

Beyond Branch Campuses: Nepal's Franchise Model of Transnational Higher Education

Min Bahadur Bista

Nepal's foreign-affiliated colleges, formally recognized under a 2002 government directive, are often mistaken for branch campuses but operate through franchise-style arrangements. This article analyzes why such institutions have proliferated in Nepal and assesses their academic quality and governance. It argues that while the system has widened access to international degrees, weak regulatory oversight, limited institutional engagement, and challenges in degree recognition create significant risks for students and raise broader concerns about the sustainability of transnational education.

Nepal appears, at first glance, to be participating in a familiar global trend: the internationalization of higher education through foreign provision. Across Asia and the Middle East, governments have actively attracted branch campuses of foreign universities, promoted joint-degree programs, and invested in education hubs designed to integrate global and local academic systems. These initiatives are typically associated with strong regulatory frameworks, institutional collaboration, and sustained academic engagement from foreign providers. Nepal's experience, however, diverges sharply from these models.

What are commonly described within Nepal as "foreign-affiliated colleges"—a term formally recognized under the "Directive for Operating Higher Education in Affiliation with Foreign Educational Institutions, 2002"—are not branch campuses in the conventional sense. They do not involve the physical or academic presence of the foreign university in the host country, nor do they operate under shared governance structures. Instead, they function through franchise-style arrangements in which foreign universities provide curricula, assessment guidelines, and degree certification, while local private colleges—essentially acting as franchise operators or agents—manage teaching, student recruitment, infrastructure, and daily operations by purchasing the right to operate under the foreign university's name. This distinction is not merely terminological; it reflects a fundamentally different model of internationalization—one driven more by market demand and institutional opportunism than by academic partnership.

Expansion Driven by Demand and Opportunity

Over the past two decades, Nepal's franchise model has expanded at remarkable speed. Recent national data indicate that nearly 60 institutions have been approved to operate foreign-affiliated programs, enrolling nearly 28,000 students, equivalent to nearly 5 percent of all university students nationwide. The sector is heavily concentrated in Kathmandu Valley, where more than

four-fifths of these institutions are located, underscoring the urban-centric nature of provision. Academic offerings are similarly concentrated, with information technology and management programs dominating enrollment patterns. These trends reflect the influence of student demand for globally marketable skills and migration-linked qualifications rather than a coordinated alignment with national higher education priorities.

The emergence of this model can be explained by the convergence of demand, regulatory gaps, and global supply. Domestic demand for international degrees has grown steadily, driven by aspirations for global mobility and employment. At the same time, Nepal's regulatory environment has historically lacked a comprehensive framework for foreign providers, enabling private entrepreneurs to establish affiliations with relatively few constraints. On the supply side, many foreign universities—particularly those seeking low-cost international expansion—have found Nepal to be an accessible market. These foreign franchise arrangements are highly concentrated, with most providers originating from the United Kingdom (around 23 colleges) and Malaysia (22 colleges), followed by a much smaller presence from countries such as India, Thailand, and the United States, along with a few other European systems. Together, these conditions have enabled the rapid proliferation of a model that is highly scalable but weakly governed.

Quality Without Integration

While this model has expanded access, it raises fundamental questions about academic quality. A significant proportion of partner universities are outside major global rankings or lack robust accreditation in their home countries. More critically, the structure of the franchise model separates degree-awarding authority from academic delivery. Teaching is conducted almost entirely by locally recruited faculty, often on part-time contracts, with limited or no engagement from the foreign university beyond periodic moderation.

In contrast to branch campuses, where the foreign institution's reputation is directly tied to educational delivery, Nepal's model allows institutions to extend their reach without substantial academic investment. Opportunities for research collaboration, curriculum co-development, and faculty exchange are nonexistent. This structural disconnect makes it difficult to ensure consistency in academic standards and undermines the credibility of the educational experience.

Regulatory Gaps and the Limits of Accreditation

These quality concerns are intensified by significant governance weaknesses. Nepal does not have a dedicated statutory authority to regulate foreign-affiliated colleges, and existing directives lack enforceable legal status. As a result, institutional practices related to admissions, fees, faculty qualifications, and infrastructure are largely determined by private operators.

A critical limitation lies in the country's accreditation system. Higher education accreditation in Nepal operates on a voluntary basis and cannot be enforced across institutions. This significantly weakens its role as a quality assurance mechanism. Among foreign-affiliated colleges, only two institutions have undergone quality accreditation and assurance processes administered by the University Grants Commission. The overwhelming majority remain outside formal quality assurance frameworks, highlighting the limited reach of existing regulatory instruments.

More concerning are cases where affiliating foreign universities have had little or no active engagement with their partner institutions. Evidence suggests that some universities were unaware that programs were operating under their name, while others had effectively lost contact with local operators. Such conditions raise serious questions about oversight, accountability, and the legitimacy of institutional affiliations.

Academic Environment and Institutional Capacity

The academic environment within many foreign-affiliated colleges reflects these structural and regulatory gaps. Rapid expansion in enrollment has not always been accompanied by proportional investment in infrastructure, laboratories, libraries, or digital learning systems. In some cases, institutions operate from rented premises with limited physical capacity, even while managing large student cohorts.

The reliance on part-time faculty further constrains academic development, limiting continuity in teaching and reducing opportunities for research and student engagement. Without stable faculty structures or institutional investment in academic capacity, the educational experience risks becoming transactional rather than transformative. These patterns are not

incidental but are closely linked to the commercial logic of the franchise model, which incentivizes expansion without necessarily ensuring depth.

Student Vulnerability and Recognition Challenges

For students, the franchise model presents both opportunity and risk. It provides access to international degrees at comparatively lower cost, but it also exposes students to significant uncertainties. One of the most critical challenges is the issue of degree recognition. Without local equivalence certification, students in some cases find themselves in a precarious position, unable to pursue further education or secure employment within Nepal.

Instances of institutional instability further exacerbate these risks. Changes in foreign partnerships, disputes between local operators and universities, and inconsistencies in program delivery can disrupt academic progression. In a system where regulatory oversight is weak and accountability is diffuse, students often have limited avenues for redress. This vulnerability is a defining feature of the franchise model and underscores the need for stronger mechanisms of student protection.

Rethinking Transnational Education: Lessons from Nepal

From an international perspective, Nepal's experience offers important insights into the evolving landscape of transnational higher education. While global attention has focused on high-profile branch campuses and elite partnerships, a significant portion of cross-border provision occurs through franchise and validation models operating in less regulated environments.

Nepal illustrates how such models can expand rapidly in response to demand, even in the absence of strong institutional integration or regulatory oversight. It also highlights the risks associated with separating academic authority from academic responsibility. The case raises broader questions about what constitutes meaningful internationalization and whether access to foreign degrees alone is sufficient to ensure educational value.

Moving forward, Nepal faces the challenge of transitioning from a franchise-driven system to one grounded in stronger academic partnerships and regulatory frameworks. This will require enforceable standards, clearer accountability mechanisms, and greater involvement from foreign institutions in academic delivery. For the global higher education community, Nepal's experience serves as a reminder that not all models of internationalization are equal. Expanding access must be matched by sustained commitments to quality, integrity, mutual benefit, and institutional responsibility if transnational education is to fulfill its promise.

Min Bahadur Bista was professor of education at Tribhuvan University, Nepal, and has served as an education specialist with UNESCO. Email: min_bista@yahoo.com