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Original Citation

Healey, Nigel Martin and Bordogna, Claudia (2014) From Transnational to Multinational Education: Emerging Trends in International Higher Education. *Internationalisation of Higher Education*, 3. pp. 33-56.

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From Transnational to *Multinational* Education: Emerging Trends in International Higher Education

Nigel Martin Healey
Claudia Bordogna



Transnational, or cross-border, education is attracting increasing interest, as universities extend their reach across borders to open up huge new markets. Based on analysis of case studies of transnational partnerships, this paper argues that the current definition of transnational education, namely that the degree-awarding university is in a different country from the students being educated, fails to do justice to the multidimensional nature of contemporary transnational partnerships. It argues that the location of the degree-awarding body is, increasingly, of peripheral interest. Of much greater interest is the multinational nature of transnational providers' stakeholders – the owners, managers, staff, students and regulatory and accrediting bodies. It concludes that it is time to retitling the leading edge in the internationalisation of higher education as 'multinational education'.

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The binding of this supplemental volume enables you to remove each article from the cover and file it according to your needs. Also, for your convenience, all articles have been organised by chapter and subchapter online at www.handbook-internationalisation.com. This article, A 2.1-9, has been assigned to:

Chapter A: Definitions and driving forces for internationalisation
Subchapter A 2: Global, European and national developments

1. Introduction

Over the last decade, transnational education has become an integral part of the internationalisation of higher education (Zhuang & Tang 2012, p. 218). Across the world, international branch campuses are springing up, with Lawton and Katsomitros (2012, p. 4) estimating that there are around 200 in existence across the world. The Middle East hosts some of the world's leading universities. Education City in Qatar, for example, houses the satellite campuses of Cornell, Texas A&M, Carnegie Mellon and UCL. Dubai International Academic City is home to Heriot-Watt, BITS Pilani and Amity University. The University of Nottingham has campuses in Malaysia and China. The University of Liverpool has a branch campus in China (Feng 2013, p. 471). Many UK and Australian universities offer their degrees in third countries through partnership arrangements with foreign colleges and universities.

Transnational education is the most advanced stage of university internationalisation

The phenomenon of transnational education is generally seen as the most advanced stage in the internationalisation of universities. Universities start to internationalise their teaching activities by recruiting foreign students to their home campuses. This is sometimes termed “export education”, as it is the educational equivalent of exporting services like tourism (where the foreign tourist has to visit the exporting country to consume the service). For universities in the most advanced export education countries like the UK and Australia, approximately one in five university students are foreign (OECD 2013, p. 311).

There are, however, limits to the growth of traditional export education. Universities face capacity constraints. International students tend to be concentrated in subjects like business and engineering, which offer graduates the best prospects of a successful career. International student numbers cannot be expanded beyond a certain point without distorting the shape and academic character of a university. Perhaps more fundamentally, there is a limit to the number of students who are willing and able (financially and culturally) to study in a foreign country. While the total number of students in tertiary education has grown rapidly over the last 30 years, the percentage that study outside their own country (ie, who are “internationally-mobile”) has remained fairly constant at around 2 % (see Table 1).

	1980	1985	1990	1995	2000	2005	2010
Global tertiary enrolments (m)	51.2	60.3	68.7	81.7	99.9	139.0	178.0
Internationally-mobile (m)	1.1	1.1	1.3	1.7	2.1	3.0	4.1
Internationally mobile as % total	2.1 %	1.8 %	1.9 %	2.1 %	2.1 %	2.2 %	2.3 %

Table 1 **Global and internationally-mobile tertiary enrolments**

(Source: UNESCO 1998, n.d., OECD 2013)

Transnational education allows universities to increase their international enrolments by offering their qualifications in third countries, competing for the 98 % of the market for higher education that is not internationally mobile. Moreover, by establishing themselves in markets where the local higher education sector is too underdeveloped to satisfy demand, universities may actually increase global participation in higher education (Vincent-Lancrin 2007, p. 76).

Transnational education is currently dominated by US, UK and Australian universities (Salt & Wood 2014, p. 85) which, some critics argue, are effectively using their offshore activities to reshape the higher education sectors of developing countries in their own image. One of the common criticisms of transnational education is that uniformity in delivery could lead to a form of homogenisation (Liston 1998, p. 9), whereby transnational providers perpetuate one set of values, creating a “one world culture that has the potential to undermine local differences” (Egege & Kutieleh 2008, p. 68).

Shattock (2007, p. 19) argues that Britain’s colonial past has created an unfortunate sensitivity towards Western institutions operating in developing countries. He maintains that to overcome such criticism, Western educational institutions should develop partnerships with foreign providers, whereby negotiation and mutuality play central roles in the establishment of internal structures and strategic agendas (see also Pilsbury 2007, p. 10). This implies that for transnational education to be a success in a globalising world, collaborating partners must seek to reconcile differences, formalise systems, and develop shared values as a basis for decision-making. Pyvis (2011) argues current approaches to educational quality in transnational education promote “educational imperialism” (2011, p. 733). He champions an approach which enables practices and guidelines to be “altered to embrace context-sensitive measures of quality” (2011, p. 733).

