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Reconsidering Privatization in Cross-Border Engagements: The Sometimes Public Nature of Private Activity

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Privatization trends in higher education have typically been analyzed from the perspective of the institution and its relationship with the sponsoring state. The recent phenomenon of international cross-border higher education, however, represents a more complicated picture of privatization. Geographic separation from the sponsoring state is an extraordinary form of privatization in the public sector. At the same time, host countries may look to the international branch campus to achieve public ends. This paper examines the concept of privatization through cross-border educational initiatives, and argues that the public and private nature of cross-border higher education can only be fully understood when considering the relationship with the home and host countries. The analysis is based on comparisons of how governments in Qatar and the Malaysian state of Sarawak use foreign education providers to support government goals, and how those seemingly public purposes problematize traditional concepts of privatization.

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Privatization pervades discussions about higher education around the globe. Whether because of an inability of the state to fully meet the demand for higher education, or a retrenching of government support for public sector institutions, few countries have avoided the expansion of a private sector (Kinser *et al.*, 2010) or have discouraged the diversification of revenue streams in the public sector (Johnstone and Marucci, 2010). This privatization trend largely has been analyzed from the perspective of the institution and its

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relationship with the sponsoring state (e.g., Morphew and Eckel, 2009). This leads to an understanding of privatization that implies divestment of the state from public higher education, as well as the active embrace of a neoliberal approach to the delivery of education. Looking at educational systems, then, privatization occurs when more private sector and market-based approaches are used, often alongside a corresponding decrease, in the proportion of government spending within the system.

Now, however, there are higher education institutions that operate as multinational enterprises, decoupling off-campus partnerships and branch campuses from the nation that the home campus was initially chartered and funded to serve. This geographic separation from the state can be seen as one of the most extraordinary forms of privatization in the public sector: universities developing into multi-national enterprises pursuing increased revenue and prestige. Moreover, in their overseas guise, institutional operations are often segregated from the state and deemed private activities (McBurnie and Ziguras, 2007).

The cross-border phenomenon represents a more complicated picture of privatization, though. Adjusting the analysis from the relationship between the institution and the home government to the relationship between the institution and the host government can demonstrate the sometimes public nature of private activity. In many developing nations, governments are looking to foreign institutions, irrespective of their public or private status at home, to complement the existing state-sponsored institutions in achieving public ends (Lane, forthcoming).

This paper examines the concept of privatization through cross-border educational initiatives, arguing that the public or private nature of cross-border higher education can only be fully understood when considering the relationship with the home and host governments. The paper explores the private nature of cross-border higher education, and contrasts it with the seemingly public purposes of some activities traditionally perceived as aspects of privatization. The analysis is based on comparison of how governments in Qatar and the Malaysian state of Sarawak use foreign education providers to support government goals, and how those seemingly public purposes problematize traditional conceptions of privatization.

Privatization and Cross-Border Higher Education

In many nations, educational institutions began exporting their academic programs and institutions during a time of rapid privatization. These activities often came to be viewed as part of the larger privatization movement. And, indeed, they mostly were, as institutions were motivated by the prospect of new revenues and additional prestige (McBurnie and Ziguras, 2007). These

endeavors represented a significant decoupling of the academic enterprise from the home government (Lane and Kinser, 2008), but little attention was given to the possibly public purposes in which these institutions were engaging in some of the host nations where they were operating.

This transnational institutional mobility is facilitated today by an encouraging policy environment that supports private sector involvement in education, with doors opening to non-governmental providers in many countries (Kinser *et al.*, 2010). Led by Australia, Great Britain, and the United States, universities have developed numerous curricular joint ventures with international partners and have established approximately 160 branch campuses in countries representing almost every continent (Barrow *et al.*, 2003; Verbik and Merkley, 2006; C-BERT, 2011, <http://www.globalhighered.org>).

While the development of cross-border higher education has been facilitated by privatization trends, this paper derives from the understanding that the 'private' or 'public' nature of an institution or its activities can be viewed as a matter of degree, rather than a simple sector designation (Johnstone, 1999). The scholarly work on privatization of higher education has generally followed two different tracks over the past three decades. The first track focuses on how the private sector has grown significantly to provide increasing educational access to aspiring college students (e.g., Geiger, 1986; Levy, 1986, 1992, 2006; Altbach, 1999). The second theme originally focused on how public institutions are increasingly operating like private institutions (e.g., Donahue, 1989; Goldstein, 1993), although some authors moved to investigating the degree of privatization regardless of sector designation (e.g., Williams, 1996; Johnstone, 1999).

