



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



ROLE OF PUBLIC POLICY IN FACILITATING PRIVATE SECTOR VENTURES: THE CASE OF GLOBAL HIGHER EDUCATION

Dr. Anuj Aggarwal

Assistant Professor

Vivekananda Institute of Professional Studies
Delhi, India

Abstract

Public policy for private higher education reveals many characteristics associated with decentralized, pluralist systems. The emergence of private higher education has often come through initiatives taken outside the sphere of government. However, government's oversight is expanding, mainly through regulations and indirect forms of government funding. Moreover, realities vary by region and country and even sometimes by province or other sub-national entity. Government funding and regulation is often different depending on whether private higher education is identity based (religious or otherwise), elite/ semi-elite, or demand-absorbing.

Further, International branch campuses (IBCs) is yet another evidence of the increasing intention of some governments to use private higher education to fulfill public policy goals related to economic development and building capacity within the post-secondary sector. This study uses two exploratory case studies (Malaysia and Dubai) to investigate the relationship between public policy and private sector participation through setting up of IBCs.

Keywords: Higher Education, IBC, Public Policy, Privatization of Education.

Introduction

The rapidly growing private institutions now hold about a third of the world's student enrollment. The strongest presence lies in Asia and the Americas, but around the world there now remain very few countries without private sectors (Levy 2009, 2010). This global growth in private higher education has been an integral part of a multifaceted privatization in various policy issues. The present study identifies key policy realities and issues, empirical and prescriptive (sectoral size, private-public shape and distinctiveness, differential or common policy treatment, etc.).

The bulk of the paper centers around three principal private types (identity; elite/semi-elite; and demand-absorbing). For each type it identifies causes of growth and gives an overview of the category's size and shape, using both country and world regional examples. It proceeds to identify the key financial and regulatory policies in practice as well as in public policy debates for each type.

Private Higher Education by Public Policy?

One public policy – legal authorization – was crucial wherever private higher education had been explicitly prohibited and public monopoly assured. The specter of such legal change could stimulate fierce political conflict. Yet in some countries the law had not explicitly dealt with the possibility of private higher education (Bernasconi, 2010). A lack of legal and other public policy frameworks was common even where governments spelled out laws for privatization policies, including business regulation.

US private roots were evident from the colonial outset, different religious denominations founding their own colleges (e.g., Harvard, Yale), though with notable participation by state legislatures (Whitehead 1973). Only decades into the new republic did government found public institutions. The American "exceptionalism" is striking here: it is difficult to identify any other country in which large private higher education preceded public. But in another respect, US experience was to serve as precedent, for private higher education has usually emerged without a kindling government decision or plan.

At the middle of the twentieth century, Latin America began to set a powerful modern pattern (Levy 1986). Governments and others were caught unprepared as entrepreneurs founded private higher education institutions. Less commonly for Latin America at the time (but more commonly now and quite commonly in other global regions), government restriction of public growth (e.g., Brazil) led to a proliferation of private institutions aiming at snapping up massive new demand for higher education. Leftist governments tolerated the private surge whereas other governments were happy about it, though they would not say so publicly.

Ambivalence and lack of preparation then became characteristic of African governments' responses to initial private higher education growth in the 1990s. The needs of expansion coupled with the felt inability of the State to finance made private growth seem inevitable even too many who bemoaned the fact. The same can be said for post-Communist Europe.



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



Yet rarely in Africa or Europe did governments anticipate or initially attempt to plan the growth. Asian countries have been much more varied in this regard. Some (e.g., India) have also seen non-government initiative, others less so. China has led the way for authoritarian, market-oriented countries to promote private higher education, though even in China the government was astonished by the initial private explosion, which it had permitted but not planned. Only recently has a region, the Middle East, developed notable cases of private higher education by government initiative, as seen in both more and less authoritarian regimes. In any event, the era of private higher education with government on the sidelines is passing. Even where governments were initially uninvolved in planning private sectors, they now have increased awareness and policymaking, sometimes including goals for the private share of total enrollment.

The passing of comparatively laissez-faire policy has often involved delayed regulation (Levy 2006). As private higher education grows largely on its own, often sharply, it becomes crucial to access policy. Public universities' attitude is often yet more negative as longstanding values about the rightful share of higher education couple with a false self-pride when competition becomes a threat. All this produces pressure on government, even on some dictatorships.

