Higher Education in the Gulf: Privatization and Americanization

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The six-member nations of the Gulf Cooperation Council (GCC)—Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, and Oman—are undergoing an astonishing development of their higher education landscapes that has attracted keen interest on the part of other Arab countries. In line with their increasingly freewheeling and booming private sectors, higher education has been characterized over the last five years by exponential growth in the number of institutions, a dependence on the private sector to provide education that meets the needs of the market, and the unquestioned dominance of the American university model.

Growth in Demand

The populations of the GCC nations are rising dramatically as the result of an overall annual growth rate of over 3 percent. Roughly 60 percent of the population is under 16 years of age. Until the mid-1990s, the governments focused most of their attention and resources on handling the exploding numbers at the primary and secondary levels. The production of university graduates was of considerably less urgency, as these countries had grown accustomed to the luxury of importing foreign experts to perform the necessary technical and managerial functions. Indeed, universities in the Gulf rarely date back more than 30 years; and in the case of Bahrain and Oman, their two public universities came into existence just 17 years ago. When throngs of secondary graduates began pouring out of the schools in the mid-1990s demanding university training, Gulf governments found themselves hard-pressed to satisfy the demand through existing institutions.

As Gulf nations have sought rapid modernization over the last 30 years, they have all made the education of females—a recognized hallmark of modernity—an element of their educational policies, albeit within the strict guidelines of Islam and traditional tribal customs. Females are still very rarely permitted by their families to go abroad for university study, thereby making local study their only option. Thus, while tens of thousands of Gulf males go to universities abroad and relieve local universities of some of their burden, the exploding number of female graduates must be educated in their countries. In general, about 60 percent of graduates of Gulf universities today are female (although only a small percentage of these graduates ever enter the workforce). And the fact that most public higher education in the Gulf is segregated by sex makes the university enterprise more expensive in terms of its efficient use of faculty, staff, and facilities.

World events of the last two years have given a strong impression to Gulf nationals that the United States is no longer a safe and welcoming place for them to live as university students. The number of GCC students applying to U.S. universities has dropped significantly. Some GCC governments have decided to transfer a large portion of their scholarships hitherto designated for study in the United States to Canadian universities. Although the exact numbers are not yet known, it is certain that at this time many students who would have normally gone abroad to study, either on scholarship or on their own funding, are staying in their countries and seeking Western-quality programs locally. This has further increased demand.

A final factor contributing to the exploding demand for higher education is the growing population of children of the enormous expatriate communities living long-term in the GCC. In Saudi Arabia and Kuwait, expatriates make up over half of the population; in Qatar and the United Arab Emirates, noncitizens make up a full 80 percent of the population. Once considered temporary guestworkers, these groups have gradually become more entrenched and have raised families in country. The first waves of thousands of their children coming out of secondary schools are now seeking university places in the Gulf. As they have usually been excluded from public universities as noncitizens, the private sector is their only option.

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Privatization as the Solution

In a remarkable concurrence in policy, all the GCC nations have, in the last five years, come to see the authorization and expansion of private higher education institutions as the solution to their educational woes. Saudi Arabia, Kuwait, Bahrain and Oman have all seen their first private universities open within the last two years, with strong public support and praise by their governments. Some are purely local institutions funded by investors, while others are either joint ventures with foreign universities or satellite campuses of the latter. While the recent decision by Cornell University to set up a full-fledged medical school campus in Qatar has received much attention, a long list of less high-profile projects are in the works, involving U.S., Canadian, British, Australian, and Indian universities seeking to cash in on a very promising market. The United Arab Emirates, the first GCC country to authorize private higher education, now finds itself in possession of a dizzying array of private institutions that are quickly eclipsing the government universities. The governments of Qatar and the UAE have set aside tracts of land in order to create high-prestige "university cities" to attract Western universities. In a budding rivalry, Qatar and the UAE have both announced their ambitious desire to become the regional pole for world-class higher education, eventually attracting students from the Maghreb, the Levant, the Indian subcontinent, and beyond.

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Gulf governments see privatization as more than a simple solution to unmanageable numbers; they have also vaunted private higher education as a means of ensuring the quality of instruction and the relevance to market needs that have been missing from public universities. Few Gulf education officials will dispute the fact that their universities have been characterized by mediocre faculty, outdated teaching methods, and poor materials and facilities. The region's secondary and university graduates have always lagged far behind graduates in East Asia and other developing nations. As indigenization of the workforce has become a priority in every GCC country, the fact that local graduates of public universities lack the required skills has become painfully obvious. The prevailing notion today is that private institutions will be in competition with each other and more in tune with the needs of the private sector, thereby guaranteeing courses of study of international standard leading to employment.

