

In some cases, the pool of available students may become unpredictable as more branches are developed, and local institutions are inevitably improved. This particularly serious problem will likely infiltrate the Arabian Gulf region, where numerous branches have been established and the local and perhaps even the regional student population will have many other options over time. Some of the branches, established generally with funding from host governments or other agencies, are already facing enrollment problems, and many are operating under capacity.

CHANGING LOCAL CONDITIONS

The higher education environment has become fluid in many parts of the world. Demand for higher education expanded throughout the developing world, resulting in large numbers of students going overseas to study as well as a significant demand for branch campuses in countries with inadequate domestic provision or where the quality of local institutions is perceived as low. In the immediate future, expansion is anticipated to be strong due to broad demand for access to both mass and elite institutions. But the longer term is more difficult to predict. Many countries, such as China, are expanding local capacity at all levels, and branch campuses may soon be less attractive. India, which has not allowed much foreign involvement, may be opening its doors soon. At the same time, local capacity at the top is quite limited. India has announced plans for significant expansion of its selective institutions, including more Indian Institutes of Technology, which will for the first time be open to international students. In short, the future market for branch campuses is difficult to predict.

For a branch campus to provide an education equivalent to the form offered at the home university, the student body must largely match the one at home in terms of selectivity and quality.

RISKS AND DANGERS

Much is unclear about branch campuses. Universities establishing them have in general not considered the long-term implications. Establishing a real branch campus that provides an education the same as at the home institution is not an initially easy task, and it is much more difficult as time goes on. Sustainability should be a central concern when establishing a branch campus, but there is little evidence of such a concept. And the longer-term prospects in the countries where branches are being set up remain unclear. Branch campuses may be the “flavor of the month,” but the pitfalls, with resulting damage to academic reputations, financial losses, and of course poor service to students, loom as significant prospects. ■

International Branch Campuses: New Trends and Directions

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Since 2006 the number of international branch campuses in the world have increased by 43 percent, according to a new report published by the Observatory on Borderless Higher Education (OBHE). Branch-campus establishments have also taken some new directions.

DEFINITIONS

There is no universally agreed definition of an international branch campus, and apart from the Observatory's 2006 branch-campus report, no official and comprehensive list appears to include all existing branch campuses in the world or in specific regions around the globe. Both factors make it difficult to analyze and compare emerging trends across countries.

The term *international branch campus* is used here as an off-shore entity of a higher education institution operated by the institution or through a joint venture in which the institution is a partner (some countries require foreign providers to partner with a local organization) in the name of the foreign institution. Upon successful completion of the course program, which is fully undertaken at the unit abroad, students are awarded a degree from the foreign institution.

As distinctions between branch campuses, satellite campuses, and study centers are blurred, subjective judgment is often required to conclude whether a certain operation exists. The traditional branch campus is characterized by academic and student facilities (such as a library, student accommodation, and recreational activities), research facilities, and a range of course offerings. This article, however, also refers to smaller-scale operations that offer at least one full-degree program at their own independent offices (i.e., not located within a foreign university).

Certain establishments do not fit OBHE's definition of branch campuses. Not included are schools with more than one institution's courses and those with programs offered through a partner institution or only providing joint and double degrees; foreign campuses that only offer parts of a degree program; or study-abroad campuses for home students. Also excluded from this article are operations modeled on a foreign country's higher education system but without ties to a specific institution (such as the American University of Cairo); and foreign-backed universities, which have been established with-

in the host country's higher education system and jurisdiction but with initial academic support from foreign providers (such as the Swiss-German University of Indonesia).

MARKET TRENDS

Since September 2006, the number of international branch campuses in the world have increased by 43 percent, to 162, and more source and host countries have become involved in branch-campus development. Institutions from the United States continue to dominate, both in the number of established operations and in the campus growth over the past three years. Seventy-eight campuses, the equivalent of 48 percent of all current international branch campuses, have been set up by US institutions. The United States is followed by Australia (14 campuses), the United Kingdom (13), and France and India (11 campuses, each).

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Among the host countries, the United Arab Emirates is the clear leader, hosting 40 international branch campuses, a quarter of all such ventures in the world. Two-thirds of these foreign campuses are located in Dubai International Academic City. The prime position among the host countries is largely driven by a high student demand, coupled with the country's need to build a knowledge economy and reduce its dependence on the export of oil. China is in second position among the host countries, with 15 campuses, followed by Singapore (12) and Qatar (9), two states whose governments are actively trying to establish themselves as "international higher education hubs" for their region.

Recently, the directions of branch-campus establishment have started to change. While only three years ago, "North-to-South" branch-campus development was clearly dominating, "North-to-North" and, particularly, "South-to-South" provision have increased, with the latter indicating that developing countries are slowly but increasingly establishing their own branch campuses abroad. The large increase in South-to-South provision is largely due to the improved quality of higher education programs in developing countries, coupled with their increased ambition to export programs and hopes to generate a profit from these ventures. The relevance and need for programs in countries with similar socioeconomic contexts and directions of development have also contributed to this growth.

Overall, the international branch-campus market has become more competitive, however, and there have also been several branch-campus closures, reaffirming the need for insti-

tutions to undertake careful market research before deciding to create a campus abroad.