Identity Institutions: Religious and Beyond Size and Causes

Religious institutions are often the pioneers in private non-profit sector (Powell 1987). This is strikingly the case in higher education. Protestant colleges dotted the map in the colonial United States. Starting in the late nineteenth century, Catholic universities arose as Latin America's first private higher education institutions. In Africa and elsewhere religious institutions often provided the pre-independence precursors and then the post-independence private pioneers.

Contemporary China is a very rare case in which religious higher education is governed by law. Religious higher education often has historically arisen partly as existing institutions secularize, limiting religious "voice" and in effect pushing religion toward "choice" (Levy 1986).

Although religious higher education has often declined along with the decline of religion in modern society. The frequent Catholic decline is often balanced by a rise of Protestant and Islamic universities, as in Nigeria and Kenya. This, as well as non-religious ethnic emergence (Suspitsin 2007), is unsurprising given contemporary world politics. Identity institutions, both the religious and the ethnic, reflect private purposes and niches rarely planned by government but rather representing self-interested pluralism. The larger private/total shares that Pachuashvili (2011) finds in Estonia and Latvia as opposed to Lithuania reflect ethnic-based pluralism. The niche dynamic is also prominent in women's colleges, almost always private, prominent in Asia as well as other regions, another case of US tradition ascending globally.

Government Funding and Regulation

Like most private higher education cousins, religious and other identity institutions have usually not received major public funding. There is, however, growth in funding through indirect means, including where top Catholic universities compete for evaluation-based research funds.

Privately funded private sectors are consistent with pluralist-market models but a mix of private and public money is not generally inconsistent. Because our discussion of policy debates on funding (and regulation) for private higher education starts with the identity institutions, we must here include some of the general arguments that apply overall to the private higher education sector, coupling those with arguments particular to the identity sub-sector. A common case against public funding for most or all private higher education is that there is no public responsibility; or at least there is much less responsibility than for public institutions. The general case against public funding often takes on extra passion when it comes to identity institutions, as with opposition to undermining separation of Church and State. Some believe that identity institutions hurt national unity; one person's happy pluralism is another's divisiveness. If such institutions are allowed, they are particularly controversial when it comes to government financial support.

Yet, the pro-subsidization case for identity institutions is also multifaceted. There is the classic policy argument that the public saves money by financing part of the cost for private institutions in a decentralized and pluralist system (allowing identity institutions), rather than paying all the cost for public institutions in a more centralized, single-sector system. More particularly to the identity sub-sector, religious private higher education is almost always truly non-profit. Additionally, many longstanding religious institutions have established credibility and academic quality along with sound management. They may be less controversial, in less divided societies. Now more like their public counterparts, why should they not get some of the same funding? On the other hand, to the extent they remain distinctive, private identity institutions may merit public funds for contributing on the social value of diversity,



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



pluralism, and choice. The extreme but rare examples in higher education practice have long been Belgium and the Netherlands with their regular public subsidization of religious institutions (Geiger 1986).

For private higher education overall, regulation is a more common public policy instrument than funding, a point developed in the Pachuashvili (2011) and reflected also in the Zumeta (2011). There may be more regulation of religious than other private higher education as the religious institutions are older and regulation has more often grown than diminished.

Nonetheless, if we can so generalize, autonomy is weightier than regulation. Scant regulation is easily associated with pluralist, market models. But more regulation may not contradict such models as long as it falls far short of outright control, allows private initiative, and is more reactive than commanding. Additionally, regulation is promoted as needed to counter societies' contemporary religious or ethnic fracturing. Paradoxically, increased inter-sectoral homogeneity also becomes a rationale for regulation, for instance, if Catholic institutions have become similar to public ones in matters such as curriculum, rules apt for public places may be apt for Catholic places too.

Finally, where government funding for private institutions is on the rise, accountability is increasingly warranted. The case against regulation overlaps the case against funding. Much of the case holds for private higher education overall, though with variation by sub-sector. Additionally, as a practical matter, religious and other groups sometimes have political power to make heavier regulation difficult to impose.

Elite/Semi-Elite Size and Causes

Surprisingly to many, elite private higher education is quite rare – outside the United States. The two best known rankings of the world's 100 leading universities show no non-US private university and only five to seven in the next 100. Japan is unusual for having several private universities near its national top ranks and the Republic of Korea may be unique outside the United States as most of its top ten are private.

Given the global rarity of elite private higher education, little attention has been devoted here to the arguments over public funding and regulation of it. Suffice to say that advocates of public funding note that elite education is expensive as well as important to national development, whereas opponents note that much of the clientele can pay high tuition. Advocates of regulation point to the importance of the institutions, opponents to not strangling the golden goose.

