Hedging bets: exploring transnational higher education capitalism as illustrated by two Arab Gulf approaches

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Abstract

This article contributes to the emerging theoretical construct of what has been called ‘transnational academic capitalism’, characterised by the blurring of traditional boundaries between public, private, local, regional and international, and between market-driven and critically transformative higher education visions. After a critical discussion of the issues, we examine how these issues are reflected in higher education policy in the Arab Gulf. Drawing on public data and documents from Bahrain and Saudi Arabia, we ask: What kinds of capital are being traded? By and for whom? And what is the relationship between higher education competition, governance, and the public good? We find contradictory trends, which we see as strategic ambivalence pointing to country-specific readings of similar regional markets and attempts to hedge bets between rival forms of apparent capital. The exploration offers a counterpoint to more widely cited examples, hereby helping to shape new paradigmatic, ‘glocalized’ understandings of this field.

Issues and debates about higher education capital & capitalism

The phrase ‘academic capitalism’ is well used and habitually defined in terms of institutional responses to shortfalls in state funding. Universities compete to appeal to various markets, with institutions, staff and projects required to be self-sustaining. Accountability is shaped in a particular multi-stakeholder way that requires a case to be made for the economic benefit of every enterprise with risks to be avoided. Seen as a ‘regime’, what is termed academic capitalism entails specific modes of administration, public-private collaboration and the use of intermediating networks (Slaughter and Rhoades, 2004). These modes of operating are frequently likened to New Public Management (NPM), with an ideology that renders academic relations indistinguishable from business ones in the normative preoccupation with production, consumption and efficiency. These are familiar phenomena. However, it has been recently argued that rapid paradigm shifting requires a new theory of ‘transnational academic capitalism’, to account for a situation where practices, networks and normative frameworks are simultaneously trans-national yet while the nation-state “is not a natural container of these dynamic social relations” it is nonetheless a player (Kaupinnen, 2013:14).

In fact, there are already several bodies of commentary and analysis attempting just that. While ‘global higher education’ discourses tend towards the descriptive, the rampant internationalisation of higher education in the Arab Gulf has prompted a several strands of ‘transnational higher education’ analysis. The present article draws on this as well as ‘academic capitalism’ literature to contribute to the formation of a theory that we will call ‘higher education capitalism’ rather than ‘academic capitalism’, reflecting its institutional and policy (rather than the distinctive knowledge-production) focus. The emerging dimensions of the phenomenon are illustrated through a discussion of capital relations between higher education, individuals, states and region in two distinctive higher education sectors in the Arab Gulf, which also draw on a range of publicly available policy documents.

Understanding the nature of higher education capitalism requires us to consider who the stakeholders are; the role of the nation-state in this is obscure. One premise is that
'global higher education' is “simply ... a trading environment” (Marginson, 2007:307) for
nation states, a perspective that aligns well with the ‘competition fetish’ thesis, which
explains how states are swept up through fear of being left behind into competing in
games that may not serve their long-term interests, in a political context of interstate
rivalry (Naidoo, 2011a). This competitive scenario has formed the basis of an
established critique of globalisation, which it is said, “foregrounds education in specific
ways that attempt to harness education systems to the rapid and competitive growth and
transmission of technologies and knowledge linked to the national competitiveness of
nations within the global economy,” (Ozga and Lingard, 2007:70), although some have
pointed to ‘internationalisation’ as a better way of describing this than ‘globalisation’
(S.Robertson, 2009:66). Others have argued that globalisation has actually resulted in
globally shared, or at least ‘flowing’, capital (Marginson, 2007), a phenomenon attributed
to ‘liberation’ from the limits imposed by state governance (Robinson, 2004). And a third
perspective focuses on the continued role of the nation-state as the realm of
governance, managing and fine-tuning to local contexts a global policy and capital field.
It is this third perspective that best fits R.Robertson’s ‘glocalization’ thesis, which
describes how global processes do not homogenise, but instead through contact with
local cultures create a greater range of possibilities for reaction and regeneration