Cross-border engagements by universities have been described as one of the most significant forms of the privatization trend (Gottlieb and Yakir, 1998; McBurnie and Ziguas, 2007; Chapman and Sakamoto, 2010). Privatization of higher education in Australia, the United Kingdom, and the United States has encouraged entrepreneurial activity among many institutions and led these countries to become the largest exporters of higher education (Becker, 2009; C-BERT, 2011, <http://www.globalhighered.org>). The private nature of these activities should be clear. Nearly all are intended to be self-supporting through student fees or partner subsidies, and most are designed by the home campus to provide a new revenue stream for the institution (Kinser, 2010; Kinser *et al.*, 2010). In the host country, they are considered non-governmental organizations and often operate under regulations distinct from state-sponsored higher education (Lane, 2010a; Lane, forthcoming, 2011).

A concern with classifying all cross-border activities as private is that the analyses of privatization activities have tended to look only at the relationship between the institution and the home government. By its very nature, however, cross-border higher education involves at least two governments: a home (exporting) government and a host (importing) government (Lane and Kinser,



2008). When viewed from the perspective of the host government, the functions of an international branch campus may be evaluated as more ‘public’ than when viewed from the perspective of the home government. This dual perspective on cross-border privatization is the focus of this article.

Attention has recently been focused on countries seeking to recruit a number of foreign providers to start up branch campuses as part of a government endorsed regional educational hub (e.g., Kinser and Lane, 2010; Knight, 2010). Countries such as Malaysia, Qatar, Singapore, and the United Arab Emirates have pursued specific policies to encourage branch campuses as a strategy for economic development and as a way for the countries to rapidly develop their capacity for indigenous delivery of tertiary education (McBurnie and Ziguras, 2007; Becker, 2009; Lane, forthcoming, 2011). These host governments have actively solicited foreign providers not to replace the public sector, but to augment and extend their functions in the service of public goals. In some cases, funding comes largely from the government or government controlled entities. The branch campuses become part of the educational system and provide significant educational capacity for the local population. In these cases, the public nature of cross-border higher education becomes more evident.

Conceptual Framework

According to Johnstone (1999), privatization is a matter of degree rather than a definitional state (i.e., public or private). He suggests that the privatization of an institution can be conceived of along five dimensions of publicness/privateness. This study adapts the Johnstone framework to acknowledge key facets of cross-border higher education that are important for understanding the publicness/privateness of such activities. The framework is adjusted to analyze the relationship between the institution from the perspectives of the respective home and host governments. The conceptual framework, as adapted, includes five dimensions: (1) Mission; (2) Ownership; (3) Investment; (4) Revenue; and (5) Regulation. Each dimension allows for the assessment of the publicness/privateness of the institution’s fiscal, fiduciary, and patronage aspects. Each dimension includes four general descriptions, detailed in Tables 1–5. The descriptions range from complete ‘publicness’ to complete ‘private-ness’, with middle descriptions representing more public than private and more private than public.

The conceptual framework used here reorients some of Johnstone’s dimensional descriptions, which were originally based on assumptions derived from domestic provision of education in the United States. The dimensions were newly delimited and descriptions were reoriented to allow for the types of government involvement that may occur in multiple nations, not just the

Table 1 Mission

	<i>Serves a clear 'public' mission as determined the state</i>	<i>Mission is both public and private, as defined by institution and state</i>	<i>Mission is mainly to respond to student demand</i>	<i>Mission serves private interests of students, clients, and owners</i>
Qatar	Host			Home
Sarawak		Host		Home

Table 2 Ownership

	<i>Publicly controlled: can be altered or even closed by state</i>	<i>Joint control by public and institution</i>	<i>Non-profit, primarily controlled by institution</i>	<i>Private for-profit or controlled by private for-profit partner and institution</i>
Qatar	Host		Home	
Sarawak		Host	Home	(Home)

