## Chapter 10 Rationale and Risk Considerations: Establishing Transnational Higher Education Provisions or International Branch Campuses Abroad

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### ABSTRACT

This chapter attempts to categorise the international Higher Education Institutions (HEIs) based on the International Branch Campus (IBC) establishments with the application of both the Institution Distance on risk consideration as well as the Uppsala Model of internationalisation. As the establishment of an IBC involves a sequence of incremental decisions to be made by a foreign HEI, this chapter reveals such decision-making processes, especially on the rationale and risk considerations for establishing an IBC, and proposes a modified institutional distance to synergise with the Uppsala model. Much of the data have been gathered from an in depth literature search. The purpose of this chapter is to provide university leaders, economic strategists, policy makers, entrepreneurs, practitioners and decision-makers within HEIs consider the risk reduction strategies that are practiced by other HEIs before embarking on establishing an IBC in a foreign country.

#### INTRODUCTION

International Higher Education (HE) is a growing economic sector that has increasingly gained attention from economic strategists, university leaders, and policy-makers in many countries (Sia, 2014a). With the advancement of worldwide network communications and technological innovations coupled with the strategic globalisation of education institutions, the nature of international HE is also evolving. Students now have more choices in selecting their desired foreign university even within their home country i.e., either through attending classes at International Branch Campuses (IBCs), collaborative public/private

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institutions, or via online platforms. On this basis, foreign academic programs are mobile and cross national borders instead of the students. Such education provision is commonly known as Transnational Higher Education (THE) with the foreign universities referred to as transnational institutions, and the students referred to as transnational students. With fully interconnected campuses around the world, such transnational institutions have a larger population of international students and allow them to move and study within their IBCs to fulfil the requirements of obtaining the same degree qualification irrespective of the campus locations.

An IBC is an offshore entity established in the name of the foreign HE Institution (HEI) (Lane & Kinser, 2012) and operated by the institution or through a joint venture in which the institution is a partner (Lawton & Katsomitros, 2012). It is a fully-fledged campus abroad where foreign HEIs extend their international reach in strategically selected countries and offer internationally recognised undergraduate and postgraduate programs to the students in the host countries and nearby regions (Kim & Zhu, 2009). In general, the IBC is responsible for all aspects of academic processes including student admission, program delivery and awarding of the degree certificates. In addition to faculty members deployed from the 'home' HEIs, the IBCs may engage local or 'host' faculty members to assist with teaching. Quality assurance of academic programs is the responsibility of the foreign HEIs and is often subject to additional accreditation processes by the host country (British Council, 2013). The ownership structure of the IBCs vary considerably and they can be quite complex (Wilkins, 2011), however, the foreign HEIs usually owns—at least in part—the IBC infrastructure building, including resource facilities, where students receive face-to-face teaching to attain a qualification from the foreign HEIs (Wilkins & Huisman, 2012).

## BACKGROUND

While internationalisation of HE is not a new phenomenon, establishing IBCs is an increasingly discussed strategy of foreign HEIs. The history of IBC establishments can be traced back to the middle of the 20th Century when the US universities took the lead in setting up IBCs in the 1950s especially in Europe and Japan. One representative example is Johns Hopkins University, which established its branch campus in Italy in 1950 (Kosmutzky & Kruchen, 2014). Subsequently, the pace of further development of IBCs was slow. There were only five IBCs established in the 1970s, and not many more in the 1980s and 1990s (Krollpfeiffer & Kosmützky, 2012). At present, there are approximately 200 IBCs (C-Bert, 2014) mostly situated in the Asian countries, notably China, Malaysia, Qatar, Singapore, and the United Arab Emirates (UAE). These host countries have incentivised prestigious foreign HEIs from Australia, France, Germany, the UK, and the US, to establish IBCs in their key cities at an increasing pace in the last two decades (Murray et al, 2011). At present, the UAE has the largest number of IBCs (n = 33) followed by China (n = 32).

There are two principle reasons for a host country to invite a foreign HEI to establish an IBC. First, is the vision of the host country to become an international education hub and attract international students from the surrounding regions. Second, is that the developing country seeks to upgrade its domestic HE system with assistance from recognised overseas universities. In the first instance, the student demand may be created by leveraging the international renown of the foreign HEIs in the host country's territory, which in effect will have greater potential to attract international academically able students. In the latter, however, the leading driver is the demand from local students to gain knowledge and acquire the necessary skills at recognised international standards to satisfy commercial and industrial employ27 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/rationale-and-risk-considerations/164120

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