**Transnational education
is seen by some as
academic imperialism**

The extent in which current forms of TNE can be characterised as representing cultural imperialism or cultural dominance is, however, contestable. China, for example, regulates foreign providers through legislation, such as the 1995 (Interim) and revised 2003 Regulations of the People's Republic of China on Chinese-Foreign Cooperation in Running Schools (Huang 2003, p. 195). This suggests host countries are keen to protect their heritage and traditions and are aware of the potential negative effects of allowing foreign educational providers to operate freely.

The objective of this paper is to better understand the changing nature of transnational education. By examining a number of case studies, we argue that transnational education is gradually transforming into *multinational* education, in which the traditional “colonial models... [based on] expatriates dispatched to run overseas operations” (Salt & Wood 2014, p. 85) are being replaced by more integrated and innovative modes of operation. Different aspects of the offshore venture (the ownership, the academic workforce, the student population, the curriculum, the quality assurance framework) are all steadily internationalising, creating more diverse, dynamic educational environments. In the process, bilateral relationships between exporting universities and host countries are evolving into multilateral relationships between multinational stakeholders.

2. What is transnational education?

Transnational education is defined as “any teaching or learning activity in which *the students are in a different country to that in which the institutional providing the education is based*” (Global Alliance for Transnational Education 1997, p. 1). Put another way, transnational education includes “all types of higher education study programmes, sets of study courses, or educational services (including those of distance education) in which the *learners are located in a country different from the one where the awarding institution is based*” (Council of Europe 2002).

At the heart of both these definitions is the fundamental *principle of transnationality*, namely that the student is in a different country from the university awarding the degree. Transnational education is thus essentially about the means by which the educational service is provided by the university in country A to students in country B (see Figure 1).

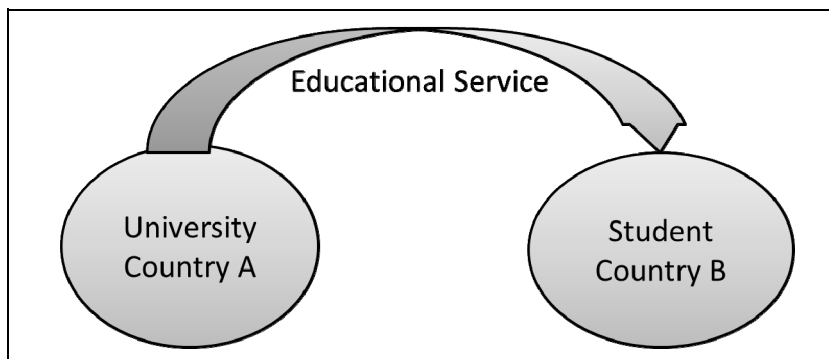


Figure 1 The principle of transnationality

3. Types of transnational education

The *principle of transnationality* begs the question of how the university in country A can provide the educational service to students in country B. There are two main ways to conceptualise the possible delivery mechanisms. One is to classify transnational education in terms of the institutional and contractual infrastructure that the university uses to deliver education; the other is by focusing on the elements of the service provision that cross the border.

Transnational education involves delivering educational services from a university in one country to students in another

3.1 The stage approach to transnational education

The first approach is derived from international business theory. The Uppsala “stages approach” to internationalisation argues that companies internationalise incrementally, by first exporting their goods, then moving to licencing production to a partner in a third country (where the financial risk is primarily borne by the partner) and finally investing directly in their own production and distribution facilities (Johanson and Vahlne 1977, p. 23 – 32, 1990, p. 11 – 24). The underlying principle is that each stage is riskier than the one before, so that companies only move from exporting to licencing, and from licencing to foreign direct investment, as they acquire more knowledge about the third market and gain greater confidence.

There are countless examples from the corporate world of the way that companies penetrate new markets in a staged way. Coca Cola, for example, is sold in every country except Cuba and North Korea, but has never moved beyond licencing, producing syrup in the United States which is used by franchisees to make and bottle (or can) the final product for distribution in their own countries. Honda, on the

Businesses tend to internationalise in incremental stages

other hand, has production facilities in a wide range of countries, including the UK and the US, but also licences the production of outdated models to foreign manufacturers in developing countries.

Applying the stages approach to transnational education, distance learning represents exporting, franchising and validation are variants of licencing and, finally, an IBC is equivalent to foreign direct investment by a multinational corporation (Healey 2008, p. 335 – 341). Consider each in turn.

3.1.1 Distance learning

In higher education, the traditional equivalent of exporting has been for students to travel to the home campus to study. However, distance learning provides an alternative way of exporting education directly to students in their own countries. Students located in another country can access online programme materials, either independently or as part of an online, tutor-supported programme (QAA 2013, p. 10).

