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## **Private Higher Education in the GCC: Best Practices in Governance, Quality Assurance and Funding**

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# THE DUBAI INITIATIVE برنامج دبي

*Policy Brief*

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### **Executive Summary**

**Rasmus Gjedssø Bertelsen, PhD**



**BELFER CENTER**  
for Science and International Affairs



# **Private Higher Education in the GCC: Best Practices in Governance, Quality Assurance and Funding**

## **Executive Summary**

Dubai Initiative – Brief

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The Dubai Initiative

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Harvard University

2009

The Gulf region has for the last 15 years seen a vast expansion of private higher education in an effort to increase higher education capacity beyond national systems, develop human resources, and diversify national economies away from oil and gas resources. The examples of classical American- and French-system private universities in Beirut and Cairo and their contribution to human and socio-economic development are strong reasons for supporting private higher education. However, there are important shortcomings in the governance, quality assurance and funding of especially for-profit higher education, which must be overcome for this sector to positively contribute to development. This policy brief outlines the strengths and weaknesses of private higher education, best practices in governance, quality assurance and funding: non-profit, independence and commitment to academic excellence; the consequences of Western accreditation; and non-profit and endowment-based finance.

## 1 Aim of policy brief: Research and policy advice on best practices in private higher education

This policy brief addresses how private higher education can contribute to human and socio-economic development in the Gulf Cooperation Council member states by ensuring good academic governance, equitable and stable funding, and quality assurance.

The aims of this policy brief is to identify best practices in governance, funding and quality assurance in private higher education institutions in the region in order to overcome the challenges of being private for profit institutions. The successful American- and French-origin universities in Beirut and Cairo founded in the late 1800s and early 1900s supply valuable lessons for best practices in operating private higher education institutions in the Middle East. The American University of Beirut, the Université Saint-Joseph de Beyrouth and the American University in Cairo have ample experience in how successful governance, quality assurance and funding can achieve academic success and recognition, as well as contribute significantly to human and other development in the host societies and the wider Middle East.

Higher education is fundamental for human development, which in turn enables citizens to compete in the local and global economies and ensures Emiratization, etc. It is equally central for socio-economic development in that it eases overdependence on oil and gas. American and French missionaries pioneered university education in the Middle East in Beirut in the 1860s and 1870s and laid the foundation for the human capital of that city. The commercial, financial and intellectual place of Beirut and Lebanon in the Middle East is largely based on human capital, and higher education is, therefore, a valid development strategy for GCC States.

Most private higher educational institutions in the GCC collaborate with foreign universities. These Gulf-based private higher educational institutions have a mix of private and public funding. The latter can be a very high proportion, and the term *private* is distinct from a national, public higher education system. It is important to distinguish non-profit from for-profit private institutions.

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## 2 Overview of private higher education in the GCC

Since the 1990s, there has been a boom in private higher education in the GCC. The United Arab Emirates has the largest number of private higher education institutions. These are, for instance, the American University in Dubai (1995) originally affiliated with the American Intercontinental University; the American University of Sharjah (1997) advised by the American University; the Dubai School of Government (2005) collaborating with Harvard Kennedy School; Université Paris Sorbonne Abu Dhabi (2006), Michigan State University Dubai (2008), New York University Abu Dhabi (2010) and the wide range of activities in the Knowledge Village (2003) and the Dubai International Academic City (2007).

Other examples in Kuwait are the Arab Open University (2002) working with the UK Open University; the Gulf University for Science and Technology (2002) collaborating closely, including credit transfer, with the University of Missouri St. Louis; the Kuwait Maastricht Business School is the local counterpart of the Maastricht School of Management; the American University of Kuwait (2004) is being advised by Dartmouth College; the Australian College of Kuwait (2004) collaborates with the University of Tasmania and others; the Box Hill College for Women (2007) collaborates with the Box Hill Institute in Melbourne; and the American University of the Middle East (2008) is advised by Purdue University. A prominent example is Education City (1998-) in Qatar with campuses from Virginia Commonwealth, Weill Cornell Medical College, Texas A&M, Carnegie Mellon, Georgetown University School of Foreign Service and Northwestern. Oman has around 19 private higher education institutions. Saudi Arabia is also following the trend of private higher education, one example of which is the Taif Private University, collaborating with the University of Arizona. An example of non-Western affiliation is AMA Bahrain, a branch of the AMA Computer University in the Philippines (2002).

## 3 Background for private higher education in the GCC

There are a number of factors, which together drive the development of private higher education in the Gulf region and developing countries: demographics, public finance, and employability, among others.

The demographics with large proportions of children and young people constitute a challenge for higher education. Because of previous investments in primary and secondary education, these groups are now aspiring for tertiary education. Previously, the national public higher education system could absorb secondary school graduates, which is no longer possible for demographic and educational reasons. Capacity and spending in the national public higher education cannot be increased sufficiently. Also, there is a political desire and need to partly privatize the cost of higher education.