Much more common, and expanding, is semi-elite private higher education (Levy, 2005). By definition the category lies between elite and non-elite. Some semi-elite institutions come close to the top in one or a few fields. The quintessential niche is the MBA. Common semi-elite characteristics include an entrepreneurial and market-oriented profile, with considerable emphasis on order and efficiency in internal operations and student behavior. The semi-elite form is conspicuously suggestive of pluralist, competitive, market modes. Already competing with good second-tier public institutions, semi-elite institutions often have high aspirations. Those aspirations sometimes include transforming from niche leadership to broader excellence. Often rather recent in emergence, semi-elite private prominence appears already in probably every region, including Western Europe, including business schools in Germany and elsewhere. Semi-elite institutions often pride themselves on their quality student-centered teaching, even when they cannot match the highest ranked public universities in research.

Government Funding and Regulation

Government funding is rare for semi-elite private higher education. As the sub-sector lacks much academic research or doctoral education, acts with clear self-interest in the marketplace, has a rather privileged student body, and can get its income from high tuition and some contracts. Furthermore, as international institutions, they are sometimes seen as comparatively non-national.

More than for other private types, for semi-elite institutions there is weight in the argument that “you choose, you pay”, since these are students who have access to the public sector. Despite all this, there is a plausible case for public funding. For one thing, semi-elite institutions earn a credible reputation. Some could be incentivized to broaden academically to meet public needs cost-effectively, and they could provide for healthily increased private–public competition. They may also escape the political conflicts undercutting academic tasks at public institutions, as in many South Asian, African, and Latin American countries.

As with subsidies, regulations are limited for the semi-elite sub-sector. Here the arguments are about not jeopardizing entrepreneurial thrust, instead on market accountability. Government, particularly where politicized and inefficient, could be ill-suited here, threatening pluralist experimentation, innovation, autonomy, and choice (Castro and Levy 2000). All this still leaves rationale for



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



regulation to curb market excesses and ensure that ‘universities’ are academic institutions (e.g. compelling them to mix full-time academic professionals with part-timers from business and other professional practitioners as their faculties).

Demand-Absorbing and Non-Elite

Size, Causes, and Types

The largest private type by far is demand-absorbing. It may well provide the only ongoing way for many systems to grow rapidly. The key is that the supply of higher education, mostly public, though growing, cannot match the surging demand for higher education.

Although increased private financing within public institutions is likely to continue, the major solution to the conundrum has been expansion of low-cost private higher education. Already, the demand-absorbing sub-sector accounts for the majority of private enrollment, at least in the developing world. Infact, it sometimes carries the majority of higher education enrollment overall. This is most striking in Asia with a large majority of its systems private (e.g. Indonesia, Philippines). At the same time, other Asian countries (China, Vietnam) still have only smaller private/ total shares as well as small overall enrollment but are now growing spectacularly and will continue to do so with demand-absorbing privates playing a major role. India, with its giant population, still has an enrollment rate of only about 11 per cent (Agarwal 2007).

More than in any other private sub-sector there is a huge intra-type variation that demands our attention. On one side are institutions called fly-by-night, diploma mill, garage, or other suitably disparaging names. They thrive on an easy market in which demand far outstrips supply and where low tuition provides greater revenue than the institution may have spent in legitimate ways, sometimes leaving surpluses for owners or administrators. Non-transparency and weak accountability are hallmarks of such institutions. Many of them are run like family operations.

But there are also many serious institutions that lack high academic status. Even when fitting the demand-absorbing dynamic, some can only unfairly be labeled diploma mills. There is real attention to curriculum, staff etc. Many students and their families, as well as employers, praise the job links of these institutions (Cao 2007). At the top, some institutions credibly aspire to semi-elite status.

One reason for associating for-profits with demand-absorption is exclusion: no religious institutions are for-profit and no elite institutions are for-profit, though some of the leading for-profits are semi-elite. A second reason is many, perhaps most of the diploma mills are functionally for-profit even though legally not.

But, suddenly, even legal for-profit institutions are blossoming. This is the fastest growing higher education dynamic in the United States, reaching 8 per cent of total enrollment (Kinser 2009). Some countries have decided to allow an explicit for-profit sub-sector, though most do not. Brazil’s for-profits capture 19 per cent of total enrollment. South Africa illustrates a pattern in which a large business conglomerate finds higher education increasingly profitable, it’s a longstanding reality in the Philippines. In 2011, China made the for-profit form legal, at least for a period of national experimentation.