Universities have engaged in distance learning education for many years. The University of London pioneered correspondence courses in the 19th century (Harte 1986, p. 102 – 105). The UK's Open University used the medium of national television to broaden the reach of distance learning in the 1960s. The internet and the spread of smart phones have dramatically reduced the costs of providing distance-learning, allowing universities to reach increasing numbers of students around the world without leaving their home campus. The recent emergence of “Massive Open Online Courses” (MOOCs) and the huge global enrolments in popular courses have illustrated the enormous potential market for distance learning (Hoy 2014, p. 85).

3.1.2 Franchising

The higher education equivalent of licencing production to a foreign partner is franchising or validation. Franchising involves entering a partnership with a foreign provider, under which the partner is *licenced* to market and teach the university's degree in its own country, with no curricular input by the host institution (British Council 2013, p. 15). The precise terms of franchise agreements vary widely, but generally the partner is responsible for providing the physical infrastructure (the teaching building, library, computing facilities), employing the academic and administrative staff who teach the degree, marketing and recruiting students and teaching and assessing the students. Importantly, student contracts are with local delivery partners (Drew *et al.* 2008, p. 28). The university provides the intellectual property (ie, the curriculum content, learning outcomes) and oversees the quality of the teaching and assessment (British Council 2013, p. 15). The partner bears most of the financial risk and normally pays the university a royalty fee per student, although financial arrangements vary widely.

Franchising and validation are forms of academic licencing

3.1.3 Validation

Validation is a closely related form of licencing. In most respects the relationship between the university and foreign provider is the same as in a franchise. The main difference is that the curriculum (including the degree title) is developed by the partner and validated by the university (British Council 2013, p. 15). If the proposed curriculum is deemed appropriate in terms of quality and meets the awarding partner's degree standards, the university licences the partner to market its qualification as an award of the university. Validation allows the curriculum to be more closely attuned to the context of the market in which it is being delivered. In some cases, the curriculum may be delivered in the local language, which makes the qualifications accessible to a much wider pool of students.

While US and Australian universities engage in franchising, validation appears to be a primarily UK practice. In the US, for example, regional accrediting bodies require franchised degrees to be identical to those taught on the home campus. One possible explanation for the difference may be that, until relatively recently, degree awarding powers in the UK were restricted to a relatively few institutions. Before 1992, only universities established by Royal Charter could award degrees. Many small colleges relied on local universities to validate their degrees. The polytechnics had their degrees validated by the Council for National Academic Awards (CNAA). The use of validation inside UK borders was thus widespread (Silver 1990, p. 150 – 155). When the polytechnics gained university status and degree awarding powers in 1992, they already had the organisational infrastructure and experience to begin validating degrees themselves both in local colleges and, increasingly, offshore.

Validation appears to be a predominantly UK form of internationalisation

3.1.4 Joint Programmes

Joint programmes are not a separate stage of internationalisation, but a variant of franchising and validation. Although multiple definitions of the “joint programme” exist, the QAA (2013, p. 10) defines it as a programme which allows offshore students to complete the university's entire degree at a partner institution or to begin the programme in the partner institution and transfer to complete the degree at the awarding university.

Joint programmes are not a separate stage of internationalisation

The programme being delivered at the partner institution could, in principle, be either a franchise or a validation. For example, in the 1990s many UK universities offered their degrees through private Malaysian colleges on a “2+1” basis, where the first two years were studied in Malaysia and the final year was completed by students coming to the UK. The Malaysia-based part of the programme was typically a franchise, to ensure a seamless transition to the UK for students as they moved onto the final year of the same degree.

As these colleges developed, they gained local degree-awarding powers, but some continued to want the academic credibility they had enjoyed by granting the degrees of UK universities. One solution was to design and award their own degrees, which were validated by the UK university, so that the students could graduate with two awards. This form of joint programme is becoming increasingly popular in Malaysia as the status of private colleges is upgraded to university colleges.

In other countries, the early years of the degree may be franchised to the foreign partner, while the final year of the degree is taught at the foreign partner's campus by faculty from the awarding university on a "fly-in fly-out" mode of delivery, which usually involves intensive block teaching (Smith, 2014, p. 117–134). This variant combines franchising and distance-learning. As with the other forms, joint programmes are not a separate stage of internationalisation, but rather a mix of the more distinct stages like franchising and validation.

3.1.5 International branch campuses

International branch campuses (IBCs) represent the final stage of internationalisation, with the university establishing a satellite campus in a third country (British Council 2013, p. 15). Currently the US has the most IBCs, followed by the UK and Australia (Salt & Wood 2014, p. 85). Financially, an IBC is much riskier than franchising or validation. There are a number of examples of IBCs which failed to break even and were closed at a financial loss to the university. These examples include UNSW Asia in Singapore (closed in 2007), George Mason University in the United Arab Emirates (closed in 2009) and the University of East London in Cyprus (closed in 2013).