The most helpful working definitions of higher education capitalism centre on the
meaning of ‘capital’ as its main component, yet the term is not unambiguous, as some
have pointed out (Enders and Jongbloed, 2007). While a range of ‘for profit’
developments appear to be making higher education an investment commodity, or a
“tradable service” (Lane, 2012:8), by student-consumers, governments and private
investors as much as higher education institutions (HEIs), what it is less clear in both
individual cases, and generally, is whose and what this capital actually is. Most
definitions obscure the conflation of two alternative models of capital that have
dominated educational discourse: universities seen as businesses whose ideas and
innovations drive the economy, in contrast to the older vision of higher education for
human capital. Furthermore, there are at least two variants of ‘human capital’ theory:
personal socio-economic advantage depending on personal investment, or the nation’s
economic viability depending on its investment in human capital. Exploiting the further
ambiguity in the term (as capital, or in a normative, value-laden sense, or simply as
highly ranked), others such as Marginson and Naidoo have tended instead to use the
term ‘goods’.

Drilling down in to the range of potential meanings of higher educational capital
inevitably involves looking at its markets; in terms of capital benefit at least, there are
several distinct but overlapping ones. From a student or parent perspective, the higher
education ‘market’ appears currently to be dominated by credentialism and particularly
increased preoccupation with employment qualifications. In the UK, for example, this
assumption, that higher education was a catalyst for individual economic gain, that “The
value of a university education is the income it enables you to earn minus the cost of
acquiring that education.” (Collini, 2013), provided political justification for both the start
of higher education economisation in the 1990s and the recent massive fees hike in
England. Yet not far under the surface of such policy was also a shared
government–business view of higher education as a catalyst for national economic
development in the pursuit of created wealth in our shifting global knowledge economy,
the government’s version distinguished by attempts to insert a societal slant: “The non-
economic benefits of HE are over-rated… universities exist to enable the British
economy and society to deal with the challenges posed by the increasingly rapid
process of global change” (Clarke, 2003). Intrinsic to each of these markets, business,
social or individual, there is of course the reputational one, “itself an identifiable market –
one that matters and has material effects.” (Marginson, 2011).

But these are not the only market dimensions. Since markets are subject to change,
working out who benefits from higher education also requires us to look closely at the
other aspects of purpose or capital that are intrinsic to the sector. Higher education’s
role has always veered uncomfortably between upskilling economically competitive
populations, transmitting ‘official’ knowledge and promoting independent enlightened thought, and today these strands of thought still compete in critically slanted higher education rhetorics about both ‘the public good’ and individual transformation. Thus the critical–ideational dimension of individual higher education capital is concerned with “...developing general qualities of a personal and social kind as well as those of an intellectual kind.” (Nightingale & O’Neil, 1994:53), leading to increased levels of wisdom, life skills and in turn wellbeing (Dolton and Vignoles, 1999:105). Whereas the ‘public good’ role is found in the balance between collective economic, cultural and epistemological capitals, the link between economic growth, knowledge production and wellbeing.

The word ‘balance’ should raise alarm bells: ‘public good’ is complicated, in the sense that both links and divisions between higher education, ‘employability’ and social wellbeing are problematic. While universities everywhere are shackled in an unprecedented way to rapidly changing labour markets, the changes to these markets are so rapid that training young people for jobs which may not be there by the time they have graduated can seem short-sighted. The link is further undermined by persistent graduate unemployment, difficulties in establishing direct correlations between higher education and how well students are actually equipped for work, and inconsistency between employers’ statements about what they want and actual recruitment policies. Yet it is also argued that divisions between the employment and social aspects of public good are artificial and misleading. On one hand, the forces of globalisation have seen the modernist citizenship education project give way, rhetorically at least, to new citizenship education agendas; ‘global’, ‘active’, ‘new’ or ‘alternative’ citizenship education is supposed to prepare students for life in a borderless world, promote the exercise of an informed voice that respects difference, challenge hegemony, and emphasize social justice and enlightened political participation (Rimmerman, 1998; Bleiklie, 2000; the World Universities Forum; the Political Studies Association). Yet the modernist link between workplace skills and social inclusion is still a major focus of assimilationist arguments about how to address social tensions with European Commission publications, for instance, emphasizing the importance of an up-to-date skills base for both employability and active citizenship. The point can be applied equally to different types of social exclusion and inequality – class, migration and gender-related. In relations to the last of these in particular, it has been consistently explained how the ideational and practical aspects of education’s liberating function are intertwined (Lister, 1997; Archer, Hutchings and Ross, 2003).