There is interest in developing alternative and more market-oriented higher education than the national public system. Increased and market-oriented higher education is important for human (Emiratization, etc.) and socio-economic (diversification from oil and gas) development.

The private sector is interested in investing for profit as well as in the image of creating higher education institutions. In addition, large numbers of expa-

triate youth are seeking higher education, but are excluded from national public higher education systems.

#### 4 Positive contributions from private higher education

There are important positive contributions from private higher education, such as capacity building, flexibility, investment and knowledge transfer, also accompanied however by negative effects (discussed below).

The immediate positive impact from private education is the ability to absorb greater numbers of secondary school graduates. This expansion is possible because the cost is shared in the short run with investors or donors, and in the long run with students, families and donors. The old universities in Beirut and Cairo created capacity when there was none or very little, thanks to donor or tuition funds.

Private higher education can be flexible and responsive to (private) labor market needs. Tuition encourages students and universities to be conscious of employability. AUB, USJ and AUC introduced educational flexibility and diversity where the American institutions offered a liberal arts education, supplying skills to the private sector.

The collaboration with well-established foreign universities transfers knowledge and skills to the host society as well as creates important networks of information, interest, and human and financial capital.<sup>1</sup> Private higher education is overwhelmingly in English and develops English skills substantially (or, for instance, French). The foreign affiliation and exposure promotes a more globalized mindset and values, better preparing students for a global marketplace. It is clear from the Beirut and Cairo examples, how academically robust universities can be highly successful in exporting their graduates to well-paid jobs in demanding Western labor markets. These institutions provide high-school students unable to travel due to age or gender access to Western education. The institutions also give expatriate youth excluded from national public higher education access to local higher education.

The collaboration with well-established foreign universities ... creates important networks of information, interest, and human and financial capital.

#### 5 Negative contributions or risks from private higher education

There are, however, significant potential risks from especially for-profit private higher education, which are well documented in the international literature. The Beirut and Cairo universities have successfully overcome some of these risks and, thus, supply valuable lessons. These risks may be heightened by the rentier nature of Gulf States relying on oil and gas revenues, which reduces dependence on achievements in education and innovation. The fundamental downside of private higher education is the risk of the commercialization of education, whereby knowledge is seen as a commodity lacking inherent value. There would be little regard for or interest in research in general and basic research in particular. Rather the value in teaching would in collecting tuition. Students and their families seek employment-directed professional studies and at best pay lip service to liberal edu-

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<sup>1</sup> I have shown the role of American- and French-origin or -affiliated universities in the Middle East as important 'information and resource bridges' carrying substantial amounts of information, interest and human and financial capital between the Middle East and the West in previous research co-funded by the Kuwait Program at Harvard University.

cation. The governance of private higher education institutions is focused on profit-seeking rather than research and academic freedom, so faculty are disenfranchised without tenure and do not play a critical or civic role in society. AUB, USJ and AUC have largely overcome these risks by clear commitments to academic excellence in teaching and research.

The financing of new private higher education institutions in developing countries is heavily dependent on tuition with several negative consequences. Relatively high tuition may create or amplify social inequality through unequal access to education and employment. There is a strong temptation to recruit students based on ability to pay rather than academic ability. Such student selection will be very detrimental to quality, especially in the Gulf States with few secondary school graduates qualified for college work in English. With high dependence on tuition, overall university finances are unstable and unpredictable, making long-term commitments such as tenure and research difficult, if not impossible. The Beirut and Cairo universities have all to varying degree suffered from access problems because of high tuition, which can create an image of aloofness and isolation from society at large. This is, for instance, the image of AUC in the very popular Egyptian comedy film ‘Saidi at the American University’. These universities have to some extent improved the accessibility problem through financial aid programs funded by private and public donors.

In addition, there appears to be a lack of integration, collaboration, specialization and division of labor between private higher education and national public higher education in the Gulf. There is duplication of programs increasing competition for students, threatening admission standards, as well as reducing the range of courses offered. Also, unfortunately, there seems to be mutual suspicion and disrespect between academics and administrators in the private and public higher education sectors.

## **6 Clash of cultures in private higher education: *Wasta* and Western faculty**

The literature on private higher education in the Gulf identifies problematic issues between local students and Western faculty at the interface of Western academic traditions and local culture and society. Western faculty complain about students with very little motivation for academic work, which is probably due to the oil rentier nature of Gulf society giving access to employment and income independent of academic performance. Foreign faculty members also complain of cheating on exams and pressure to negotiate grades. In both instances, students and their families employ mediation or intercession through personal connections (*wasta*) to try to change grades or avoid penalties for cheating or registering late.

## **7 Road ahead: Policy advice**

This policy brief aims to identify and present best practices and supply policy advice in areas of higher education governance, quality assurance and funding for human and socio-economic development. The advice is based on literature studies and my field research on American- and French-origin universities in the Middle East, where the Beirut and Cairo cases draw on more than 140 years of experience and academic success. The success of the AUB, USJ and AUC is based on academic excellence, so the key question is how to achieve that.