Whereas most of the world’s for-profit institutions are domestic, notable also is the rise of international operations. Laureate is the most prominent (largely in Latin America and Europe, increasingly in Asia), followed by the Apollo Group (owner of the University of Phoenix, the US’s single largest higher education institution). Some of these international and other for-profit places are atleast on the serious side of the demand-absorbing sub-sector, occasionally on the semi-elite border, as Lane (2011) suggests in connection with the budding international branch phenomenon.

Government Funding and Regulation

Demand-absorbing private higher education is the least common recipient of government funding. More than any other sub-sector this one is vulnerable to a widespread perception outside the United States that ‘private’ means ‘business’ or ‘profit’ and to the fact that there is little tradition of a vibrant nonprofit sector (Salamon and Anheier 1992). Likewise, philanthropy is least common in this private sub-sector. The major exception to the no public funding rule is US student assistance, especially at the federal level. As long as an institution – even for-profit – is accredited by an agency recognized by the federal government, its students qualify for assistance. This is thus a facilitative public policy role for the for-profit institutions.

The policy case against government funding of demand-absorbing private higher education is multifaceted. It includes all the points against at least the diploma mills. Why publicly fund weak and even fraudulent institutions? Expanded access might be preferable through public sector expansion. Even for these distinctly low status private institutions, a widespread perception is that private students tend to be from more privileged backgrounds than public ones. Beyond all this, giving public funds to institutions that



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>

make their own profits strikes as particularly unreasonable. A further weighty argument against public funding is that the demanding-absorbing component is so large that funding would be quite costly, undermining the prime service this sub-sector provides – access without a heavy burden on public funds.

In contrast, arguments for public funding are fundamentally about access. They focus on accommodation of those otherwise not privileged enough yet to be in the higher education system. The earlier argument about subsidizing private students rather than paying in full for an increased number of public students has particular importance when it comes to access of non-elite institutions. With such factors in mind, why not endeavor to identify serious and truly nonprofit private institutions and support their students, while improving pertinent tax incentives, allowing private institutions to be protected from certain kinds of taxes, and allowing potential donors to get tax exemptions.

The case against extensive regulation highlights the market-oriented arguments already laid out. They include the characterization of such regulation as inefficient, often with a decided bias against private policymaking, sometimes leading to more stringent regulations in matters like curriculum than seen in the public “autonomous” universities. Moreover, while the temptation to regulate may be strongest when it comes to dubious demand-absorbing institutions, there is danger that much that is new or different would get prematurely damned.

International Branch Campus: Development and Regulation

Universities have operated campuses in other, mostly developed, nations since the mid-1950s for providing study abroad opportunities, offering specialized graduate programs, or to provide options for foreign-based military personnel (Verbik and Merkley 2006). However, the growth in the number of these institutions was initially slow and largely idiosyncratic. Nevertheless, in the last 15 years, changes in the policy environments of many countries aimed at attracting IBCs has led to a relatively rapid increase in this type of venture.

Unlike most of their predecessors, many of the recently developing IBCs are designed to serve students in the host country and local region, operating alongside domestic providers. No exhaustive list of these institutions exists; but, according to the OBHE, institutions in 22 countries are operating more than 160 IBCs in 51 countries (Becker 2009). They originated mostly from the exporting countries of Australia, United Kingdom, and the United States.

One aspect of the nature of cross-border higher education is that, regardless of whether a home campus is considered public or private, the IBC operates in the private sector of the host country (Lane and Kinser 2011)). While there is yet to emerge, one agreed upon definition of an IBC, there seems to be an agreement that an IBC must have a physical presence on foreign soil, the students at the IBC must be able to earn a degree from the home campus, and that it be fully or jointly owned by the institution from which the degree is awarded (Verbik and Merkley 2006; McBurnie and Zygoris 2007). As such, regardless of whether an IBC is regulated under the same provisions as apply to the public or private higher education sector, the academic enterprise is neither owned nor completely controlled by the host government. In some places, such as Qatar and Abu Dhabi the private–public distinction becomes blurred because of the amount of financial support the government is providing to some of the IBCS within their borders; however, from a legal perspective, the home campus retains the academic authority and ownership over the degree and curricular provisions (Lane and Kinser 2011). In both Malaysia and Dubai, the government considers IBCs part of the private sector.

Beyond these definitional assessments, the characteristics of IBCs can, in part, be explored through the relationship of these entities with the host government and comparison with other types of private higher education. First, the regulation of IBCs stems from a reversal in the relationship between developed and developing nations. For decades, students from developing nations, many supported by their home country, sought education abroad; leaving their home country to study at institutions in the developed world. Such study abroad initiatives did not always necessitate regulations by the students’ home country; although some did impose rules on students who wanted to study abroad. The creation of IBCs fosters a small reversal of these flows. Instead of students travelling abroad, institutions based in developed countries send resources abroad to provide educational opportunities to foreign students in their home country.