Yet there is a third conception of public good, which provides a sharper challenge to simplistic attempts to link higher education to its achievement. Thus higher education is, “not only … a public good in itself, but because it exists to ask what constitutes the public good” (Nixon, 2011:1). This view sees universities’ most critical role as helping to determine public policy, and though rarely addressed by policy makers, it clearly thrives in intellectuals’ outrage at the marginalising of universities’ roles as “center(s) of critique” (Giroux, 2014:4). It is a view that comes into its own in relation to findings that the ‘widening access’ higher education agenda has actually increased social stratification, in terms of access (which universities poorer students go to), experience, and socio-economic outcomes (Furlong and Cartmel, 2009). Thus by deploying classic Marxian arguments that social mobility in the form of striving for the positional advantage that is the ideological core of widening access is not actually a recipe for a stable society: “…everyone knows that some time or other the crash must come, but every one hopes that it may fall on the head of his neighbour …” (Marx, 1887, Vol. I, Ch. 10, Section 5, p.296), universities can themselves challenge assumptions that competition is intrinsically good.

The complex internationalism of higher education, ‘international’ in terms of both providers and beneficiaries, adds an extra layer to the nature of higher education capitalism. While it is not possible to generalise with accuracy about what global capital the typical international student seeks, this seems to involve some mixture of socio-economic capital upon return home in the form of prestigious qualifications and workplace skills, and cross-cultural capital in the form of a broadening of outlook (Noddings, 2005). Mastery of a foreign language can serve both functions. Such
acquisition is seen as especially important for emerging middle classes in developing countries striving for “positional advantage” (Bates, 2012), though it can also be due to a lack of jobs at home.

International student perspectives on higher educational capital are appreciated by providers, who simply provide on a demand-supply model in an increasing array of forms including educational hubs, branch campuses and public–private partnerships. However, it has been noted (Knight and Morshidi, 2011) that such labels obscure their very real differences in mission, ideology, function, priority and outcomes between these forms of provision, which as others have also pointed out in relation to the international schools phenomenon remain local matters. Neither is investment in the international market limited to short-term economic return everywhere. Naidoo (2011b), for instance, notes that China’s and India’s rationales for investing in higher education are not restricted to economic return but to two-way strategic and ideological transfer. Mok sees the South-East Asia form of this enterprise as a way of seeking to ensure ‘world class status’ and thus influence, and have explained how national governments in South-East Asia have re-cast rather than relinquish their roles in governing this international trade (Mok, 2008; Deem, Mok & Lucas, 2008). India provides another example of this longer-term approach, publicly rejecting immediate income generation as a prime expansion objective, instead citing the desire for a stake in educating and socialising the most educated generation ever on the assumption that today’s graduates will be people of influence tomorrow (BBC R4, 2014).

There is a sense, however, in which discussion of motives is beside the point as the result is the same: the overall increasing adoption of a business orientation to higher education policy-making, with universities becoming non-distinctive players in a demand–supply free-market ‘service industry’ (Reich, 2004). (Inter-)nationally and institutionally, higher educational capitalism is increasingly ‘for-profit’ (Slaughter and Rhoades, 2004; Shepherd, 2008). In 2010, the UK Secretary of State for Business, Innovation and Skills told English vice chancellors that the government wanted to encourage private universities not subsidised by the state, and that in the new economic vision it would be acceptable for universities to go bankrupt: “It would be similar to banks” (The Guardian, 2010). Thus across the world, these approaches to capital flow have begun to cast higher education “...... not just as a means for supporting a nation’s competitive advantage, but as a competitive advantage in its own right” (Lane and Johnstone, 2012:7). The increasing privatisation of this enterprise thus means that private investors are not only capital providers but also beneficiaries. Online ‘start-ups’ in the US are discussed in unashamedly entrepreneurial terms, with plans to build a ‘virtual Harvard’ tipped as “the biggest seed bet in the Valley in a long time” (Griffin, 2012). And in the UK the HEFCE-sponsored ‘Legal Guide for UK Universities’ started a tranche of such guides to gather together “all the issues that need to be considered by a university serious about doing business abroad” (UK Higher Education International Unit, 2009).