Table 3 Investment

	<i>All public investment</i>	<i>Mix of public and institutional investment</i>	<i>All institutional investment</i>	<i>Mix of institutional and private partner investment</i>
Qatar	Host			Home
Sarawak	Host			Home

Table 4 Revenue

	<i>All taxpayer, or public, revenue</i>	<i>Mostly public, but some private 'cost sharing' from student</i>	<i>Mostly tuition, but some public assistance to students</i>	<i>All private revenue: mainly tuition-dependent</i>
Qatar	Host			Home
Sarawak			Host	Home

United States. Additionally, a new category entitled, 'investment' was included to account for the start-up nature of many cross-border arrangements. This is particularly important when dealing with the creation of an international branch campus that requires significant up-front investment in facilities and labour costs and for which an investor may expect a return on investment.



Table 5 Regulation

	<i>Highly state regulated by agency or ministry</i>	<i>Subject to regulation, with balance of power to the state</i>	<i>Subject to regulation, with balance of power to the institution</i>	<i>Regulated as a private business</i>
Qatar	Host		Home	
Sarawak		Host	Home	

Revenue, a category included in the original framework, represents the sources from which the activity derives new financial resources each year. Finally, Johnstone's category, 'norms of management behaviour,' was not included in this study's conceptual framework. The focus of the study is on the relationship between an institution and a government. Although it may be influenced by a government, managerial norms are not core to understanding the nature of the governmental relationships.

Case Selection and Methods

In order to more systematically investigate the private and public aspects of cross-border higher education, two country case studies were selected for comparative analysis. Qatar and the Malaysian state of Sarawak were chosen because cross-border higher education was previously identified in each nation as a means for achieving broad public policy goals (Lee, 1999; McBurnie and Ziguras, 2007; Lane, 2010a). However, not all cross-border higher education serves public goals. While a counterfactual case is not included, some cross border higher education has developed for more private or pecuniary reasons, most obviously among legally for-profit institutions (Kinser, 2010). Malaysia and Qatar provide the opportunity to examine an important phenomenon in cross-border higher education that to date has been absent in the scholarly and policy discourse.

The data for this study were collected as part of a larger study focusing on the global development of international branch campuses. Site visits were conducted of more than 40 international branch campuses in 10 countries, as well as several corresponding home campuses in Australia, the United Kingdom, and the United States. Several weeks were spent in Malaysia and Qatar. A variety of ethnographic and participant-observer techniques were used to study the campuses and their country context, including elite interviews (Dexter, 1970) with administrators, foundation, and government officials. In addition, document analysis (Prior, 1998; Watson, 1998) of government policy papers, media reports, institutional reports and files, and other docu-

ments from non-governmental organizations provided additional insights into formalized and public statements about the cross-border initiatives.

A small-n comparative case study approach was used to identify the trends in the development of international branch campuses (Gerring, 2007). The private and public components of cross-border higher education in each country were analyzed for each case separately. In each case, a two-stage analysis was used. First, each case was analyzed using the conceptual framework present above. Second, a comparative assessment was made to determine which trends were evident in both cases or that were case specific.

Sarawak, Malaysia

Malaysia is well documented as an importer of higher education (Lee, 1999; McBurnie and Ziguras, 2007; Lane, 2010a). As a federal system, with education controlled at the national level, at least six international branch campuses in several states have been approved by the Minister of Education to offer degrees. The case of the state of Sarawak, in Malaysian Borneo, demonstrates a particular instance of a state government using a cross-border initiative to further a public agenda.

Private tertiary education has existed in Malaysia since at least the 1980s (Tan, 2002), but institutions were not allowed to award degrees nor could foreign institutions open branches. As a consequence, numerous twinning arrangements between private institutions and foreign providers developed, where students attended the first years of their programme of study in Malaysia, before transferring abroad to complete the degree (McBurnie and Ziguras, 2007). This allowed private institutions to promote degree attainment, and gave foreign institutions access to the Malaysian market.