This reversal results in expanding educational capacity within the developing nation and allowing students to pursue a degree from a foreign provider without leaving their home country. The advent of IBCs has also brought foreign control to parts of the developing nation’s education system, raising concerns about quality assurance. As Lane and Kinser (2008) have noted, “IBCs can fall through the cracks of quality-assurance regulations, with both governments assuming the other (or some entity within the country) is providing oversight, but neither actively engaging in such a way”. Studies such as those published by the International Institute for Educational Planning (Martin 2007) better illuminate quality assurance issues in cross-border higher education. Existing work (Verbik



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



and Jokivirta, 2005a, 2005b; McBurnie and Zygoris 2007; Guruz 2008) suggests that regulation of IBCs by the importing nations has been limited and rapidly changing.

As IBCs are relatively new enterprises, government regulations often change as the entities and government expectations for them evolve. Like the expansion of much of private higher education (Levy 2006), the current expansion of IBCs started as more limited regulation made it, in some ways, easier for institutions to expand outside of their own nation than within it. Limited regulation and the ability of successful and prestigious universities to begin operating globally led some to fear that such developments would threaten existing local public systems and allow ‘the giants’ to dominate the world education system (McBurnie and Zygoris 2007).

However, like so many aspects of globalization the end game is not yet known. Some early expansion efforts were not as successful as many had hoped and resulted in a few casualties such as Royal Melbourne Institute of Technology (Australia) closing a campus in Malaysia due to their financial partner going bankrupt; Monash University (Australia) losing millions in its South Africa campus; Sylvan (United States) closing a campus in India after not receiving accreditation from the Indian government; George Mason University (United States) closing its campus in the United Arab Emirates over disagreements with its local partner; and the University of New South Wales closing its Singapore campus after only a few months due to a lack of student enrollments (Auditor General Victoria 2002, 2005; Verbik and Merkley 2006; Becker 2009; Lewin 2009; Lane 2010b).

The two governments that are prominent in the education and popular media; vary in economic conditions and policy regimes; and are among the largest importers of IBCs in the world. Malaysia and Dubai both have developing economies, extensive involvement in cross-border tertiary education, and foreign universities have been operating IBCs in these states since 1998 and 1993, respectively (Verbik and Merkley 2006; Guruz 2008; Lane 2010a, 2010b).

Dubai

Dubai is one of seven emirates that comprise the United Arab Emirates (UAE), which is located in the Southeast region of the Arabian Peninsula and was founded in 1971. The Emirate of Dubai is a constitutional monarchy, governed by the Al Maktoum family since 1833 (Abdullah 1978). While it is part of a broader confederation, Dubai ‘has ensured that it retains a distinct national identity, controls its own natural resources, and maintains command of its largely independent development path’ (Davidson 2008). Thus, its innovation in the development of IBCs warrants attention separate from the rest of the Emirates.

Over the past two decades, Dubai began moving toward building a post-petroleum economy. By investing its oil wealth from the 1970s and 1980s in areas such as finance, luxury tourism and commercial infrastructure, Dubai has overcome centuries of an underdeveloped economic infrastructure by developing an economy in which less than 6 per cent of its \$37 billion (2006) economy is derived from petroleum (Kuran 2004; Sheik-Miller 2007; Davidson 2008). Now, the emirate has begun to invest in a knowledge-based economy, seeking to improve and expand research & development as well as educational opportunities. The latter is primarily, through the growth of IBCs with the desire of becoming a regional education hub.

Historically, access to post-secondary education throughout the UAE has been very limited and was primarily the responsibility of the federal government. Further, public colleges and universities are accessible only to UAE nationals. The first public university in the UAE was created in 1976 (in the city of Al-Ain in the Abu Dhabi emirate), and access to higher education within Dubai was essentially non-existent until the late 1980s when the Islamic and Arabic Studies College (a private institution) began operating (Lane 2010). In fact, most of the colleges and universities in Dubai opened after 2000. The innovations in private higher education witnessed in Dubai have been primarily facilitated by adaptations of the emirate’s economic development policy.