However, when they are successful, IBCs enable universities to project themselves as "global universities". The University of Nottingham and Monash have both used their IBCs around the world to position themselves as global brands. These universities present themselves as global universities, with campuses in multiple countries, rather than as a university with its "headquarters" in, say, Nottingham and small, dependent IBCs in developing countries. Systems and academic procedures are operated on a pan-university basis, to reinforce the model of a single university, with globally distributed campuses.

3.1.6 The stages approach and risk

The governmental agencies responsible for academic quality assurance have tended to adopt the stages approach to classifying transnational education, because it segments clusters of activity by the degree of potential risk (see Figure 2). An IBC is the lowest risk in quality assurance terms, because the campus is a satellite of the home university. In principle, the university controls marketing and student re-

The risk to academic quality depends on the stage of university internationalisation

cruitment, the hiring of academic and administrative staff, the systems and processes, and the delivery and assessment of the curriculum (British Council 2013, p. 15). As noted above, universities often promote the IBCs as an integral part of a “global university” and use staff and student mobility to ensure commonality of standards and learning outcomes.

Distance learning is slightly more risky than an IBC, as universities often rely on in-country agents to recruit and support local students (e.g. providing local tutors to support the students’ learning, distributing and collecting course work). Distance-learning also brings new sources of risk. For example, a US Congressional investigation highlighted the difficulties of verifying the identities of students engaged in distance-learning and the resultant risk of fraud (Senate Committee on Health, Education, Labor, and Pensions 2010).

In franchised arrangements, the risk is increased because the partner employs the academic staff who are teaching and (usually) assessing the students. Validation represents the highest potential quality assurance risk, because the partner also designs the syllabus and, in some cases, may be teaching the course in a foreign language.

The QAA (2013, p. 42) reviewed the Shanghai Academy of Social Sciences (a validated centre of the University of Wales), noting that while the risk was increased because the language of instruction was Chinese, this could be managed through effective and detailed consultation and review. However, it recognised that this form of validation has considerable resource implications, in terms of finding suitable external examiners and putting in place more complex operational support mechanisms. The University of Wales has subsequently decided to terminate this programme, preferring to work in English and Welsh only.

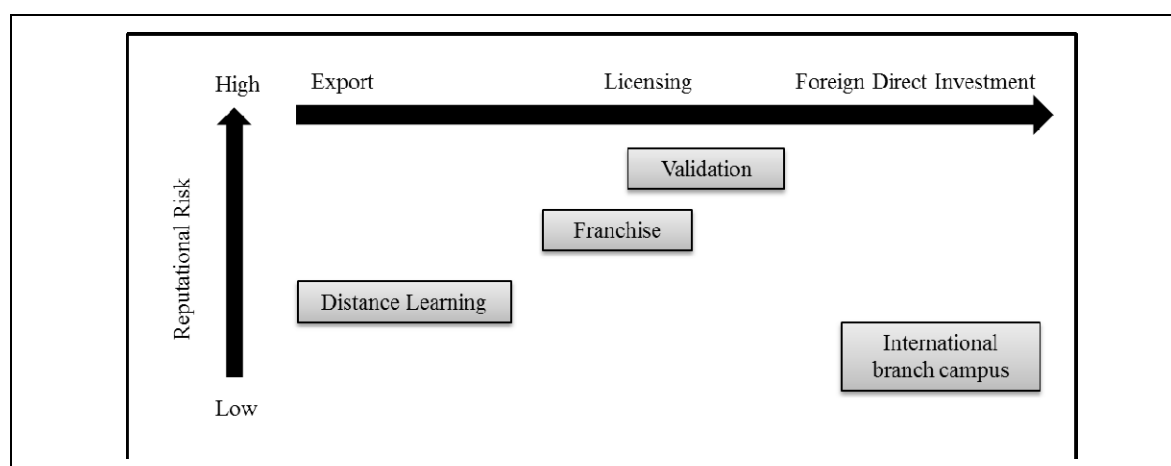


Figure 2 The stages of internationalisation versus reputational risk

3.2 The trade-based approach to transnational education

The trade-based approach classifies transnational education by the form of activity that crosses national borders

The alternative approach to classifying transnational education is based on the General Agreement on Trade in Services (GATS), which focuses on what part of the provision crosses the border (Tilak 2011, p. 31 – 58). Table 1 illustrates the four GATS modes. In relation to higher education, the four modes depend on whether it is the programme (distance learning), the student (in conventional export education), the institution (in the form of a franchise, validated centre or an IBC) or the academic staff which cross the border. The “presence of natural persons” in Mode 4 is different from a commercial presence in Mode 3. Instead of establishing a permanent presence in the form of an IBC, some universities deliver “executive education” qualifications like MBAs on a “fly-in, fly-out” basis, renting a room in a hotel and sending their staff to deliver an intensive weekend of teaching to a group of part-time students who otherwise deal with the home university directly (Smith 2014, p. 117 – 134).

