

Challenges in a Disrupted World: Branch Campuses from the United States

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Abstract

Branch campuses from the United States have proliferated across the world in recent decades. Many have found success, but a significant number have failed. While these branch campuses seem promising to many institutional administrators, leaders should be aware of the myriad challenges that they may face in setting up and continuing these ventures, especially in the current shifting global landscape.

Since *International Higher Education* first released a series of articles on international branch campuses (IBCs) in 2010, this unique higher education enterprise has continued to evolve and grow in complexity. In a rapidly changing global context, however, IBCs, like all of higher education, face unprecedented challenges.

The popularity of international branch campuses as an endeavor of US universities highlights their multifaceted uses: providing a new source of revenue, study abroad sites for domestic students (thereby keeping study abroad revenues previously lost to international competitors), and prestige in domestic and foreign markets, touting their international influence and presence. According to 2017 data from C-BERT's listing of IBCs, US-affiliated campuses make up nearly one-third of all open branch campuses in the world—in line with the United States' current international prominence in international higher education prestige and resources. Other countries from which large numbers of branch campuses originate are the United Kingdom and France, followed by Russia.

But out of the close to 100 branch campuses that US institutions have established, 25 have failed and closed their doors, reportedly all in the period between 2000 and 2015, according to C-BERT data. This rate is much higher than other countries that lead as exporters of IBCs. Only four out of 42 UK-affiliated campuses have failed, and only one of the 28 campuses established by French institutions has closed.

Challenges and Forced Closures

Setting up an IBC can seem very appealing to universities interested in diversifying revenue and internationalizing, especially for US institutions. But often, US higher education leaders have miscalculated the challenges and potential payoff of setting them up, resulting in their forced closing. And many of these challenges will only magnify due to the global COVID-19 crisis, imperiling IBCs in development or those without solid financial footing.

The first challenge facing US-based IBCs is a perpetual one not likely to change: Setting up branch campuses, however seemingly lucrative for the home institution, is a tricky business. Universities inexperienced in setting up branch campuses may be caught unawares by the significant investment in time, money, infrastructure, and effort required. These miscalculations have plagued institutions like the Community College of Qatar (CCQ), originally founded as a branch campus of Houston Community College (HCC). It was reportedly ill-managed from the outset with its opening and operation bungled by its US administrators. Institutional leaders failed to acquire accreditation for the school, leadership turnover resulted in a tumultuous first few years, and miscommunications between Qatari and HCC officials led to confusion on basic issues of educational administration. The college has since come under full local control and is still in operation, but not as a branch campus. HCC's only involvement remains as a consulting entity.

Navigating a foreign government context may also be a hurdle for which American administrators fail to adequately prepare. For one, gaining accreditation from local governments has been a challenge for many IBCs, differing substantially from US accreditation standards. Even after getting accreditation from a US agency, the New York Institute of Technology's campus in Bahrain received a poor review from the local accreditation agency. The campus was barred from enrolling new students in its business program one year before a ban on enrolling new students altogether, and was thus forced to cease operations. But even assuming success with accreditation and regulations, many IBC

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contracts allow governments to change their minds quickly. While not met with nearly the same level of press and controversy as many other IBC closings, Boston University's dental program campus in Dubai ended after only the second class had graduated. The local government decided to take the institution under full local control, rebranding it as the "Dubai School of Dental Medicine" with no affiliation to Boston University.

Offering the quality of a US higher education program with matching faculty prestige and student experience is also a costly endeavor, which institutions can only support with strong enrollment and often necessary financial support from the local government. The reliance on these two revenue streams is aggravated by a lack of robust fundraising, a resource that most US institutions are accustomed to, in the form of research grants, foundation funding, and alumni donations. It should thus be unsurprising that many of the 25 failed US-affiliated branch campuses were closed due to lack of financial resources, either by overprojecting student demand or losing needed government aid. George Mason University's campus in Ras Al Kaimah, United Arab Emirates, faced pressure to selectively admit students to replicate the quality offered on its main campus in Virginia. But the school was never able to attract a significant pool of students both qualified and interested in their programs—at its height enrolling only 120 students in its degree programs. The campus closed in 2009, not having graduated any students and with student enrollment and tuition revenue below projections. Five years into its venture abroad, the University of Nevada, Las Vegas' college of hospitality in Singapore became unviable after its costs increased such that its local sponsoring institution would have had to double its financial support of the campus. And the University of La Verne Athens closed after losing 40 percent of its student body over five years and becoming the most expensive higher education option in Greece.

A changing world will further roil international higher education and the environment in which IBCs find themselves. Governments around the world are increasingly turning to nationalistic, insularly focused posturing and policy, hostile to foreign ideologies and potentially to their pedagogies. In this surge toward nationalism that many countries are experiencing, it may be impossible for new US branch campuses to be set up—and existing campuses may face an unfamiliarly hostile environment.

There is also the threat of unpredictable global challenges, such as the COVID-19 crisis, further weakening an already wilting movement toward globalization. And with many branch campuses supplying funds back to their home institutions through lucrative deals with foreign governments, threats to branch campuses also represent a threat to their originators.

Looking Ahead

How US-based branch campuses fare in the future is not set in stone. Several have found great success, with thriving student bodies, active research faculty, and a solid financial base on which to stand, directly benefiting their home universities and the countries and regions in which they operate. But not all institutions that have extended their reach with a physical presence abroad will be—or have been—so lucky. As the world enters a considerably more disrupted and uncertain era, there will be significant ripple effects reverberating throughout civil society. Higher education, and in particular those institutions which have set up campuses abroad, will have to adapt to face these challenges, or risk shuttering. ▲

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