

U.S. BRANCH CAMPUSES ABROAD

One of the important manifestations of globalization is the new ways in which higher education institutions connect globally. In addition to the more traditional forms of global engagement, such as study abroad, receiving international students and scholars, and working in partnership with institutions in other countries, colleges and universities are seeking to have a *global presence* or a *global footprint* by establishing a physical presence abroad and offering instruction to students in their home countries. The past decade has seen the rapid growth of U.S., U.K., and Australian higher education institutions offering degree programs and establishing branch campuses abroad.¹ This *cross-border* or *transnational* activity, as it is often called, provides educational opportunities for students to have access to a Western education in their home countries while it establishes a global presence for the sending institution.²

Branch campuses (see definition on page 2) respond to the needs of a growing global market for higher education. In many countries, especially developing ones, the demand for higher education is growing more rapidly than the capacity of the country to deliver higher education to qualified students. Such initiatives are also entrepreneurial in nature, designed to heighten the institution's profile and diversify revenue sources.

Branch campuses have received considerable media attention. There has been little research, however, on how U.S. institutions actually go about the business of establishing and operating branch campuses, how these operations differ by region, or the identities of the students and faculty. In an effort to fill this knowledge gap, ACE began collecting information on U.S. branch campuses abroad in 2006. Drawing on an initial assessment of the range of U.S. branches abroad, ACE assembled 11 leaders from U.S. branch campuses for a roundtable in January 2008. The roundtable discussion provided depth to ACE's knowledge into the theoretical and practical challenges associated with establishing a branch overseas. As a beginning step toward a wider breadth of understanding the universe of U.S. branch campuses abroad, in 2009 ACE fielded a targeted survey to collect more detailed information on the structure of these branches.

This paper provides results from 20 institutions that submitted information on 40 branch campuses abroad as part of this survey. These results are supported by information drawn from *Mapping Internationalization on U.S. Campuses*, a national survey of 2,746 institutions conducted in 2006, as well as ACE's ongoing dialogue on this topic with campus leaders.³

¹ Becker, R. (2009, September). *International branch campuses: Markets and strategies*. London: The Observatory of Borderless Higher Education.

² For additional information on U.S. campuses abroad, see Green, M., et al. (2007). *Venturing abroad: Delivering U.S. degrees through overseas branch campuses and programs*. Washington, DC: American Council on Education; and Green, M., Kinser, K., & Eckel, P. (2008). *On the ground overseas: U.S. degree programs and branch campuses abroad*. Washington, DC: American Council on Education.

³ See Green, M., Luu, D., & Burris, B. (2008). *Mapping internationalization on U.S. campuses: 2008 edition*. Washington, DC: American Council on Education. This report summarizes the findings of a 2006 survey of U.S. colleges and universities on their policies and practices in furthering internationalization. It is the second in a series, following a 2001 study. In September 2006, ACE surveyed 2,746 institutions and

The Survey

This issue brief summarizes the results of a targeted survey sent to chief academic officers (CAOs) at institutions identified as operating at least one branch campus abroad for non-U.S. students. The institutions surveyed were identified by an ongoing scan of *The Chronicle of Higher Education*, *Times Higher Education*, and other newspapers and web sites. The list compiled was by no means complete, and the survey sample may not be representative. There is no existing complete single list of U.S. institutions that are operating branch campuses abroad. For the purposes of this survey, we used the following guidelines to identify a *branch campus abroad*. (Definitions continue to elude the field, and no one definition captures the range of branch campuses abroad.)

- The branch campus rents or owns educational facilities (this could include a library, laboratories, classrooms, and/or faculty and staff office space) in a different country from the U.S. parent institution.
- The branch campus offers courses in more than one field of study leading to a degree.
- The degree bears the parent institution name (either alone or with a partner institution).
- The branch campus is where students take the majority of their courses and finish their degree.
- The branch campus offers mainly face-to-face instruction.
- The branch campus has permanent administrative staff.

ACE sent the surveys to 88 institutions reportedly operating 197 branch campuses. We received responses from 20 U.S. institutions (a 23 percent response rate) and information on 40 branch campuses. Seven of the colleges and universities that responded to the survey reported on more than one branch campus abroad (one institution alone reported on seven branch campuses around the world). Table 1 shows the location of the branch campuses by country and region.

received an overall response rate of 39 percent. Of the group of institutions that offered degree programs abroad for U.S. students, 39 percent actually had branch campuses, defined as “a physical presence, wholly or jointly owned and operated by the awarding institution, providing degrees taught face to face, supported by traditional physical infrastructure such as a library, laboratories, classroom, and faculty and staff offices.” (*Mapping*, p. 80).

