

# International Branch Campuses: Current Trends and Future Possibilities

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International branch campuses are now an established form of transnational education. An international branch campus is a satellite bricks-and-mortar entity established by a higher education institution in a foreign country.

## Definition Problems

There currently is little consensus on what constitutes an international branch campus in terms of institution size, breadth of program offering, campus facilities, and branch ownership. For example, should an institution be classified as an international branch campus if it has fewer than 100 registered students, operates from a few rooms in an office block, and is actually owned by a host country government or company?

The lack of consensus on a definition for international branch campuses plus the increased diversity among host and source countries makes it very difficult to count how many of these institutions are operating globally. While the Cross Border Education Research Team (C-BERT) puts the number at 333 campuses, the Transedu Research Group claims that there are 487 such institutions operating globally. It is possible that C-BERT has missed some branches that exist, or that Transedu has counted those that do not really deserve to be classified as international branch campuses.

## Past Fad—or Not?

At the time of the global financial crisis in 2007–2008 and again in 2018–2019, several researchers and journalists claimed that the international branch campus fad was over. However, in recent years, for every branch that closed, three or four new branches opened. In fact, the failure rate of international branch campuses is likely around 10–15 percent, which is considerably lower than the average failure rates for international startup businesses across all sectors.

In the last two–three years, the interest in establishing international branch campuses has not decreased as widely predicted; rather, it has increased, both among countries wanting to host such institutions and among universities in the source countries. Several purpose-built hubs have already been established in Egypt, which is keen to host universities from a range of different countries. Even China is making it easier for foreign providers to develop new campuses. Previously, foreign universities could only establish a branch in China with a local partner, but new regulations in Hainan permit foreign institutions to operate a branch independently. If its campus opens on schedule in late 2023, Germany's Bielefeld University of Applied Sciences will be the first foreign university to independently open a campus in mainland China.

## Reasons for International Branch Closures

When a new international branch opens, there is usually plenty of publicity, but when a branch closes, it usually disappears with no or very little media coverage. Furthermore, institutions and host country partners rarely comment publicly on branch closures, so the precise reasons for a specific branch's closure are rarely known. The most common reasons suggested for branch campus failures are low student enrollments, failure to satisfy accreditation requirements, problems with partners, and funding issues.

Institutions are sometimes unsuccessful because they lack a coherent strategy that would be based on achieving a clear set of objectives. Ownership by host country governments or state-controlled companies does not appear to minimize the risks of

## Abstract

In recent years, for every international branch campus that closed, three or four new ones opened. The future success of such campuses will likely depend to a great extent upon the ability of institutions to attract students and funding, match accreditation requirements, and maintain favorable relationships with host country partners. Geopolitics and the desire of countries to host such campuses will also be of high importance.

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closure. Dubai Investments recently closed its two “branch” campuses, the University of Balamand in Dubai and MODUL University Dubai. Both had relatively low student enrollments, and also experienced difficulties fulfilling the accreditation standards of the host or source country.

### **Current Development and Ownership Trends**

As prospective international students were unable or discouraged from traveling abroad during the COVID-19 pandemic, many decided instead to study at a local branch campus. Several of these campuses in the United Arab Emirates reported having record years in terms of student recruitment. During the last two years, international branch campus openings have continued at the rate of almost one a month, and the diversity in host and source countries has increased. For example, not only is India inviting foreign universities to open branches in India, but recent legislation has for the first time also allowed public Indian institutions to operate abroad. In April 2023, India’s National Forensic Sciences University became the first public institution to open a campus in Uganda.

International branch campuses are commonly associated with commodification of higher education, meaning that earning revenues and profit are key institution motivations. Not only are many universities behaving more like businesses, motivated by financial and reputational objectives, for-profit companies are also getting involved in the sector. In some cases, for-profit companies provide premises, facilities, and support services, in addition to assuming responsibility for student recruitment, as Navitas does for Lancaster University Leipzig. There are cases of for-profit companies assuming even more control over international branch campuses. For example, the Transnational Academic Group states that it “owns and manages” Curtin University Dubai and Lancaster University Ghana.

Some commentators have suggested that the involvement of for-profit companies in branch campus operations threatens to reduce educational quality. However, there is limited evidence to substantiate such claims. For example, Middlesex University Dubai, which is wholly owned by Amanat Holdings, has achieved the highest five-star rating from the local accreditation body and has grown to be the largest private university in Dubai in terms of student enrollment.

### **Future Possibilities**

It is likely that international branch campuses will continue to both open and close in the future. Institutions that succeed in attracting students or external funding will be the ones that continue to thrive, whereas those that have low student numbers or issues related to academic quality will likely fail if these weaknesses are not overcome. Geopolitics and political changes in host countries will continue to have a strong influence on the sustainability of the branch campus model. Already since 2021, a considerable number of academic staff have left branch campuses in China due to worsening employment conditions.

The future is likely to present both opportunities and threats for institutions wanting to develop new offshore campuses, as well as for the existing branch campuses. The desire of countries such as India and Indonesia to host international branches has the potential to dramatically change the global transnational education landscape over the next decade. In India, Indonesia and the Sultanate of Oman, new legislation has recently been passed to make it easier and more attractive for foreign universities to establish branch campuses. Foreign universities are currently rushing to get a foothold in such countries. Australia’s Monash University and Central Queensland University seized the new opportunity and have become the first foreign universities to open branches in Indonesia. Also, Australia-based Deakin University is expected to be the first foreign university to establish a campus in India, which will be located in Gujarat International Finance Tech City. It is scheduled to be operational by mid-2024.

The majority of international branch campuses depend at least to some extent on international partnerships. So, how these partnerships progress over time will have a large impact on what the branch campus sector will look like in the 2030s. In 2021, the National University of Singapore announced that it would end its partnership with Yale University. It is believed that the Singapore-based partner desired a higher level of

independence over academic standards and freedom, while the host country government had increased concerns about the public funding.

It is unclear how long organizations such as the Qatar Foundation and Abu Dhabi government will continue to fully fund campuses of foreign universities. It is possible that at some time in the future, governments may decide to nationalize branch campuses. Already in Qatar, the College of the North Atlantic ceased operations in 2022 and it is now an independent institution named the University of Doha for Science and Technology. ▲

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