The extent to which such privatisation is incompatible with any claim to public, collective, good or capital is contested. Kaupinnen’s view that “the academic capitalist regime co-exists with the public good regime” (2013:5) is reminiscent of Marginson’s arguments about the need to revise habitual “statist” distinctions between public and private; ‘ownership’ is different from product, he argues: “The ownership of higher education can be exclusively public, or mixed, or exclusively private. But almost everywhere in the world, what is produced is a variable mix of public and private goods” (Marginson, 2007:316), or “public goods” and “status competition” (Marginson, 2014). However, the more widespread view is that the economisation of higher education undermines its public good role, particularly in relation to its critical function. Giroux goes further with a Marxist description of the neo-liberal policy turn as “the latest stage of predatory capitalism”, aimed at “restoring class power and consolidating the rapid concentration of capital”, which is partly achieved through the desire of paying students to fit in, to join the ranks of those who have (Giroux, 2014).
Privatisation especially challenges the sort of governance that ‘public good’ requires. Although it has been persuasively argued that marketization has actually turned what passes for educational governance into the business of simply managing data (Ozga, 2011), the term ‘governance’ has traditionally denoted a lot more than this, including the balancing of interests and setting out of values and standards. In a transnational context, standards are increasingly being seen as international, while values are seen as local matters and the policy challenge is to balance these – whether they are compatible (Shams and Huisman, 2012) or in fundamental opposition (Lane and Kinser, 2011; Altbach, 2011). Mok’s is not the only account of how the local dimension of higher education policy and markets has become one of governing with an eye on local needs and values, although others have rejected the sort of ‘internationalism’ or global-local interface that has “global pressures and local effects” (Ozga and Lingard, 2007:65), with the scope for local input limited to allocating values within externally delineated frameworks and statements of purpose (Taylor and Henry, 2007:110). And though UNESCO has been attempting to regulate transnational higher education since 2000, regulatory distance has continued to be identified, along with socio-cultural distance, as the biggest challenge for transnational higher education governance (Shams and Huisman, 2012), as exporters struggle to fit international standards to local cultures, needs and the quality of local school graduates (Altbach, 2010; Gonzalez et al, 2008).

Neither the prioritisation of major stakeholder interest nor the acceptance of institutional bankruptcy helps address these challenges.

In fact, the rapid re-configuration of geo-political frames of reference, with state-embedded and disembedded stakeholders, markets and networks makes it harder to know precisely who this ‘public’ is. On one hand, Kauppinen’s ‘soft globalisation’ take on the continued role of nation-states as well as Naidoo’s inter-state rivalry thesis (2011b) seem to jar with the ‘new regionalism of higher education’ thesis (Yepes, 2006). In the mid-2000s, educational policy regions were being presented as a cornerstone of educational globalisation and nation-states seemed to be giving way to supranational frameworks of governance and capital stakeholder networks (Breslin, Higgot and Rosamund, 2002). Probably the most well-known regionalist project was the establishment in 1999 in Bologna of plans for a European Higher Education Area (EHEA) with standardised systems, governance and degree structures across signatory countries; along with other regional consortia like ASEAN, the EHEA has been a main UNESCO policy actor. The framework was envisaged as key to an imagined collective European identity; agreeing a framework, shared mechanisms and spaces for drawing together existing systems, policies and traditions was intended to lead to shared values, rhetoric and actual collective weight that could make economic ties work (S.Robertson, 2008).