Table 1: Branch Campus Locations Reported by U.S. Colleges and Universities (N=40)

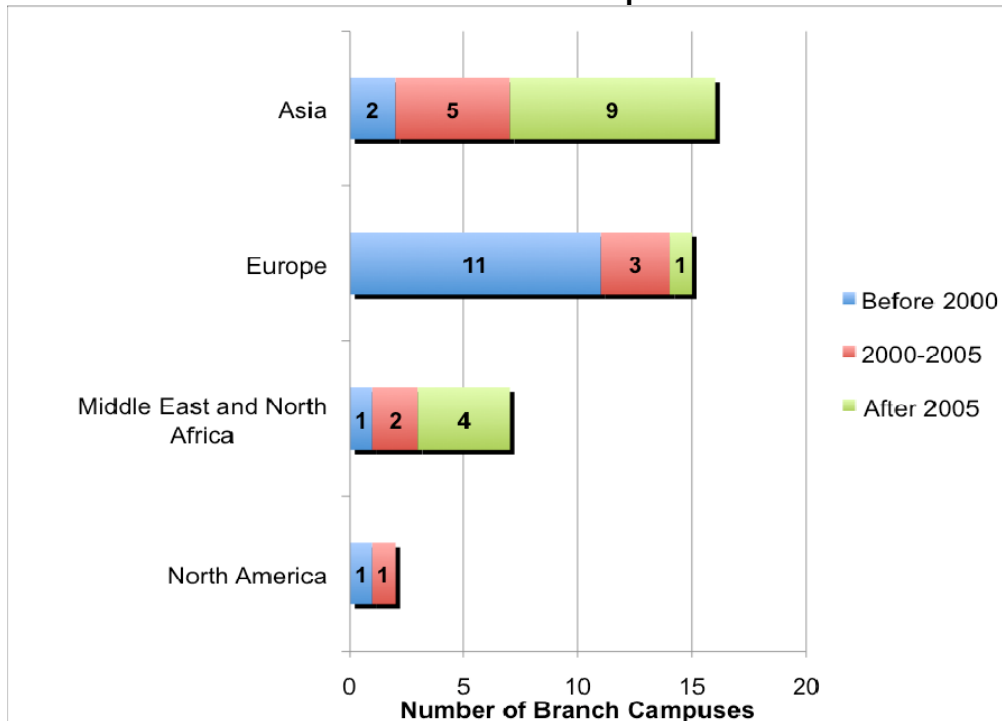
Region/Country of Branch Campus	Number of Branch Campuses	Percent of Branch Campuses by Region
Asia	16	40%
China	4	
Hong Kong	1	
India	1	
Singapore	5	
Thailand	1	
Vietnam	4	
Europe	15	38%
Belgium	1	
Bulgaria	1	
Czech Republic	1	
France	3	
Germany	1	
Greece	2	
Hungary	1	
Netherlands	1	
Slovakia	1	
Switzerland	2	
United Kingdom	1	
Middle East and North Africa	7	18%
Egypt	1	
Qatar	2	
United Arab Emirates	4	
North America	2	5%
Canada	1	
Mexico	1	

Year of Establishment

The oldest branch campus accounted for in the survey opened in 1960 in France and is still in operation.⁴ Most of the European branches were established before 2000. As the chart below illustrates, the majority of branches that opened since 2005 are in Asia and the Middle East.

⁴ This survey collected information on branch campuses abroad that were in different stages of operation. Of the 40 branch campuses abroad that responded to the survey, one branch campus was closed, three were in the planning phase, and the remaining 36 were in operation.

Chart: Year of Establishment of Branch Campuses



Host Country Support

Sixteen of the 40 branch campuses accounted for in the survey received some kind of host country government support (see Table 2). Branch campuses in the Middle East were more likely to receive host country government support than those established in other regions. Very few branch campuses in Europe received any support from the host country government, and the two branch campuses in North America received support in the form of student financial aid from the host country government.

The majority of support came in the form of facilities; that is, host country governments offered space for the branch campus to lease either at a significant discount or rent-free.

Six of the branches in the Middle East received operating revenue from the local government. Students attending three of the seven branch campuses in the Middle East were eligible to receive financial aid from the local government.

Table 2: Support Provided by Host Country Government to Branch Campus

	Operating Revenue	Facilities	Student Financial Aid	Other*
Asia (N=6)	0	4	2	2
Europe (N=1)	1	1	1	0
Middle East and North Africa (N=7)	6	6	3	2
North America (N=2)	0	0	2	0
Total (N=16)	7	11	8	4

Note: Respondents could choose multiple answers.

*Other responses included “recruitment” and “a loan” in Asia, and “staffing support” and “fully supported” in the Middle East.

Local Partners

Institutions with branch campuses in Asia were more likely than those operating in other regions to have shared space with a local partner—14 of the 16 branches did so (see Table 3). Two-thirds of responding branch campuses in Europe owned their facilities, as did the majority of those in the Middle East.