While Dubai has largely set its own developmental path, its participation in the UAE confederation requires it to be subject to regulations set forth by the federal government in Abu Dhabi. For example, the 1984 Commercial Companies Law required all companies registered in the nation to be at least 51 per cent owned by a UAE firm (Davidson 2008). However, Dubai has found ways to work around such a requirement in order to attract more foreign investment. Dubai has created many ‘Free Zones’ managed by special legal authorities. The Zones proved quite successful as companies were attracted by ‘tax-free trading, minimal regulation, well-developed infrastructure, and the availability of reasonably priced skilled labour’ (Wilkins 2001: 12). The success of the Free Zones spurred more specialized zones such as the Dubai Media City and Dubai Flower City.

Further, the ‘free zones’ also exempted institutions from existing federal quality assurance ‘Importing Private Higher Education’ mechanisms in the UAE; instead, the University Quality Assurance International Board (UQAIB) was created by the Dubai Knowledge and Human Development Authority to ensure that programs offered at the branch campus are comparable in quality to those provided on the home campus of the IBC. Although the first outpost of a foreign campus (University of Wollongong) opened in 1993, the number of IBCs did not grow rapidly until after free zones began to target them about a decade later. Now, half of the



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>

postsecondary educational institutions in Dubai are IBCs. As of January 2010, the education system in Dubai was comprised of three campuses of federal public institutions (Zayed University, Dubai Men’s College and Dubai Women’s College) and 47 privates (i.e., non-federal) colleges or universities. Thirty of the 47 private higher education campuses are located in four free zones and 25 of the free zone institutions are IBCs. The IBCs in Dubai include extensions of Rochester Institute of Technology (RIT) (United States), Herriot-Watt University (UK), and Manipal University (India).

The desire to bolster the private higher education sector is linked to the desire to improve economic development and recruit and retain highly skilled workers (Muysken and Nour 2006). Although data about non-nationals is not readily available; expatriates are reported to comprise approximately 90 per cent of the UAE workforce (Economist 2008), with a large proportion supporting Dubai’s economic expansion efforts. And, this factor is playing a key role in the story of the development of private higher education. The Development of IBCs provides prestige that would not be as readily available by investing in the domestic private higher education system and access that would not be available by feasible levels of investment in the public higher education system.

Malaysia

Malaysia is located in the South China Sea, is primarily divided between a peninsula below Thailand and part of the island of Borneo, and had approximately 25 million people according to the 2000 census. The country is governed by a federal government that includes a bicameral legislature and an elected monarchy. Since its creation in 1963, Malaysia has worked to develop its economy, transforming it from one based on agriculture and mining to manufacturing (Ang and McKibbon 2005).

Over the course of the last decade, the government has begun transition of the nation to seek to be a leader in the knowledge economy (Evers 2003). Earlier this decade, the government adopted the Knowledge-Based Economy Master Plan (Malaysia Economic Planning Unit 2002), which included a multi-billion-dollar higher education strategy to meet enrollment goals of decreasing the number of students studying abroad and increasing the number of foreign students studying in Malaysia. The plan also targeted the further development of the private higher education sector, which has been deemed crucial for achieving Malaysia’s enrollment and economic goals. Even if the physical capacity existed in the public sector, foreign undergraduate enrollments in this sector are capped at 5 per cent (Morshidi 2008) and participation by ethnic minorities has been heavily influenced by government-mandated quotas designed to ensure access for indigenous groups (Lee 2001). Still, the public sector does not have the capacity to meet the demand for higher education from its own citizens (Middlehurst and Woodfield 2004).

The desire to be globally competitive in the knowledge economy and the goal of becoming a regional hub for higher education have led Malaysia to target the development of IBCs. Although Malaysia has been involved with various forms of transnational educational arrangements since the 1980s (McBurnie and Ziguris 2007), new laws implemented in the mid-1990s allowed foreign providers to open IBCs. These institutions are subject to the same regulations as other institutions operating in the private sector, but the campus has to be run by an organization incorporated in Malaysia and is subject to various joint ownership requirements. For example, University of Nottingham Malaysia Campus is an incorporated partnership of Boustead Holdings Berhad, YTL Corporation Berhad, and University of Nottingham UK (Mordishi 2005). Boustead and YTL are held by Malaysian investors and focus on a wide range of interests including plantations, property, services (including education), and infrastructure building.

These arrangements can restrict institutional autonomy, but also serve to protect the home campus from some financial risks, particularly if the endeavor proves unsuccessful (Lane 2010). As of this writing, five IBCs operate in Malaysia; three are Australian based, while the other two are based in the United Kingdom. Unlike the situation in Dubai, these campuses comprise a relatively small portion of the private higher education system. However, like Dubai, these campuses seem to be a way for the country to signal its growing modernity to the outside world.