However, the aim of ‘real’ regional education policy-making has been undermined not only by simultaneous invocation of the principle of subsidiarity, for instance in the Maastricht Treaty itself, but practically by a mixture of factors that have meant that policy and framing discourses continue to be far more country-specific. That central ‘glocalization’ tenet, residual cultural pluralism, is most often cited for the failure of the Lisbon Treaty’s aspirations, giving the lie that ‘regions’ are all about economics. There are three aspects to such pluralistic objections. First, internationalisation imposes values, standards and monolithic paradigms that are not always appropriate (Pring, 2002), with indigenous systems cast as deficient and judged according to how receptive they are to the exporting country’s values and priorities. Second, Anglocentric processes result in the loss of local cultures and linguistic functionality as well as imposing an unfair burden on non-native speakers (MacKinnon et al, 2003). Third, there is concern about how far standardisation can meet the demands of different economies and professional structures (Alessio and Watkins, 2009). These factors are among “the negative consequences of privatisation” that have driven calls to “bring the state back in” in China (Mok, 2012).

On a more pragmatic level transnational standards, even if appropriate, are hard to determine and control and regional frameworks can feel like artificial superimpositions over national, sub-national or even extra-national capital markets. Despite the Bologna
process’ ideal of building ‘European’ capital, the structures created by transnational markets appear to have ensured for the state a more substantial role than this in shaping policy. For one, transnational privatisation does not provide a stable source of income for either institutions or states, to the extent that the sources of higher education investment are still largely national and policy follows money, competitive projects will be driven by the need for short-term economic return to state investment. And as the labour secretary in President Clinton’s administration pointed out (Reich, 2004), fickle global investors will go where they can get the highest return on investment – regardless of regional policy frameworks. Hence Naidoo’s rather more statist interpretation of Mok’s explanation for China’s knowledge-as-capital ambitions (Naidoo, 2011b:43).

Finally, regionalism is also undermined by the fact that regional boundaries are not clearly defined – at least not with any stability. In Knight and Morshidi’s (2011) attempt to construct a regional ‘typology’ of higher education hubs, what is most significant is that their ‘regional’ framework gives way to focus on individual countries that don’t actually have that much in common in the terms discussed with their immediate neighbours. And the most persuasive exposition of the ‘new regionalism’ are persuasive only when these frameworks for governance or sharing are balanced by the smaller, sub-national, autonomous units that bestow community and identity (Breslin, Higgot and Rosamund, 2002). It is in acknowledgement of both localism and continued nation-state agency (the state is the only collective player in Mok’s (2012) discussion of China’s alternative to privatisation), that even the strongest exponents of the regionalisation thesis also discuss ways in which this is a much ‘softer’ process, either as disembedded networking or even structured policy sharing, than was initially envisaged (S. Robertson, 2009).

In an intrinsically flawed regionalisation project, an alternative to regional capital acquisition or even regionally structured governance or policy forums is to see transnational policy and knowledge sharing in terms of structural and isomorphic ‘network pressures’ (DiMaggio and Powell, 1983). ‘Global model diffusion’ – ‘normative, encompassing voluntary elements of emulation learning and imitation, but increasingly with diffusion of powerful models becoming more heavily and structurally constraining and ‘involuntary’ as a consequence of the sheer weight of existing model adopters” (King, 2011:27&28) – is a process most often applied to the normative modernisation of developing societies by dominant ones. But King also applies this model to the ‘for-profit’ race, discussing the ‘high strategic force’ of rankings, “and the associated processes of surveillance and normalization to show how rankings alter perceptions” (King, 2011:33). The most coercive element of rankings is their self-referential nature, where competition is defined in terms of the ‘network game’ (King, 2011:27). If the reputational competition is a game, it follows that to keep competing you have to keep re-defining the market(s). It is a perspective that further underscores the interstate rivalry thesis, with globalisation becoming more clearly “simply a trading environment” (Marginson, 2007:307).