Table 3: Facility Status of Branch Campuses

	Shared	Own, Exclusive (Parent/U.S.)
Asia (N=16)	14	2
Europe (N=15)	5	10
Middle East and North Africa (N=7)	2	5
North America (N=2)	1	1
Total (N=40)	22	18

The majority of branch campuses had a local partner in the host country, including 14 of 16 in Asia, 10 of 15 in Europe, and all seven in the Middle East (see Table 4). Most of the local partners in Asia and Europe were colleges and universities, and partners in the Middle East represented a more diverse set of sectors, from businesses to local government to nonprofit organizations.

Table 4: Branch Campuses with a Local Partner

	Local Partner	No Local Partner
Asia (N=16)	14	2
Europe (N=15)	10	5
Middle East and North Africa (N=7)	7	0
North America (N=2)	1	1
Total (N=40)	32	8

Findings from the 2006 *Mapping Internationalization* national study were similar. The majority of branch campuses abroad were conducted with partners: In China, 92 percent of institutions offering off-shore programs offered some or all of their programs in conjunction with an institutional partner, as did 80 percent in Hong Kong, 87 percent in India, and 80 percent in Western Europe.⁵

Faculty

Two faculty employment arrangements predominated: Either the parent institution employed the faculty directly, or the branch campus was a separate entity that served as the employer (see Table 5). In three cases in Asia, the faculty were employed by a local partner.

Table 5: Employer of the Majority of Branch Campus Faculty

	Local Partner	Branch	Parent (U.S.) Institution
Asia (N=15)	3	3	9
Europe (N=14)	0	11	3
Middle East and North Africa (N=6)	0	3	3
North America (N=2)	0	1	1
Total (N=37)	3	18	16

The nationality of faculty at branch campuses presented a mixed picture. At 17 branches, the majority of the faculty were from the host country; This was the most prevalent model in Europe. At 14 branch campuses, the majority of the faculty were from the United States—a model that was most prevalent in Asia and the Middle East.

Table 6: Nationality of the Majority of Branch Campus Faculty

	Host Country	United States	Other Countries
Asia (N=15)	5	8	2
Europe (N=14)	10	2	2
Middle East and North Africa (N=6)	1	3	2
North America (N=2)	1	1	0
Total	17	14	6

Enrollment

Respondents provided enrollment figures for 36 branch campuses. Total enrollment at these campuses was approximately 8,300 students (see Table 7). Ten campuses offered only undergraduate programs, 12 offered only graduate programs, and 14 offered both. The largest branch campus abroad had 1,706 students (both undergraduate and graduate), 1,000 students more than the next largest branch

⁵ *Mapping Internationalization: 2008 Edition*, p. 79.

reported in the survey. The average enrollment for the 36 branch campuses was 231 students.

Table 7: Enrollment at Branch Campuses

	Total Undergraduate Enrollment	Average Undergraduate Enrollment	Total Graduate Enrollment	Average Graduate Enrollment	Total Enrollment
Asia (N=14)	1,545	221	430	43	1,975
Europe (N=14)	3,544	322	1,365	105	4,909
Middle East and North Africa (N=6)	1,068	214	47	24	1,115
North America (N=2)	45	45	270	270	315
Total (N=36)	6,202		2,112		8,314

The majority of students at 23 branch campuses were from the host country, as was the prevailing model in Asia (see Table 8). Fifteen branch campuses, including the majority in Europe and the Middle East, drew the majority of their students from countries other than the host.

Table 8: National Origin of the Majority of Branch Campus Students

	Host Country	Other Countries
Asia (N=15)	13	2
Europe (N=15)	6	9
Middle East and North Africa ((N=6)	2	4
North America (N=2)	2	0
Total (N=38)	23	15

Degree Programs

According to the 2006 *Mapping Internationalization* national ACE survey, 64 percent of all degree programs offered abroad were in the field of business. The next most frequently offered field of study was education (22 percent), followed by humanities (20 percent).

The current survey results showed that business programs continued to dominate in Asia and Europe. The field of international relations was also common in Europe but not in other regions. Almost half of all degree programs in the Middle East were offered in STEM fields (see Table 9). This is the only region where degrees in STEM fields were the majority.