### 7.1 Governance

The central governance lessons from the Beirut and Cairo cases seem to be a vision and mission of academic excellence in teaching and research supported by a non-profit status, which keeps the focus on academics.

It is very important to design governance for private higher education institutions where academic and teaching quality is advanced and protected from profit-seeking pressures and unstable finances. A key element of such governance will be stronger, more independent leadership, such as boards composed of experienced and visionary educators. The central governance lessons from the Beirut and Cairo cases seem to be a *vision and mission of academic excellence in teaching and research* supported by a non-profit status, which keeps the focus on academics. Also central is an *indefinite commitment to the host society* of the institution, where the life commitments of the early missionary founders and their families are striking. Especially branch campuses of overseas institutions must convey a deep commitment to the host society not distracted by home-campus obligations. The importance of the *non-profit* nature of the missionary AUB, USJ and AUC cannot be overstated. This status has allowed these organizations an undivided focus on academics, which is the basis for their credibility throughout their history in the host societies and in the American/French societies of origin, which has been crucial for raising material, moral and political support. Academic credibility and recognition, and support from outsiders have been the bedrock of the success of these institutions. In the cases of AUB and AUC, boards of trustees with a combination of strong academic skills, political connections, Middle East knowledge and fund-raising skills have been crucial. It must be emphasized how these boards have acted according to the academic visions and missions of the universities and *not* as profit-maximizing owners.

It is also necessary to address national and regional governance of higher education in the Gulf. Both public and private capacity will have to expand. Integration, collaboration and division of labor between institutions should be facilitated. Reform of education must also include primary and secondary schooling, from where students must be better prepared for college work in English.

### 7.2 Quality assurance

Private higher education will not be able to contribute to human and socio-economic development unless academic and teaching quality resist the strong drives for profitability. The above-mentioned steps in governance are important to ensure such academic and teaching quality. In addition, to protect quality and attract qualified students and faculty, it is necessary to rely on outside accreditation in the short run and develop *regional* accreditation bodies in the long run. The academic success of the three old Beirut and Cairo universities are also due to the fact that they have pursued American and French accreditation.

The American University of Beirut is incorporated in and with a charter from the state of New York since the beginning. Being able to recruit highly qualified faculty with degrees from leading American universities throughout its history and its ability to export graduates to graduate studies at leading American universities is a testimony of the informal accreditation AUB has held in international academia. As part of the revival after the Lebanese Civil War, AUB achieved accreditation from the Commission on Higher Education of the Middle States Association of Colleges and Schools in 2004, and several schools within the university have or are seeking American accreditation. AUB is locally accredited by the Lebanese Ministry of Education and Higher Education. Also AUC has been recognized by the State of New York since its earliest years and today has accreditation from the

Middle States Commission, while relevant American professional bodies have individually accredited some of its other programs. The AUC degrees are recognized by the Egyptian government under the 1975 agreement between AUC and Egypt. USJ has long had close ties with its country of origin, France. In 1883, the French state established the medical school at USJ with funding, curriculum, and professors, and offered a French state medical degree. The later faculties of the USJ were branch faculties of the University of Lyon, which awarded its degrees. This relationship changed in 1977 when USJ took over the faculties and started to award its own degrees recognized in France and Lebanon. These relations with American and French academia were highly instrumental in ensuring academic standards recognized in the West as evidenced by the academic and professional success of AUB, USJ and AUC graduates.

### **7.3 Funding**

Privatizing the cost of higher education and relying on tuition funding raises serious issues of access, social equity and financial stability, which must be addressed with public policy on financial aid and endowments. Government financial aid is necessary to ensure accessibility, equity and social cohesion. The concept of endowment is part of Islamic and Arab culture, and must be explored and adopted to stabilize the finances of private higher education institutions.

The rich experience of the Beirut and Cairo universities of American and French origin highlights both the challenges and point to some solutions. AUC, USJ and AUC all charge tuition that is prohibitively high compared to local income levels and they have, therefore, suffered with issues of accessibility and images of being institutions for the privileged. All three universities are well aware of this challenge and have been able to respond because of their non-profit nature and undivided academic focus. Because these universities enjoy very strong academic reputations in their host societies, the wider Middle East and their American and French societies of origin, they have been able historically and today to attract substantial donor funding. AUB and AUC have attracted USAID funding of scholarships for students from the Middle East and other developing countries. The most recent initiative is the LEAD program bringing a man and a woman from public schools in each of Egypt's governorates each year to AUC. USJ attracted and continues to attract French public support and private Lebanese support. AUB and AUC as American non-profit, endowment-based universities have been able to raise very significant amounts of public and private support for their endowments locally, in the Gulf and the US.

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# THE DUBAI INITIATIVE

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