A booming economy in the early 1990s saw enormous growth in twinning programs. The Private Higher Educational Act was passed in 1996 providing a more robust regulatory framework under which the private sector could develop (McBurnie and Ziguras, 2007). The Act encouraged the development of a local private higher education sector to handle growing demand for education and to create more local opportunities for students to earn high quality credentials. A significant dimension of this effort was establishing a process by which private institutions could gain Ministry approval to offer degrees, as well as the opportunity for foreign institutions to operate branch campuses in the country. The Act specified that foreign universities were to fall under national private higher education regulations, essentially treating them no differently than domestic private sector institutions and anticipating they would serve the same public interest in expanding educational access.

The 1997 Asian financial crisis tested the new policy regime (Lee, 1999). It became exceedingly expensive to send students abroad for education. At the



same time, government funding of the public sector declined (Ziguras, 2003). Several private institutions were invited by the Minister of Education to rise to university (i.e., degree-granting) status as a way of meeting the educational needs of the population. By 2000, six private universities were operating, all of them in peninsular Malaysia. During this same period, several foreign universities were recruited to establish branch campuses in the country. Two of them, Nottingham University (UK) and Monash University (Australia), established branches in peninsular Malaysia, in the capital of Kuala Lumpur. A third, Curtin University of Technology (Australia), unlike the other institutions under the Act, located its branch in Miri, Sarawak, a town in Malaysian Borneo. Thus, just 4 years after the passage of the law authorizing private university degrees, nine institutions were established, a third of which were international branches. For a country with just 15 state-sponsored universities at the time, this represented a substantial increase in educational capacity.

The unique placement of Curtin in Sarawak reflected the fact that the efforts to increase educational capacity were focused on peninsular Malaysia. This branch represented a concerted effort by local and Sarawak government officials to bring a university to their area. The process began in the early 1990s, when officials set a strategic goal of raising the profile of Miri, Sarawak's second largest population center, and achieve city status in Malaysia. A central requirement set by the federal government for cities was the presence of a university. In 1994, however, the federal government located the new University of Malaysia-Sarawak in the state capital of Kuching, severely limiting the chances that Miri would ever be home to a state university. The arrival of the Asian financial crisis made it even more unlikely the government would expand the university to Miri. Moreover, Sarawak is the largest Malaysian state, with limited transportation infrastructure, and the 800 km distance between Miri and Kuching was prohibitive for local students.

The option of a state university closed to them, officials in Miri (and the nearby town of Sibü) took advantage of the recently passed private higher education act and attempted to recruit a domestic private university, but received no offers (Sheehy, 2009). With limited alternatives, they turned to an overseas institution to establish a branch campus. The selection of Curtin was based on the personal experience of a local land developer whose children had graduated from the Australian university. The story of his initial trip to Perth to meet — unannounced — the Curtin Vice-Chancellor in 1998 is part of the institutional lore (Sheehy, 2009). Within weeks, the proposal was formalized and the Sarawak state government made commitments of land and capital to finance the project.

The facilitation of local and state officials sped the approval process through the federal government. Even though Nottingham and Monash were invited by the Malaysian Minister of Education to establish branches before Curtin was

approached by Miri and Sarawak officials, the Curtin branch opened first, less than a year after that propitious visit to Perth, and it became the first international branch in Malaysia to receive approval to award degrees.

As important as the political support was, the financial support from the local and state governments was just as significant. The funding was cycled through a state-controlled company that provided the land and built the infrastructure for the new venture, and reimbursed Curtin's home campus for expenses related to curriculum development and quality assurance (Sheehy, 2009). Curtin's only obligation was to hire staff and decide within 3 years whether to take a 20% equity stake in the company. Since Curtin's involvement was predicated on profitability within 3 years, the time line for the investment was to the advantage of the home campus.

Academically, all decisions about programs and curriculum remained with the home campus in Perth. Yet, the local government was quite influential in determining the scale and scope of the effort in Miri. They insisted that the branch be a full-fledged degree granting university, and resisted suggestions from Curtin faculty and administrators that it begin slowly under a twinning model. Indeed, the government set a prerequisite that at least 4 full years of education toward chemical and electrical engineering and computer science degrees would be provided at the branch. Moreover, a research agenda was defined from the beginning by an explicit government expectation that scholarship would be directed toward six areas deemed important for local and regional development (Sheehy, 2009).

