

Franchising—The McDonaldization of Higher Education

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Almost 20 percent of students studying for a British first academic degree are not residing in the United Kingdom but rather pursuing their degree at one of Britain's 13 branch campuses or, much more likely, at a foreign institution that has franchised a British degree. More than 400 franchise arrangements were reported in 2008. The UK institution provides the curriculum, learning materials, quality assurance and, most important, the right to award a British degree. Universities in other countries are also involved in franchising; Australia and the United States are examples. There are even multinational franchising and twinning operations; for example, a British university and an Indian institute offer degrees in Oman.

At a branch, the home institution is, at least to some extent, "on the ground" overseas and guides hands-on direction for teaching and local supervision. Franchising is the provision of the curriculum and a degree without direct involvement. Franchising is exactly what McDonald's does. The McDonald's corporation sells the right to "brand" its products so long as the franchisee adheres to strict standards and policies. Thus, a Big Mac tastes the same in Chicago or Shanghai. "Inputs" (potatoes, meat, the "special sauce") are carefully monitored. Business practices are stipulated, and the "brand image" closely monitored and protected. There is modest latitude for local adaptation.

For example, a Big Mac in Riyadh is halal, and one can find a McPork in Bucharest. The purpose of the entire enterprise is to earn profits for the franchisee and for the corporation.

One difference between McDonalds and a higher education franchise is that a McDonald's franchise requires a significant investment by the franchisee—in facilities, equipment, and the like. In many cases, an education franchise just needs to rent space with little additional investment from either side. More worrisome, an easy exit is possible for either party with the possibility of leaving students in the lurch.

Franchising is yet another example of the commodification of higher education, and the entire purpose of the operation is to make money.

#### **WHAT'S WRONG WITH IT?**

If one accepts that nonprofit higher education institutions at home should operate as profit-making businesses overseas, nothing is fundamentally wrong. But a number of questions must be raised. Concerns have been expressed by quality-assurance agencies and in the British media that several universities—generally those at the lower end of the pecking order—have been caught offering substandard products overseas or at least not adequately monitoring the degree programs offered in their names, thus sullyng the reputation of British higher education. It is very hard to adequately monitor what is being done in the name of an institution far away.

In a recent article in the *Guardian*, a senior administrator at the University of Nottingham, which has several branch campuses in Asia, notes that—in franchise or twinning arrangements—the overseas partner may have the UK

curriculum; but it may not be taught with the same ethos that characterizes the home campus. An emphasis on interactive learning or critical thinking, for example, may be missing. In other words, the form but not necessarily the substance of education may be provided by the franchisee. Adequate quality assurance is not easy. Home evaluators may not be aware of conditions overseas; and in any case, the logistics are difficult and often expensive.

All of this also begs the question as to whether the curriculum offered for most specializations in the United Kingdom or in other developed countries will be appropriate for the needs of developing or middle-income countries. Yet, the essence of the franchise arrangement is that the “product” offered should be the same as at the home institution.

While no one has researched who are the franchise providers in developing and middle-income countries, they seem to be a variety of agencies. Some are private universities and other educational institutions. Some are property developers or other business interests, wishing to enter the lucrative higher education market or add an education facility to a new shopping mall or condominium complex. There may well be nothing wrong with these sponsors, but it balances the educational mission against other business interests.

Higher education franchising seems to be a growing phenomenon. As with all commercial investment in higher education, there are significant possibilities for problems. So far the franchisers seem to be working on the McDonalds principle. It would be interesting to ask why no one is looking at the educational equivalent of Intercontinental Hotels—aiming at a higher-end market segment—as a better model. (This article has also appeared in *Times Higher Education*, London.)