.

Certainly, if you were a business and losing customers, you would be doing everything to find out why those customers were not buying your product at a time when the overall market has been growing. Yet, to counter its failure to attract home students, USW's overarching strategy seems to be one of focusing only on international students. Indeed, over the period 2015-2023, it has had largest increase in international (non-EU) students in Wales (from 2,305 to 6,380), representing a growth of 177% compared to a 37% increase for Wales as a whole.

This is well beyond what any university should be doing and whether this increasing focus on overseas fees, combined with the expected decline in international students, will place USW in a financially difficult position will become clearer later in the year, especially given its dependency on students from

India and Nigeria, both markets which have seen a massive decline due to changes in visa regulations.

The continuing fall in the number of Welsh students attending the university is a worrying trend, particularly given the importance of upskilling young people from its local communities and which was once a priority of USW but now seems less important to those running the institution.

If USW is struggling to attract students from those communities, then its senior management should have developed a coherent strategy to address this problem, something they have clearly failed to do. Certainly, if I was a politician representing the Valleys, I would be asking urgent questions as to why this situation has been allowed to happen so quickly in a university that was originally established to support higher education in some of the poorest communities in South Wales.

But the problem for higher education is bigger than one institution as it is now clear that, after 25 years of devolution, we still have no real idea of what our universities are for. Are they there to contribute predominantly to the upskilling of Welsh students (especially those from disadvantaged communities), or are they independent institutions that can make their own decisions about recruiting students, particularly from overseas?

Should the Welsh Government take a hands-off approach to higher education, or should it work closely with institutions to maximise their potential for the nation? In fact, is there any point to universities if their primary role is to only to generate enough income to survive regardless of where that funding comes from?

The current financial challenges will hopefully crystallise thoughts around this issue, although it may sadly take a Welsh university effectively going bankrupt before any real action

is taken. As I've said several times over the last 12 months, it is now time for an independent commission to be appointed by the Welsh Government to look in detail not only at the challenges facing higher education in Wales but, more importantly, at the opportunities to create a university sector that is fit for purpose, focuses on upskilling our young people, and makes a real difference to the nation.

Surely, after a quarter of century of having our own responsibility for higher education, that is not too much to ask of our politicians especially as the sector is far too important to be left solely to some who seem to have forgotten why our universities were set up by the people of Wales in the first place.