The success of the Curtin Branch in Miri shows 10 years after its founding, Miri city officials achieved their goal of establishing a top university and rising themselves to city status. A recent ranking of all universities, public and private, in Malaysia (Ministry of Higher Education (MOHE), 2009) places Curtin's branch in the first tier of higher education institutions. This is ahead of the state campus of the University of Malaysia Sarawak in Kuching, which was placed in the second tier, and the only first tier university in Malaysian Borneo.

Qatar

Qatar is one of the most active importers of foreign education providers in the world (Becker, 2009; C-BERT, 2011, <http://www.globalhighered.org>). Currently, there are nine international branch campuses operating in the country. Six of those institutions are from the United States, two from Canada, and one from the Netherlands. The prominence of these institutions becomes more apparent when compared to the existence of only one public university, the University of Qatar (Stasz *et al.*, 2007). The objective of the Qatar ruling family has been to utilize institutions from other nations to help build the educational, cultural, and economic capacity of this young nation.



Qatar is a small country (both in terms of geography and population) that has been using the wealth generated from expansive natural gas reserves to bolster its international reputation (Peterson, 2006). The peninsular nation extends from Saudi Arabia into the Persian Gulf. The population of the country is about 1.7 million, although only 300,000 are considered citizens of the state. Since independence the country has been run by the Al-Thani family. The current ruler took over from his father in 1995 and since that time has worked to stabilize the government and extend the global reach of the nation (Peterson, 2006). Since his ascension to power, the Sheikh and his wife have led efforts to grow the social and cultural freedoms in the country. While still an autocracy that abides by Sharia law, the nation has developed an aggressive news agency, Al Jazeera, and, through the Doha Debates, allowed for critical discussions of controversial topics.

The Sheikh also recognized that the long-term success of the nation requires an educated citizenry. For most of its history, postsecondary education was available only through the University of Qatar or studying abroad (Stasz *et al.*, 2007). The University of Qatar is the first and only public university in the country, at least in the traditional sense (Moini *et al.*, 2009). The university was established in 1977, building upon a foundation laid by the creation of a College of Education in 1973, shortly after the nation achieved independence. The University now has seven colleges, offering degree programs in education, humanities and social sciences, science, Islamic law, engineering, administrative science and economics, and technology. Enrolments in the University have long been dominated by female students; professions such as education are perceived as primarily female professions and many of the male students choose to study in other countries. While the University has been the core component of the nation's higher education sector, it has not been viewed as the only means for increasing the educational opportunities available to students nor as a vehicle for raising the international prestige of the nation's higher education sector.

In 1995, the Qatar Foundation was created by a decree of Sheikh Hamad Bin Khalifa Al Thani, Emir of the State of Qatar to pursue a threefold mission of '... education, scientific research and community development, ... (to help) build a sustainable society where the sharing and creation of knowledge will enhance quality of life for all' (Qatar Foundation, 2010). The Foundation Board is chaired by Her Highness Sheikha Mozah Bint Nasser Al Missned, the wife of the Sheikh. While operating outside of the normal routines of government, the Foundation is a public entity, pursuing a public mission, and led by a member of the ruling family. For the purposes of this analysis, it is viewed as an agent of the Qatari state.

One of the more significant projects of the Foundation has been the creation of Education City. Education City comprises well-regarded academic programs from six American institutions. Unlike nearby Dubai that has

allowed a large number of foreign education providers to offer competing programs (Lane, 2010b), Qatar has been more explicit in ‘recruiting programs that complement the needs of the nation and do not compete with each other’, according to a representative from the Qatar Foundation. The oldest of the branch campuses, Virginia Commonwealth University, founded in 1998, offers degrees in fashion design, graphic design, and interior design among others. Weill Cornell Medical College, which started in 2001, provides the only medical education in the country. Texas A&M offers programs in chemical, electrical, and petroleum engineering. Business and computer science degrees are offered by Carnegie Mellon University and Georgetown prepares students for foreign service careers. Finally, Northwestern University began offering programs in journalism and communications in 2008.