Government efforts include building domestic capacity in information communication and technology (ICT), research and development, and the higher education system, including fostering partnerships with foreign providers to develop IBCs (Evers 2003; Morshidi 2005). All of the IBCs offer courses of study in high skill areas such as engineering, law, medicine, architecture in addition to areas such as business and social sciences. In fact, some of the IBCs provide PhD level training and engage in research funded by the Malaysian government, which is meant to benefit the local region. Finally, these institutions provide a much-desired product in the form of credentials from recognized universities in developed nations and expose students to English, which is increasingly recognized as the language of the global marketplace.

Further Scope of Research

As this is an exploratory investigation, further study is needed to address an array of questions, including the extent to which the conclusions of this study apply to different nations, IBCs (where, for example, the regulatory environments, economies, or government relationships may be different). How will IBCs affect the future development of private higher education in the host



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>



nations? How will the involvement of the host government in the development of IBCs affect the growth of the nation's public academic sector? How will regulation of IBCs evolve? What does it mean for a public institution in one country to be operating a campus in the private sector of another country? Is such an arrangement sustainable over a long period? Relative to the total number of private higher education institutions worldwide, the number of IBCs is still minuscule; but, their potential to affect the evolution of higher education in developing nations is substantial. As such, much more research is needed about this type of institution and the public policy dynamics involved.

References

1. Abdullah, M. M., 1978, The United Arab Emirates: A Modern Histry (London: Croom Helm).
2. Agarwal, P., 2007, Private higher education in India: Status and prospects. Report, The Observatory on Borderless Higher Education.
3. Ang, J. B. and McKibbon, W. J., 2005, Financial liberalization, financial sector development and growth: evidence from Malaysia. Brookings discussion paper in international economics. No.168.
4. Altbach, P. and Bala, 2007, World Class Worldwide: Transforming Research Universities in Asia and Latin America, Johns Hopkins University Press.
5. Becker, R., 2009, International Branch Campuses: Markets and Strategies (London: Observatory for Borderless Higher Education).
6. Bernasconi, A., 2011, A Legal Perspective on "Privateness" and "Publicness" in Latin American Higher Education. Journal of Comparative Policy Analysis: Research and Practice, 13(4).
7. Cao, Y., 2007, Private higher education and the labor market in China: Institutional management efforts and initial employment outcomes. The University at Albany, Albany, NY.
8. Castro, C. d. M. and Levy, D. C., 2000, Myth, Reality, and Reform: Higher Education Policy in Latin America (Washington, DC: The Inter-American Development Bank).
9. Chambers, G. and Cummings, W. K., 1999, Profiting from education: Japan-United States international education ventures in the 1980s. IIE Research Report 20. (New York: Institute for International Education).
10. Clark, B. R., 1983, The Higher Education System: Academic Organization in Cross-National Perspective (Berkeley: University of California Press).
11. Croom, P., 2010, Motivations and aspirations for international branch campuses, D. W. Chapman and R. Sakamoto (Eds) Cross Border Partnerships in Higher Education: Strategies and Issues (New York: Routledge), pp. 45-66.
12. Dahl, R. A. and Lindblom, C. E., 1953, Politics, Economics, and Welfare: Planning and Politico-economic Systems Resolved into Basic Social Processes (New York: Harper Press).
13. Geiger, R. L., 1986, Private Sectors in Higher Education: Structure, Function and Change in Eight Countries (Ann Arbor, MI: University of Michigan Press).
14. Guruz, K., 2008, Higher Education and International Student Mobility in the Global Knowledge Economy (Albany, NY: State University of New York Press).
15. Kinser, K. and Levy, D. C., 2005, The for-profit sector: U.S. patterns and international echoes in higher education. Program for Research on Private Higher Education, Working Paper 5, University at Albany.
16. Kuhanga, N. A., 2006, Private higher education in Tanzania, in: N. V. Varghese (Ed.) Growth and Expansion of Higher Education in Africa (Paris: IIEP-UNESCO), pp. 167-201.
17. Kuran, T., 2004, Why the Middle East is economically underdeveloped: Historical mechanisms of institutional stagnation. Journal of Economic Perspectives, 18(3), pp. 71-90.
18. Kwiek, M., 2008, The Two Decades of Privatization in Polish Higher Education: Cost-Sharing, Equity, and Access. Journal fu'r Wissenschaft und Bildung, pp. 94-113.
19. Lane, J. E., 2011, Importing Private Higher Education: International Branch Campuses. Journal of Comparative Policy Analysis: Research and Practice, 13(4).
20. Levy, D. C., 1986, Higher Education and the State in Latin America: Private Challenges to Public Dominance (Chicago, IL: University of Chicago Press).
21. Levy, D. C., 2006, The unanticipated explosion: Private higher education's global surge. Comparative Education Review, 50(2), pp. 217-240.
22. Levy, D. C., 2009, Growth and typology, in: S. Bjarnason, K. M. Cheng, J. Fielden, M.-J. Lemaitre, D. Levy and N. V. Varghese (Eds) A New Dynamic: Private Higher Education (Paris: UNESCO), pp. 1-28.
23. Levy, D. C., 2010, East Asian Private Higher Education: Reality and Policy (Washington, DC: World Bank).
24. Lindblom, C. E., 1965, The Intelligence of Democracy: Decision Making through Mutual Adjustment (New York: Free Press).
25. Lowi, T. J., 1968, Private Life and Public Order: The Context of Modern Public Policy (New York: W. W. Norton & Co.).