So there may well be a need for a more precise theory to account for capital construction and exchange in a situation where such roles, purpose of interests are at least complex and changeable (Kaupinnen, 2013). The present contribution to this project now draws on a range of sources (including public, mainly government, reports and strategy documents published in English, as well as secondary studies) from Bahrain and Saudi Arabia to illustrate their interestingly ‘glocalized’ approaches to higher education capitalism. Our analysis is helped by the contextual knowledge gained from a combined fourteen years of experience working in the higher education sectors of the Gulf and on UK-based conversations with Saudi students.

Higher education capitalism in Bahrain and Saudi Arabia

Despite longstanding mechanisms and cultures of sharing, there are diverse approaches to higher education capitalism both between and within the Gulf states. While Qatar and the UAE are the most high-profile states in terms of internationalisation enterprises,
Bahrain and Saudi Arabia represent more complex, rapidly changing and multi-layered approaches. Bahrain is a very small country, relatively poor among these states, with a cosmopolitan history but home to longstanding sectarian and ‘pro-democracy’ protest grounded in equally longstanding economic inequalities. Saudi Arabia is much larger, richer, with a bigger population, and more culturally conservative with a more successful record of suppressing political protest. Half a century ago, the Arab Gulf states including Saudi Arabia and Bahrain were a long way behind other Arab countries in development terms. But the advent of oil revenues during the 1950s and 1960s that turned many of these states into rentier or distributive economies also brought the need for local higher education sectors to supply both infrastructural and symbolic support. Most HEIs were established through outside involvement in the forms of consultancy, expatriate employment and, in the early days, direct funding. Both Saudi Arabia and Bahrain were early pioneers of higher education in the Gulf, with state-run training establishments designed to meet workforce needs, in Bahrain’s case achieved only with consultancy and financing from Britain and its Gulf neighbours while Saudi Arabia was able to rely more heavily on local sources.

Across the Gulf today, conservative systems of governance sit side-by-side massive expenditure on higher education, rapid internationalisation, free-market economies and huge numbers of highly educated and literate women. The majority of residents in most Gulf states are now foreign nationals. Saudi Arabia has twenty-eight public universities and nine private universities (though there are estimates of well over a hundred HEIs of different sorts), while Bahrain has seventeen universities or university colleges, most with some sort of private backing. Links between higher education’s social roles and shifting government priorities, whether ideological or workforce oriented, have been relatively tight. The main higher education agenda is expansion, in order to meet workforce needs, indigenise the professions and meet the demand for higher education. This has been addressed through a proliferation of university ‘start-ups’ and ‘branch campuses’. These are established through personal networking with private foreign providers mostly from the US, who are sponsored by local business and receive government licenses – a novel example of public–private partnership.

In this context, academic capitalism in the region has three important characteristics. First, ‘development’ is seen overwhelmingly in terms of increase – of outside investment, number of institutions and number of graduates – assumed to be key to such development as if the links between these were not problematic. Second, governments have bought wholesale into the ideology and practice of selling higher education as if it were real estate; it is widely said to be ‘recession-proof. Third, there has been a tendency towards very light governance in terms of agreed purpose, public good, or public ownership. But there is tension between these phenomena and higher education’s traditional role in the region as mediator of social and political consciousness, even though compared with other Arab countries there has been relatively little transformation of Gulf universities into centres of political resistance (Findlow, 2008, 2012).