There is clear evidence of the public commitment to the Education City development. Education city, including the buildings in which the branch campuses operate, was funded by the Qatar Foundation. Such large expenditures are explained as a commitment to ‘providing its citizens and the citizens of the region with world-class university facilities now and for the future’ (Qatar Foundation, 2010). A Qatar Foundation official agreed: ‘In part, the Qatar Foundation is committed to bring world-class educational opportunities to our students, particularly those for whom studying abroad is not an option’. In fact, the expenses of all Qatari students and many non-Qatari students in Education City are funded by the Qatar government or the Qatar Foundation through a web of scholarship and loan programs (Stasz *et al.*, 2007). And, although the institutions are not regulated directly by the Supreme Education Council, the government agency responsible for education, oversight of the operations of the institutions is conducted by Qatar Foundation officials.

Case Analysis

The cases of Qatar and Sarawak, Malaysia highlight the complex privatization role of cross-border higher education. The conceptual framework is used to categorize the privatization of branches along five dimensions of mission, ownership, investment, revenue, and regulation. Each case is alternately viewed from the perspective of the home government and the host government. The cases, although not comprehensive representations of the variety of possible cross-border arrangements, do illustrate the challenge in labelling all cross-border activity solely as examples of privatization.

Mission

Mission relates to the purpose of the branch campus and the role it serves within society. In both cases, the branch campus activities fall outside of the



public purposes of the institution as expected by the home government. Indeed, as viewed from the relationship with the home government, the Australian campuses in Malaysia and the American campuses in Qatar are serving the ‘private interests of students, clients and owners’ (See Table 1). While the activities are not forbidden by the home government, neither are they considered core to the institutions’ public missions.

Both in the United States and Australia, government policies dictate that instructional activities of public institutions that occur outside of the country are not state functions (Lane *et al.*, 2009; Lane, 2010a). In Qatar, however, the branch campuses are expected to fulfil an expressly public mission to serve the needs of Qatar. As stated by a representative of the Qatar Foundation, ‘(the six American) institutions were selected because of their international reputations and their ability to bring programs considered core to improving Qatar’s economy. For example, Texas A&M’s engineering programs support our petroleum industry, Carnegie Mellon’s business programs align with our interest in being a financial hub, and the inclusion of Northwestern’s journalism programme is meant to help grow our media interests’. This public focus is corroborated by branch campus deans interviewed for this study. The dean of a private institution noted that the Qatar branch mission was more public than that of the home campus. In contrast to the main campus in the United States, ‘(community service) is part of the expectation of our being here — to help build the local industry’. This division between public and private missions is not as evident for all campuses, but the purposes of the branch campuses are more publically oriented when viewed from the perspective of the Qatari government than from that of American state governments.

Sarawak has a more mixed purpose for its cross-border initiative. While not as clearly public as the Qatar examples, the Sarawak branch engages in both public and private purposes. The campus supports economic development through providing research and instruction related to the industrial interests in the oil producing region, and several corporate sponsorships of students through scholarships suggests a locally private role. But the state interest is also evident. The public purposes driving the government’s engagement dominated the development of the project by defining baseline programme terms. A report from the Australian Universities Quality Agency (2009), states, ‘The Sarawak State Government is satisfied with the working relationship and contribution being made by Curtin, and sees it producing graduates whose skills are aligned with the strategic intent and plan of the State’ (p. 37).

Ownership

Ownership refers to the authority that controls institutional activity and is often a mix of governmental and institutional authority (Duryea, 2000). In

many studies of privatization, ownership is the key determinate for analyzing the private or public nature of an institution (e.g., Levy, 2006; Kinser, 2007). In most cases, ownership of a domestic institution can be easily identified as being government controlled (i.e., public) or owned by a private corporate entity. However, in cross-border higher education, activities can often be joint ventures between government entities, the home institution, and private partners (Lane, 2010a) and cross-border activities are pursued by both publicly and privately chartered institutions (Kinser *et al.*, 2010). Such arrangements make this a difficult dimension to assess.

In Qatar, there is joint ownership between the Foundation and the institution. While the institution retains absolute control over the academic aspects of the enterprise, the Foundation owns the campus facilities and controls, which institutions operate and, which programs are offered. On the other hand, the branch operates as a private non-profit when approached from the perspective of the home country. It is controlled by the institution, which can always decide to walk away if the on-the-ground activities are incompatible with the expectations of stakeholders at home.