Cover Page

DOI: <http://ijmer.in.doi./2021/10.06.62>

27. Maassen, P. and Vught, F., 1994, Alternative models of governmental steering in higher education: An analysis of steering models and policy-instruments in five countries, *Comparative Policy Studies in Higher Education*.
28. Musial-Demurat, J., 2011, Polish Private Higher Education: Inter- and Intra-Sectoral Differentiation, Dissertation, Department of Educational Administration and Policy Studies, University at Albany, Albany, NY.
29. Pachuashvili, P., 2011, Governmental Policies and Their Impact on Private Higher Education Development in Post-Communist Countries: Hungary, Latvia, Lithuania and Georgia, 1990–2005. *Journal of Comparative Policy Analysis: Research and Practice*, 13(4).
30. Powell, W. W. (Ed.), 1987, *The Nonprofit Sector: A Research Handbook* (New Haven: Yale University Press).
31. Salamon, L. M., 1995, *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State*, Johns Hopkins University Press.
32. Salamon, L. M. and Anheier, H. K., 1992, *Towards an understanding of the international nonprofit sector*, Institute for Policy Studies, Johns Hopkins University Press.
33. Slantcheva, S. and Levy, D. C. (Eds), 2007, *Private Higher Education in Post-communist Europe: In Search of Legitimacy, Issues in higher education* (New York: Palgrave Macmillan).
34. Smith, S. and Lipsky, M., 1993, *Nonprofits for Hire: The Welfare State in the Age of Contracting* (Cambridge, MA: Harvard University Press).
35. Varghese, N. V., 2004, *Private Higher Education in Africa* (Paris: IIEP/UNESCO). Available at www.unesco.org/iiep/PDF/
36. Verbik, L. and Merkley, C., 2006, *The International Branch Campus – Models and Trends* (London: Observatory for Higher Education).
37. Wilkins, S., 2001, Human resource development through vocational education in the United Arab Emirates: The case of Dubai Polytechnic. *Journal of Vocational Education & Training*, 54(1), pp. 5–26.
38. Whitehead, J. S., 1973, *The Separation of College and State: Columbia, Dartmouth, Harvard, and Yale, 1776–1876* (New Haven: Yale University Press).
39. Ziguas, C., 2003, The impact of the GATS on transnational tertiary education: Comparing experiences of New Zealand, Australia, Singapore and Malaysia. *The Australian Educational Researcher*, 30(3), pp. 89–109.
40. Zumeta, W., 1996, Meeting the demand for higher education without breaking the bank: A framework for the design of state higher education policies for an era of increasing demand. *Journal of Higher Education*, 67(4), pp. 367–425.
41. Zumeta, W., 2011, State Policies and Private Higher Education in the USA: Understanding the Variation. *Journal of Comparative Policy Analysis: Research and Practice*, 13(4).

Filename: 2
Directory: C:\Users\DELL\Documents
Template: C:\Users\DELL\AppData\Roaming\Microsoft\Templates\Normal.dotm
Title:
Subject:
Author: Windows User
Keywords:
Comments:
Creation Date: 6/10/2021 3:26:00 PM
Change Number: 6
Last Saved On: 6/16/2021 3:52:00 PM
Last Saved By: Murali Korada
Total Editing Time: 26 Minutes
Last Printed On: 7/1/2021 5:36:00 PM
As of Last Complete Printing
Number of Pages: 9
Number of Words: 6,687 (approx.)
Number of Characters: 38,119 (approx.)