The American Model Rules Supreme

The most striking characteristic of the rapidly evolving Gulf higher education sector is the wholesale adoption of the American university model as the sole standard. While the British and Australians have set up a number of degree programs and even campuses in the Gulf, they still operate in the shadow of the American behemoth that has already gained preeminence throughout the region. (The continental Europeans are completely absent from the landscape.) In his excellent description of the worldwide impact of the demand for American accreditation of foreign institutions, Philip Altbach states that the "imprimatur of U.S. accreditors is perceived to give a significant advantage to foreign institutions." (*IHE*, no. 32, summer 2003). Nowhere is this more true than in the Gulf, where not only is American accreditation highly sought, but any quality university program of study must be as thoroughly American as possible, from its American name to its curriculum, faculty, and campus architecture. Among the dozens of private universities established in the region within the last three years, it would be difficult to find a single one that has not publicized either its partnership or affiliation with an American university or the fact that its curriculum has been designed in cooperation with an American institution. Kuwait's first private university, opened in 2002, proclaims that "the University of Missouri at St. Louis is providing the institution with curriculum development assistance, as well as an exchange program." The new Al Mazoon College for Management and Applied Sciences in Oman announces on its website that the institution has signed an affiliation with the University of Missouri-Rolla, which has approved its curriculum and syllabi. The private universities now springing up in conservative Saudi Arabia are all seeking an American imprimatur through some sort of collaboration.

This headlong rush toward adoption of the American educational model has certainly been facilitated by the Gulf region's lack of a strong academic and intellectual tradition outside of Islamic studies. With little of the historic and cultural inertia that one would find in the Levant or the Maghreb, there is no real resistance to this Americanization of higher education. The cultural and religious strictures to be respected in each country—in fundamentalist Saudi Arabia in particular—tend to center around the logistics of segregation of the sexes and the inclusion of mandatory culture and religion courses. But they do not constitute a major obstacle to the adoption of the American model and the Western notion of secular science. Even the use of English as a medium of instruction has been embraced without reservation, in contrast to the bitter confrontations in other parts of the Arab world over the use of former colonial languages over Arabic.

The Gulf region is one of economic dynamism, cosmopolitanism, and lofty ambitions. With their self-confidence and heady optimism, they may well succeed in building up a solid base of American-model, largely private universities that will offer the type and quality of training that the millions of students in the region will find seductive. As an alternative to spending years in the United States, it is very possible that in coming years thousands of students from India, Pakistan, Iran, Turkey, Egypt, and Palestine will seek their American degrees in Qatar, Kuwait, or the UAE in universities devoid of American students. In a region in which the United States is both admired and detested, these institutions could end up playing a cultural and political role they haven't yet considered.

High Fee Market for Australian Universities?

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The Australian government has announced a major reform of fee structures and loan arrangements in higher education, to be introduced from 2005. The plan modifies Australia's income-contingent, government-administered Higher Education Contribution Scheme (HECS); extends government-backed student loans to the private sector; and creates the first large-scale, full-fee market in undergraduate education. It would generate a significant cost shift from government to students and their families. However, the new policies have yet to pass the Senate, the Australian upper house.

Before the Reforms

Two decades ago government was almost the sole funding source, and tuition was free. By 2001, following the HECS and fee-based markets in international and postgraduate education beginning in the late 1980s and the entrepreneurial transformation of the 1990s, governments covered only 47 percent of costs and student fees and charges, 37 percent.

In total, 35 percent of the costs of Australian universities were met by national government grants for teaching domestic students; 17 percent were financed by students through the HECS; other government income, mostly for research, made up 10 percent; and other private income, 28 percent. Finally, 11.4 percent was collected from international students.

The HECS functions in effect as a low-interest loan for tuition. Managed by government, not the universities, and set at standard rates varying by discipline—it covers a varying proportion of actual costs, with the balance paid by government—the HECS is repaid through income tax once the ex-students' annual income reaches threshold level. The HECS debt accumulates and is adjusted annually via the inflation rate, with no other interest charge. One-fifth of students pay the HECS at a discounted rate. Monies equivalent to student HECS obligations are passed from government to universities as income. The HECS is a relatively painless form of tuition charge: studies have suggested that for full-time students, deterrent effects are almost neutral as to student socioeconomic status, though the level of the HECS has been raised since these studies were carried out.

New Policies

Under the Liberal-National party government's proposals, outlined by education minister Brendan Nelson, HECS-funded higher education has been fixed at a maximum "learning entitlement" of five years. Universities will vary the HECS as they see fit, up to 30 percent above present standard levels and as low as zero to boost enrollments. The University of Sydney has already announced that it will fix all HECS charges at the maximum rate and many others are expected to follow. To "sweeten" the increase in HECSs the government has promised to raise the income threshold triggering HECS repayments by 23 percent.

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In addition to HECS undergraduate (bachelor-level) places, universities will also be able to offer full-fee places to undergraduates for 50 percent of all places in each course. Many of these places are likely to be filled as the government will introduce a Higher Education Loan Program (HELP) to cover student fees. HELP loans will be subject to interest based on inflation plus 3.5 percent and will be extended also to approved private-sector institutions. The new policies would establish a viable fee-based market in both the prestigious public universities, especially programs with high private