Sarawak reflects a similar joint control model, where both the state and the institution are linked in managing the branch effort. In this case, there is an actual legal entity that has been formed to manage the branch with (due to Malaysian regulations regarding foreign ownership) 49% of the stock held by Curtin and 51% held by its Miri and Sarawak partners. Dissolving the branch could technically be accomplished by the majority stake, but in practice both hold the balance of responsibility. Particularly during development of the branch, the 'Miri Working Party' was a representative body that guided the operation of the Sarawak branch, including approval of courses and first year academic plans. A 'Joint Venture Board' met regularly, chaired in alternating fashion by a Curtin representative and a Malaysian partner, to discuss issues arising during the first 6 months of campus operation (Sheehy, 2009). Like the Qatar case, the Sarawak branch at home is primarily a private nonprofit effort. However, the specific financial model expected excess revenue to be generated, and Curtin accepted the option to acquire a stake in the financial success of the branch (Australian Universities Quality Agency, 2009). Thus, elements of a for-profit ownership model can be seen in this case.

Investment

The investment in the branch refers to initial start-up capital required for the branch to begin operations. The importance of this category rests on the fact that the branch campuses in this study are all less than 15-years old and the original investors still have interests in the campus. Further, the investment component demonstrates the relative commitment of the host and home



governments. Financial commitment from the home government is mostly prohibited, although there is assuredly spillover from such things as brand recognition and administrative support funded by the home government. From the perspective of the home government, then, the investment component is entirely private, even if those funds come from another government. In contrast, the host governments of Malaysia and Qatar both invested almost all of the start-up costs for the branch campuses.

The development of Qatar's Education City, including the buildings for each institution and the shared student affairs spaces such as athletic fields and the student center, was entirely financed by the Qatar Foundation. In addition each institution was provided with monies to cover their initial operational costs. All of the interviewed deans commented that their budgets are funded by the Qatar Foundation and not the home campus; and the campus student affairs administrators that were part of this study indicated that many of their expenses are paid for by the Qatar Foundation. In fact, it seems there is more public support for student affairs activities in Qatar than in the United States. As one participant from a public university said, 'At home, activities like residence halls and many student activities are expected to generate their own revenue; here even the costs that are generally considered private (at home) are covered by the Qatar Foundation'.

The Sarawak case is similar to Qatar in that virtually all investment in the branch comes from public sources, or those controlled by the state (Australian Universities Quality Agency, 2009). The fact that the branch could be started almost exclusively through external investments was considered one of the compelling rationales and necessary preconditions for the home campus to endorse a branch in Malaysia. At the same time, much conversation on the home campus centered on reputational questions and whether the branch was sustainable under the leadership of Curtin personnel. In particular, the Curtin Council, on the main campus, sought specific assurances that the Curtin name would be protected if the University decided to withdraw from the project (Sheehy, 2009). Compared to the US institutions in Qatar, the public commitment in Australia was somewhat greater, given a Statute had to be passed to legally allow offshore operations before the project could move forward. Still, from a financial perspective, no public investment in the branch was offered nor was required to establish and continue the initiative in Malaysia.

Revenue

The revenue describes the source of income for the branch. Ongoing operations of each campus depend upon a continuous flow of financial resources. The sources from which this revenue is derived can affect the public or private nature of the institution (Pfeffer and Salancik, 1978). If revenue is provided by

a government entity, the campus is more likely to pursue public goals. Whereas if revenue is generated from students or other private actors, the institution is more likely to engage in more market oriented activities commonly associated with privatization (Williams, 1996). Again, for both cases, the home governments forbid the use of state funds; by definition, the branch campus revenue is derived from entirely private sources. Within Qatar and Malaysia, revenue is generated primarily through a tuition-based system. However, in Qatar, the tuition is primarily paid by the government, while in Malaysia the students pay the fees. As such, when viewed from the perspective of the host government, the revenue generation in Qatar is almost entirely from public sources, while the revenue generation in Malaysia still has a strong private component.

In Qatar, the government, through the Higher Education Institute Scholarships covers almost all the educational costs of citizens, including those attending the branch campuses at Education City (Stasz *et al.*, 2007). In addition, there are extensive loan and scholarship programs available for non-Qatari students that want to attend one of the branch campuses. Moreover, the Qatar Foundation has provided their own forms of financial support ranging from work-study programs to the Hamdan Bin Khalifa Financial Aid Programme, which provides support for academically qualified, but financially needy students that want to attend one of the institutions in Education City. In sum, even though much of the revenue is derived from tuition calculations, most of the annual revenue for the branch campuses comes from public entities in Qatar.