GATS terminology	Transnational education variant
Mode 1 – Cross border supply	Programme mobility: distance or on-line education
Mode 2 – Consumption abroad	Student mobility: export education
Mode 3 – Commercial presence	Institutional mobility: <ul style="list-style-type: none"> • international branch campus • franchise • validated partner
Mode 4 – Presence of natural persons	Staff mobility: “flying faculty” programmes

Table 2 A Trade-based Approach to transnational education

4. Identifying the size and scope of transnational education

Transnational education is growing, but here are no reliable data on its global scale

It is difficult to gauge the size of the current market for transnational education (Naidoo 2009, p. 327 – 328). Most governments require universities which are teaching students in their jurisdiction to be registered with the Ministry of Education or a national regulatory body established for the purpose. For example, universities with IBCs in Dubai are regulated by the Knowledge and Human Development

Agency (KHDA). Singapore established the Council for Private Education (CPE) to regulate private providers, including many colleges offering franchised or validated degrees from foreign universities. However, many host governments do not require providers to make statistical returns on the number of students enrolled in transnational programmes. Some forms of transnational education, like distance-learning, are impossible for host governments to monitor because the delivery is virtual.

At the other end of the pipeline, very few governments regulate and record their universities' offshore operations. The UK, Australia and Germany are the main exceptions (British Council 2013, p. 16). In the UK, the data on transnational students are recorded and published by the Higher Education Statistics Agency (HESA) and universities' offshore activities are subject to audit by the Quality Assurance Agency (QAA). On a regular basis the QAA chooses a country for investigation, normally auditing around ten in-country operations at a time. In 2014, the QAA audited UK providers in the Middle-East.

Table 3 shows the data on transnational enrolments for the UK. It reveals that, despite their high profile, the total number of students enrolled in the IBCs of UK universities is less than 20,000, about the same as a medium-sized campus in the UK. Distance-learning is growing, although the growth is not steady (eg, there was a decline in 2010/11). "Other arrangement including collaborative provision" relates to franchises, where the student is registered with the home university, but studies for the degree with the franchise partner.

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Registered at HEI:						
– overseas campus	7,120	9,885	11,410	12,305	15,140	17,525
– distance learning	100,345	112,345	114,985	113,065	116,520	123,635
– other arrangement incl. collaborative provision	59,895	68,595	74,360	86,630	96,060	103,795
Not registered at HEI but studying for HEI's award:						
– overseas partner organisation	29,240	197,185	207,790	291,575	342,910	353,375
– other	70	35	50	125	345	600
Total	196,670	388,045	408,595	503,700	570,925	598,930

Table 3 Transnational student numbers (headcount) by activity (Source HESA n.d.)

The UK data on transnational education are presently unreliable

“Overseas partner organisation” captures students who are studying for the UK university’s award, but registered with the overseas partner rather than the UK university. This category shows spectacular growth, up from less than 30,000 in 2007/08 to over 350,000 by 2012/13. This growth has confused many observers and led to an impression that transnational education is now more significant than traditional export education, because there are more transnational students (598,930 in 2012/13) than international students on campus (425,265 in 2012/13).

However, most of this growth is a reporting artefact (Healey 2013, p. 16-17). Oxford Brookes University has an arrangement with the Association of Chartered and Certified Accountants (ACCA), under which any student who enrolls in the level 3 ACCA qualification is entitled to write a dissertation and obtain a “top-up” degree from Oxford Brookes within ten years of completing the ACCA award. In 2008/09, Oxford Brookes began reporting these ACCA students to HESA as students with an “overseas partner organisation”. This number amounted to 260,000 by 2012/13 (half the UK total), although only about 5,000 are actively engaged in the dissertation at any one time.

Although the UK statistics are grossly inflated by the so-called “Oxford Brookes” effect, there is an offsetting underestimate because of the way that data for students in validated centres is gathered. Until 2014, the guidance to reporting institutions was that “where your institution is validating awards for an institution outside the UK these students should not be included within the aggregate offshore record. Only students who are registered at your institution or are studying for an award of the reporting institution should be reported in this record” (HESA 2009). This means that transnational students in validated centres are not included in the data. HESA has recently altered its guidance to reporting institutions to rectify this omission. The guidance for the 2013/14 return is that the “other” category should be used to return students where “the reporting institution validates the award of an overseas institution and the student is neither registered at nor taught by the reporting institution” (HESA 2014). It is likely that when the 2013/14 data are published, the numbers in the “other” category will increase from 600 in 2012/13 to tens of thousands.

5. New forms of transnational education

Transnational education is becoming increasingly complex and multidimensional

To explore new and emerging forms of transnational education, a large number of case studies of transnational partnerships were analysed. The data set included the QAA audits in China (2012), Singapore (2011), Malaysia (2010) and India (2009), which collectively provided 40 case studies. This was supplemented by approaching approximately 80 managers of transnational partnerships around the world, who were

asked to provide written case studies summarising the dominant features of their partnership (30 written case studies were completed). The most striking feature of all 70 case studies was the difficulty of fitting them neatly into either the stage approach or the trade-based approach.