Table 9: Degree Fields of Study Offered at the Branch Campuses

Field of Study	Asia (N=16)	Europe (N=15)	Middle East and North Africa (N=6)	North America (N=2)	Total (N=39)
Business	14	22	3	1	40
Computer Science/IT	4	6	3	0	13
International Relations	0	10	1	0	11
Social/Behavioral Sciences	0	9	1	0	10
Communications	0	7	0	0	7
Engineering	1	2	3	1	7
Humanities/Fine Arts	0	5	1	0	6
Health	2	0	2	1	5
Education	1	2	0	1	4
Liberal Arts/General Studies	1	1	1	0	3
Mathematics	1	0	1	0	1
Law	1	0	0	0	1

The vast majority of degree programs were offered at the baccalaureate or master's levels, with only a handful offered as associate or doctoral-level programs and only one professional program (see Table 10). Asian branch campuses were the only ones to offer associate-level degrees. All but two of the degree programs in the Middle East were at the baccalaureate level.

Table 10: Degree Programs Offered at the Branch Campuses

	Associate	Baccalaureate	Master's	Doctoral	Professional
Asia (N=16)	4	8	11	1	0
Europe (N=15)	0	31	31	2	0
Middle East and North Africa (N=6)	0	15	1	0	1
North America (N=2)	0	2	2	0	0
Total (N=39)	4	56	45	3	1

Conclusion

There is no predominant model. ACE research on U.S. branch campuses abroad reveals a wide variety of approaches. Some campuses are fully funded by the host government, some receive partial support, and some receive none. According to the preliminary results of the 2009 ACE targeted survey of U.S. branch campuses abroad, some campuses offer only undergraduate programs, some only graduate, and some offer both, and the faculty were nearly equally likely to be employed by the branch campus as the parent institution. Institutions with branch campuses abroad reported that

the development of a branch campus is shaped by many factors, including needs and regulations of the host country, availability of partners, and strengths of the U.S. parent institution. Additionally, those that have set up campuses in different countries indicated that each experience was different, and although there are lessons to be learned from prior experience, the initiatives differ from one another.⁶

Regional differences exist. The data showed some regional patterns. Branch campuses in Europe were more likely to have been founded before 2000, while those in other parts of the world have been established more recently. Faculty at European branch campuses were likely to be drawn from that region, while faculty at Asian and Middle Eastern branch campuses were more likely to be from the United States or countries other than the host country.

Branch campuses in the Middle East were more likely to receive support from the host government than those with branch campuses elsewhere. States such as Qatar and the United Arab Emirates have made huge investments to attract foreign institutions to meet the demand for higher education in their country and in the region, to increase their national capacity for research, and to advance as knowledge societies. Thus, their willingness to provide financial support for U.S. and other institutions has helped them meet their national goals. Most European nations, on the other hand, are not experiencing rapid growth in demand and have well-established higher education systems with sufficient capacity to educate their domestic students. They were, therefore, more likely to use traditional institutional partnerships to enhance their teaching and research.

U.S. institutions show intense interest in Asia, where there is tremendous demand for higher education.⁷ Asian nations are unlikely to provide operating revenue to branch campuses, although they do provide other types of support. Nearly all the branch campuses in this region received support in the form of facilities. In addition, the U.S. parent institution keeps a close association with the Asian branch campus: The majority serve as the employers of the faculty and about half reported that the majority of their branch campus faculty were from the United States. These findings suggest that these institutions are exercising quality control by selecting and employing U.S. faculty.

The absence of branch campuses in sub-Saharan Africa and Latin America in this survey was notable. The 2006 *Mapping Internationalization* national survey indicated that 7 percent of respondents had branch campuses in sub-Saharan Africa (excluding South Africa) and 3 percent were operating programs in South Africa. Although little information is available, we can hypothesize that even though the demand for higher education is great in Africa and Latin America, the pool of students able to pay the fees required by foreign institutions is small, and the ability and/or willingness of African governments to provide assistance is equally lacking. Regardless of reason, Africa does not seem to be fertile ground for branch campuses.

ACE's research suggests a need for further inquiry into the future of branch campuses. The effect of the worldwide economic downturn on both supply and demand

⁶ Green, M., Kinser, K., & Eckel, P. (2008). *On the ground overseas: U.S. degree programs and branch campuses abroad*. Washington, DC: American Council on Education.

⁷ See preliminary results from the International Association of Universities' 2009 survey.

is uncertain. It remains to be seen whether students will be more likely to seek a foreign education at home. If the demand (and the market) continue to be so great in Asia and other regions, branch campuses could not only flourish but also increase. Such a scenario would suggest the growth of branch campuses, perhaps at the expense of international mobility. In another scenario, economic recession may make a foreign education unaffordable for many students and their families, even in one's home country or region.

There also are unknowns on the supply side. It may be that U.S. institutions battling financial issues will be less inclined to venture abroad. Even if support for such initiatives is available, institutions may be deterred by the requirements of time and effort, not to mention the inevitable hidden costs. Faced with uncertain financial circumstances, higher education leaders, boards, and legislatures may feel that now is not the moment to chart unknown courses. On the other hand, they could decide that these times present opportunities that should not be refused.

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