SPONSORS

International branch-campus proposals no longer always originate from the providing institutions. Increasingly, branch-campus initiatives have been invited and even financially supported by governments or other organizations in host countries. In the Middle East and Southeast Asia several "international higher education hubs" have been established, which offer favorable conditions for foreign campuses. Countries providing support, funding, or infrastructure to foreign providers have attracted the highest number of new branch-campus establishments. For example, the United Arab Emirates has been able to attract more campuses than any other country, partly because of its oil wealth, which allows the country to set useful funding and support "packages" (such as tax-free trade zones) for foreign institutions that establish a local campus.

Dubai International Academic City, for instance, offers foreign campuses 100 percent foreign ownership, a 100 percent tax exemption, and a 100 percent repatriation of profits. Foreign campus entry, however, is very restrictive. In Qatar, the Qatar Foundation bears all the costs of developing international branch campuses in Education City, including the costs of buildings, infrastructure, administrative assistance, and even

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staff bonuses. Qatari students at the branch campuses in Education City are eligible for local government study grants, and students enrolled at the hub's US branch campuses are given the opportunity to "cross-register" by taking a course at US branch campus A and another course at US branch campus B. In Asia, South Korea's Incheon Free Economic Zone will likely offer tax incentives and financial support—such as, support toward construction costs or reductions in accommodation rent. These conditions can be incentives for foreign providers.

CONCLUSION

The fast expansion in the number of international branch campuses worldwide is likely to lead to increased global competition for international students, along with several successes and a number of failures. Partly in response to recent branch-campus closures, higher education institutions have become more aware of the long-term costs and risks involved in

branch-campus establishment and are more often looking for sponsors and entering into public-private partnerships to share and reduce such risks. ■

Gulf State Branch Campuses: Global Student Recruitment

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As one of the more overt symbols of a perceived movement toward the Westernization—indeed the Americanization—of the Gulf tertiary system, incoming New York University-Abu Dhabi (opening fall 2010) has naturally drawn comparison to the six American degree-granting branch campuses presently operating in Doha's Education City. At first glance, the terms of agreement established by the government of Abu Dhabi and the Qatar Foundation appear similar: both projects are comprehensively funded and concede full autonomy in decision making to the universities. Standards of admission are ostensibly maintained, and completion of the requisite curriculum is followed by the provision of degrees indistinguishable from those awarded at the home campus. The effort to enroll students in adequate numbers, however, reveals a significant divergence in strategy. These differences will carry major implications for New York University-Abu Dhabi's integration into the social fabric of Abu Dhabi.

QATAR FOUNDATION AND QATARI STUDENTS

Qatar—much like the other Gulf Cooperation Council states—has long struggled with a central dilemma: how should the diversification of the local economy optimally proceed if it is necessarily accompanied by an influx of both skilled and unskilled expatriate (non-national) labor. By 1975, just four years after independence from Britain, 98,000 of Qatar's population of 158,000 were migrant workers, and South Asian laborers outnumbered Arabs by a margin of three to one. Education policy has largely been driven by a desire to legitimately qualify the national population for work in the growing mixed and private sectors and, in so doing, contribute to at least the partial reversal of this demographic imbalance.

In accordance with this goal, the Qatar Foundation has established explicit targets for the number of Qataris each of the six universities in Education City should aim to enroll. At present, Qataris make up 46 percent of a student population that, in any case, is not very large (the classes of 2009 totaled

around 200 graduates). The Qatar Foundation would like to see these numbers increase. Its strategy to counteract low enrollment has been multifaceted but mostly local in focus. Since 2001, Education City has played home to the Academic Bridge Program, which provides up to two years of preparatory work for students hoping to qualify for otherwise unattainable Education City admission. To similar ends, Texas A&M-Qatar has developed the Aggie Opportunity Program, a foundational scheme that sets standards for provisional acceptance and effectively increases the number of Qatari students the institution admits. Seven of nine Qataris enrolled in this program in the 2006/07 academic year were later welcomed as full-time students. Lastly, an outreach to potential applicants has been directed at the Gulf Cooperation Council states, if not Qatar. Georgetown University School of Foreign Services in Qatar, for example, made more than 30 visits to Qatari high schools during a five-month span in 2007.

A DIVERGENT STRATEGY

In working toward an eventual (and much more ambitious) goal of 2,000 undergraduates, New York University-Abu Dhabi has taken a separate approach. The Abu Dhabi government has not made the enrollment of a desired number of Emiratis explicit policy, and John Sexton, president of New York University, believes that nationals in the United Arab Emirates will likely become only a tiny percentage of the student population. As such, there is no foundation year program.

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Instead, Sexton and the Abu Dhabi branch campus have ramped up admissions requirements. The "global education" offered at the university will attractively combine with unparalleled financial aid packages. International students, who would otherwise attend the Ivies or else New York University's Washington Square campus, will opt for Gulf-style freshman orientation. An estimated 40 to 50 percent of the student body will be made up of Americans. To help fill the rolls, school counselors from the world's most elite secondary schools are being encouraged to nominate two students for possible admission. Recruitment events are taking place in every continent except Antarctica.

POTENTIAL CHALLENGES

Simply put, to approach their enrollment goals in Abu Dhabi, an elite university such as New York University must appeal to expatriates. While in line with the university's hopes for an enhanced international profile, this policy is a departure from