For example, “virtual learning environments” (VLEs) have been almost universally adopted by UK universities. At a minimum, VLEs serve as electronic repositories for lecture slides, reading materials, assessments, etc. More usually, they allow students to watch videos of live classes, interact with lectures and peers in discussion groups and online tutorials, and use interactive learning materials. VLEs mean that every course now has a significant distance-learning dimension. And because a VLE can be accessed as easily from Bangkok as from Bradford, almost all transnational partnerships have a strong distance-learning component.

Similarly, regardless of whether the transnational partnership is ostensibly distance-learning, franchise or validation, the awarding institution often seeks to create a bond between transnational students and faculty, which usually requires face-to-face contact. This means that transnational students are often invited to spend at least some period of time at the home campus (eg, at a summer school, of the type pioneered by the UK’s Open University in the 1960s) or receive short blocks of intensive face-to-face teaching courtesy of flying faculty (Smith 2014, p. 118). For example, the University of Leicester has a major distance-learning programme in Asia, Africa and the Caribbean, where short intensive teaching blocks are delivered by flying faculty to improve retention and create a sense of identity amongst students.

Different forms of transnational arrangements are often mixed together in ways which simultaneously fulfil and transcend the existing definition of TNE. One example is the Northern Consortium UK (NCUK) and its involvement with Sino-British College (SBC), which is majority-owned by the University of Shanghai for Science and Technology (USST). NCUK is a company which is wholly owned by 11 partner UK universities and its remit is to support its members’ internationalisation. Currently, four of its member universities operate transnational programmes at SBC offering “joint programmes” (QAA 2013, p. 10).

NCUK operates its own two year preparatory or foundation programme at SBC, with a specific business or engineering focus. On completion of this two-year foundation, students can choose to transfer to the UK to join an undergraduate degree at one of the participating NCUK universities (or one of its associate partners), normally entering year two of a UK honours degree programme. Alternatively, students can choose to remain in China for the whole of their undergraduate degree.

The Sino-British College blurs and fuses the different stages of internationalisation

It is at this point that the divisions between the different forms of transnational education begin to blur and fuse. If students study with the University of Sheffield, for example, they spend their third year studying alongside other students in Sheffield, after which they return to Sino-British College and their final year is studied by distance-learning. If they study with the University of Huddersfield, the third year is delivered by SBC staff on a franchised basis, while the final year is completely taught and assessed by Huddersfield staff through the VLE, supported by local tutors and flying faculty. Of all the UK partners, only one (Liverpool John Moores University) has a permanent member of staff seconded to work at SBC, paid by the UK institution. Articulation from the foundation programme can therefore merge into franchise, followed by other years being taught by intensive flying faculty, with distance and blended learning supporting each year of study.

Some forms of internationalisation do not fulfil the principle of transnationality

More striking, perhaps, is the number of case studies that, despite being apparently transnational in nature, do not fulfil the *principle of transnationality*. Some universities use international partnerships to get most of the benefits of a transnational degree (ie, foreign technology and expertise) without the loss of control. One example is Peking University's School of Transnational Law (STL) in Shenzhen, Guangdong. The STL offers a four-year postgraduate degree, which combines a Chinese Juris Master programme (taught in Chinese) with an American Juris Doctor (JD) programme (taught in English). The programme was developed by a team of international law professors, hired for the purpose from around the world, and supported by an extensive network of exchange agreements and internship opportunities with foreign partners.

Critically, however, because both the Juris Master and JD are awarded by Peking University and approved by the Chinese Ministry of Education, the arrangement does not meet the *principle of transnationality* even though the curriculum, students and teaching staff are all multinational. This is because the students are in the *same country* as the awarding university.

The SLT model is taken further by government strategy in the case of Germany. The Federal Ministry of Education and Research provides public funding to support the development of transnational education through the "German study programmes abroad" scheme, which is managed by the German Academic Exchange Service (DAAD). The most high profile activity is the creation of new German-backed universities abroad. These are legally independent private or public institutions, which award their own degrees and are part of the national higher education system in the country. DAAD funding is used to support the development costs and the new universities work with a consortium of German universities to develop the curriculum, which is modelled on the German higher education system.

Examples of the new universities include the German-Jordanian University, the German-Syrian University and the German University in Cairo. Two other German-backed universities, the Chinese-German University of Applied Sciences in Shanghai and the Swiss-German University in Indonesia, have been established outside the DAAD scheme. The German model has a strong development policy dimension (ie, to support capacity development in the host country). More importantly, because the new universities that are supported are locally-owned and licenced by the local Ministry of Education to award their own degrees, like STL they do not meet the *principle of transnationality* embedded in the conventional definitions of transnational education.