The Sarawak case shows a more standard private sector model, with revenue being generated primarily through student tuition along with the assistance of a federal financial aid system (i.e., Higher Education Student Loans provided by the Higher Education Student Loan Corporation) and locally generated scholarships. But the primary responsibility for paying rests with students and their families. Additional support from Sarawak and Miri comes through an intellectual license fee based on 8% of the total revenue of the branch (Sheehy, 2009). Because of the Sarawak branch's research mission, revenue is also generated through research grants to the Miri campus, which may include grants from public sources in Australia (Australian Universities Quality Agency, 2009). Nevertheless, the branch revenue model does not presume public support from the home campus or government, and any public resources are supportive of research rather than the primary undergraduate mission.

Regulation

This dimension assesses the extent to which the branch campuses are regulated as 'public' or 'private' entities. Similar to most other dimensions, the perspective of the home campus is that these institutions are private entities and largely regulated in that way. The significant difference is that there are



provisions from the home government that are designed to limit any negative impact on the home campus. In both the Australia and the United States, the government recognizes the existence of the branch campuses and has some regulations, particularly in quality assurance, that pertain to such activities. As such, the home government relationship is deemed more private than public, although not entirely private.

The regulatory framework designed in Qatar evidences extensive control by the government over the branch campus institutions, although the government regulation is less than that of Qatar University (Moini *et al.*, 2009). Branch campuses in Qatar's Education City are invited into the country by the government and can only offer those programs officially allowed by the government. Moreover, there are occasional quality assurance assessments in which the Qatar Foundation engages to ensure the programs offered in Education City are comparable to those on the home campus and to ensure the students are receiving a quality educational experience.

Regulation also assigns the responsibility for quality assurance and effective operation of the branch. The Qatar Foundation takes this role for Education City branches, serving as the ultimate judge of acceptable educational practice. Regulation at home is achieved through accreditation standards supervised by non-governmental agencies. This is subject to institutional decisions about mission and purpose for the branch, with the primary stipulation being that quality abroad needs to be essentially the same as quality at home (Kinser *et al.*, 2010).

The Curtin branch in Sarawak is regulated as a private sector university. As such, it is subject to clear authority of the federal Ministry. For example, the state insisted that the name of the branch must be 'Curtin University of Technology — Miri Campus' not Curtin International College as the institution proposed. Documentation required by the Ministry of Education included course-related content and details about facilities, as well as individual approval of every faculty member (Sheehy, 2009). The branch is, however, less regulated than a public sector institution would be, with, according to the 1996 authorizing Act, more freedom regarding admissions and language of instruction. At home, in Australia, regulations proceed both under a government-sponsored quality assurance regime, as well as with an approval process that requires explicit government approval for the branch. So, although there is more power given to the state in Australia, off-shore activities are expected to be conducted with significant autonomy given to the home campus.

Understanding the Public Nature of Privatization in Cross-Border Higher Education

The somewhat simultaneously development of cross-border and privatization activities in higher education has led to an unchallenged confounding of the



two phenomena. While some cross-border activities are forms of privatization, *carte blanche* acceptance that all cross-border activities are of a private nature fails to account for the dualistic relationship that exists between the institution and the home and host governments. Indeed, the development of cross-border higher education activities challenges traditional assumptions of privatization based entirely on the relationship between the institution and its home, or sponsoring, government. Yet, by their very nature, cross-border activities require entanglement with at least two governments. Thus, to fully understand the public-private nature of cross-border engagements requires a dual analysis that looks at the relationship between the institution and both the home and host governments.

Applying a five-dimensional conceptual framework to data gathered from fieldwork in Qatar and Sarawak, Malaysia, this article evidences that activities interpreted as private in nature from the perspective of the home government can be interpreted as public from the perspective of the host government. In fact, the Qatar case shows that it is possible for an international branch campus to engage in more public purposes abroad than it does at its main campus at home. These findings challenge conventional wisdom that such activities do not fulfil public purposes and demonstrate that the conceptualization of privatization in multinational activities must take into account local government expectations of public purpose.

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