6. The emergence of *multinational* education

In the international business literature, the terms ‘multinational corporations’ and ‘transnational corporations’ are often used interchangeably to refer to global businesses which operate production and distribution in two or more countries (eg, Balasubramanyam 1994, p. 83 – 84). The two terms are closely related but not synonymous. ‘Transnational’ means operating *across* national borders, while ‘multinational’ refers to an activity which involves *multiple* countries or individuals of different nationalities. Some organisations are clearly transnational: British Airways operates across national borders, but it is essentially flying its customers to and from its base in the UK. Others are multinational: the Anglo-Dutch conglomerate Unilever has subsidiaries and factories in over 100 countries, distributes in 190 countries and has acquired a wide range of foreign brand names, including Ben & Jerry's (ice cream), Dove (soap), Hellmann's (mayonnaise), Lipton (tea), Surf (washing powder) and TRESemmé (shampoo). Its activities take place in many countries and its management and workforce are multinational.

Multinational and transnational are overlapping concepts, but they are not synonymous

While all global businesses have both transnational and multinational dimensions, it might be argued that the real distinction is where the corporate ‘centre of gravity’ is located. British Airways is fundamentally a UK business: its headquarters, its owners, its senior managers and its identity are all British. Unilever, on the other hand, is incorporated as a company in the UK and the Netherlands, but its workforce, its production facilities, its sales and its operational decision-making are globally distributed. Unilever’s corporate centre of gravity is not national, but global.

Many global businesses that began as transnational companies have become more multinational over time. Ford, for example, was founded in Dearborn, Michigan, by Henry Ford in 1903. Ford began exporting cars to the UK and, in 1911, Ford opened a factory in Manchester to

Transnational companies typically evolve into multinational companies

assemble the Model T Ford, using imported chassis and engines. At that point, Ford was operating in the UK as a transnational company. The product, in this case the Model T Ford, was US-designed and manufactured. All the intellectual property and the value-added were in Dearborn. The locally employed workers in Manchester simply bolted together the imported parts to the manufacturer's specification.

By the early 1930s, however, the Ford Motor Company Ltd was being traded on the London stock exchange. Ford's UK subsidiary was operating Europe's largest car plant at Dagenham, producing the Model Y Ford which was especially designed for the European market. Within 20 years, Ford had become a multinational company, with its UK arm designing, manufacturing and exporting vehicles across Europe and the British Empire (Burgess-Wise 2012, p. 1 – 294).

This analysis suggests that what began as transnational education, with being a university in country A providing – across a national border – a qualification to students in country B, may similarly be evolving into *multinational* education, in which the centre of gravity is shifting away from the home university. In many of the case studies reviewed, the facilities are owned and managed by local partners, the academics in the offshore venture are locally hired, the curriculum is localised and the qualifications are subject to local accreditation requirements.

When the partner can award its own degrees, the education is no longer transnational

In terms of the conventional definition, an arrangement under which a university in country A provides an educational qualification to students in country B ceases to be transnational when the degree is no longer awarded by the home university. This happens when the local partner (whether an IBC, franchisee or validated centre) is recognised by its Ministry of Education as having the right to award its own degrees. While some ventures like the Peking University School of Transnational Law and the German-Jordanian University are set up on this basis from the outset, others change their status over time. In Malaysia, for example, many private colleges that once franchised UK and Australia degrees are now either degree-awarding universities or university colleges, awarding the once-franchised degrees as their own. Sunway University, Taylor's University and KBU International College are prime examples of this phenomenon.

As the partnership develops towards this point, however, it is becoming increasingly *multinational*. The university that originally owned the intellectual property and provided the quality assurance is gradually ceding sovereignty to the academics and administrators in the partner institution and allowing its functions to be taken over or shared with the host regulatory authority (Fazackerley (2007, p. 1 – 26). The influence of the university is still present, in the academic culture, the structure of the degrees and the links with the home campus, but the partnership has become multinational rather than transnational. The key

stakeholders, such as owners, investors, employees, students, regulators and accrediting authorities are multinational, working across borders in the pursuit of common education goals and objectives (Gow 2007, p. 7), rather than a bilateral arrangement in which a university in one country delivers clones of its existing degrees in another.

Consider, by way of illustration, the University of Nottingham Malaysia Campus (UNMC), which is an IBC of the University of Nottingham, awarding University of Nottingham degrees. It is one of the best known examples of transnational education in practice. Viewed in another light, however, UNMC is a private education company, registered with the Malaysian Ministry of Education, in which the University of Nottingham has a minority equity stake. The majority partner, a Malaysian property company, constructed the campus at Semenyih and employs the administrative and academic staff who work there, with the exception of a small handful of senior managers seconded from Nottingham. UNMC recruits its academic staff internationally and has a diverse staff base. Its degree programmes enjoy international accreditations and are regulated by the Malaysian Quality Agency (MQA). It recruits about 25 % of its students from outside Malaysia.

Transnational education is becoming increasingly multinational

UNMC could cease to be a transnational operation at the stroke of a pen, simply by issuing its degrees in its own name (recognised by the Malaysian Ministry of Education) rather than those from the home university. The University of Wollongong in Dubai ceased to be an IBC when it did precisely this, switching from registration with the KHDA to being regulated by the Federal Ministry of Education as a private United Arab Emirates university. UNMC could do the same. But no longer being an IBC would not make UNMC any less of a *multinational* educational institution. The University of Nottingham could continue to play a leading role in the management of the operation and the development of the curriculum and its ownership, staff and student base and regulatory and accrediting bodies would remain multinational.

7. Mononational versus multinational stakeholders

One way of conceptualising the changes taking place in higher education is to focus on the key stakeholders of an educational provider. These include:

1. Owners
2. Managers
3. Staff (employees)
4. Students (customers)

5. Regulators (including accreditation agencies)

6. Government

7. Employers

University stakeholders were once mononational, today they are increasingly multinational

Historically, in most European states, all of the stakeholders were mononational: universities were owned and regulated by the national government and provided education to the nation's citizens, who mostly went onto work for national employers. The increasing mobility of students and staff (Salt & Wood 2014, p. 85 – 86) has meant that, particularly in the most open systems like the UK and Switzerland, a growing proportion of these two stakeholder groups are *multinational*. But evidently, the rise of transnational education has dramatically accelerated the internationalisation of all an institution's stakeholders.

Table 4 shows the distinction between a traditional university, in which all (or almost all) the stakeholders are mononational (marked with ✓), and a typical IBC, where all (or almost all) of the stakeholders are multinational (marked with X). The owners are multinational, employing managers and faculty from around the world. Increasingly the students are recruited from outside the host country and are likely to be globally-mobile once they join the workforce.

Whether the degree is issued by a foreign-based university (the conventional definition of transnational education) is relatively unimportant; whatever the nationality of the degree-awarding body, it is likely to be subject to regulation by two or more countries and enjoy international accreditation. Host providers of TNE often have to grapple with demanding and differing quality assurance goals (Lim 2010, p. 211). Indeed it could be argued that defining transnational education by the location of the degree-awarding authority is not only flawed, because it privileges one stakeholder (the regulator) over all the others, but is subconsciously ethnocentric, since it implicitly presumes that Western regulatory bodies are superior to those in developing countries and will always be accepted by the latter. In fact, many host countries are increasingly regulating in-country transnational education providers and requiring them to award degrees recognised by the local Ministry of Education.

Multinationals reduces the risk of educational imperialism

As universities become more multinational, the criticism that transnational education promotes “educational imperialism” (Pyvis 2011, p. 733) begins to weaken. While the Western influence on curriculum design and assessment is likely to continue for the foreseeable future, the increasingly multinational nature of the key stakeholders and the growing economic power of the host countries suggest that the traditional conceptualisation of transnational education as the export of educational services from the omnipotent West to dependent, subordinate developing country markets is becoming outdated.

Stakeholders	Mononational	Multinational
Owners	✓	X
Managers	✓	X
Employees	✓	X
Students (customers)	✓	X
Regulators (including accreditation agencies)	✓	X
Government	✓	X
Employers	✓	X

Table 4 Mononational versus Multinational Higher Education Institutions

8. Conclusions

Transnational education is attracting increasing interest, as universities extend their reach across borders in search of new markets. With 98 % of higher education students geographically immobile (OECD 2013), transnational education allows universities to teach students in their own countries, opening up potentially huge new markets. Transnational education is currently defined as universities, typically in the developed, English-speaking world, delivering educational services to students in another country, normally a developing country where the higher education sector is unable to satisfy local demand.

Seen in this light, the growth of transnational education poses the risk of educational imperialism. Universities in countries like the UK and Australia offer their degrees by distance-learning, franchising or validating private colleges to teach their programmes or setting up IBCs. All these forms of internationalisation are inherently unbalanced in terms of the power relations, with the universities imposing their quality standards, curricula and academic culture on their foreign students and partners.

Based on a careful analysis of 70 case studies of transnational partnerships, this paper concludes that this conceptualisation of transnational education fails to do justice to the increasingly innovative and multi-dimensional nature of contemporary transnational partnerships. It argues that, following the trend in global business, many transnational partnerships are not only becoming much more complex and nuanced, they are also becoming increasingly *multinational* in terms of managerial decision-making processes and stakeholder interests. For many of

the leading transnational partnerships, the ownership, management, staff and students are all multinational. They are subject to multinational regulation by the quality assurance agencies and ministries of two or more countries, and strive for accreditation by multiple national and international agencies. They are subject to policymaking by the governments of both the host and the exporting countries. They seek to meet the needs of multinational employers.

In the process, the character and identity of transnational partnerships evolves and the risk of academic imperialism recedes. Ultimately, many of today's transnational partnerships may either cease to award the degrees of the home university or, at best, award degrees accredited by their local ministry of education alongside the foreign degree. This will not make the partnerships less international, but it will mean they are no longer transnational. As transnational education continues to grow and evolve, the term as conventionally defined is becoming increasingly unfit for purpose. It may now be time to retitle the leading edge in the internationalisation of higher education as *multinational* education.

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