The interplay of regional and nation-state forms of governance in the Gulf is different from the European model. On one hand, higher education in the Arab Gulf has had the dual function as symbol of state power or generosity and venue for consciousness-raising, with the rentier and ‘developmental’ roles of higher education having the function of raising citizens’ awareness of their relationship with the state (Findlow, 2012). On the other hand, in contrast to the pluralistic histories that have impeded EU cultural integration, higher education policy across the Gulf Cooperation Council (GCC), established in 1981 to safeguard the security of the newly independent Gulf nations, is influenced by still porous state boundaries as well as shared culture. Consequently and also in contrast to other models of supposed regionalism, the GCC has long functioned as a networking forum facilitating governance, policy sharing and national capital exchange. There are well established intergovernmental higher education ‘bureaus’, ‘organisations’ and ‘councils’, a structural blueprint attributable to the lateness of state control over the sector along with economic and political independence. As well as being signatories to the Arab League Educational Cultural and Scientific Organization.
The extent to which higher education is seen as a ‘public good’ or investment commodity reflects simultaneously held yet conflicting constructions of prestige. Though most Gulf constitutions stipulate the right to ‘free’ higher education for eligible school leavers, demand outstrips the ability of local state universities to provide. Therefore, state universities that were initially not very selective are increasingly raising entry requirements, thereby raising the prestige of these universities, as well as sending increasing numbers of students abroad. Bahrain sponsors large numbers of PhD students to complete their studies abroad, with generous stipends and allowances for families, while sending students abroad to study is still virtually the basis of the Saudi international trade. In 2005, King Abdullah’s Sponsorship Programme (KASP) was established through a Saudi-US agreement, and this has made Saudi Arabia the fourth largest sponsor of international students to the US, with over 100,000 Saudi students enrolling in American universities last year against a total of 200,000 worldwide (Taylor and Albasri, 2014).

The policy implies several things. First, a working model of the relationship between individual and collective, and local and global, capital that casts higher education more emphatically than in the UK as the source of collective human capital rather than a means of managing it. It also seems to imply a reading of global capital where degrees from American universities are more valuable than others, particularly those from Saudi Arabia whose rankings were reported to be falling in 2013 (Hall, 2013). The perceived prestige of American degrees saw Saudi government inclusion in 2012 of even relatively low-status American community colleges on the list of approved institutions for KASP (Taylor and Albasri, 2014). Yet the perceived superiority of Western educated workers over locally graduated students seems to be fading. For scholarship students, the cultural and academic differences between the two countries cause tensions, including student difficulty re-adapting to their country of origin, and Saudi graduates who have taken for granted that their Western degrees would earn them a good job are said to be disappointed (Taylor and Albasri, 2014; Albeity, 2014). Employers in Saudi Arabia are beginning to introduce employability tests, which have been failed by graduates from ‘Western’ universities, whether branch campus or overseas, more often than those from local ones (Taylor and Albasri, 2014). And it is noted that branch campuses addressing the standards issue by replicating their home curriculum have found it harder than they expected to both recruit and retain local students (Altbach, 2010; Statz et al, 2007). Thus the policy also reflects a form of competition on the part of both state and individuals that is reputational in global terms, but where this reputation is in many ways in conflict with local needs.

Employability as higher education capital is further undermined by the problematically tenuous and gendered link between higher education and employment. It has been fairly widely noted that many Saudi students don’t consider it worth going into higher education as there is guaranteed public sector employment without (Statz et al, 2007; Gonzalez et al, 2008; Donn and Al-Mathri, 2010). Yet this does not apply equally to men and women. Saudi women students say that higher education is more critical to their career opportunities than men’s. Greater female participation has been enabled by the residually high proportion of single-sex HEIs in Saudi Arabia (though branch campuses are mixed), the increase in more local HEIs and the development of distance-learning (Baki, 2004). At the same time, former restrictions, for instance on entering studies in engineering, industry, construction, journalism, pharmacy and architecture, have been lifted (Ministry of Higher Education, 2011). Of the increased numbers of students being sent to study, more are now women (Ministry of Higher Education, 2011). Notwithstanding evidence that female Gulf students are seeing higher education as a
route to intellectual–social freedom (Findlow, 2012). Saudi state investment in women’s higher education is driven by training for work (Ministry of Higher Education, 2011:71), and most of this, especially through KASP, is still allocated to health, social services and education, despite the fund’s declared raison d’être of enabling women to enter the private sector market (Baki, 2004). Over in Bahrain, in 2012 the government has shifted sponsorship away from the humanities and social sciences towards the sectors where women are considered likely to make the greatest economic contribution – healthcare and education – with increased industry and private financing (Secretariat General, 2012). However, although women form a substantial majority of the student population here as well, persistently low female graduate employment has been consistently attributed to social and economic conditions that make work more of a lifestyle choice than an economic necessity (Secretariat General, 2012).

Like the UAE and Qatar, Bahrain is also committed to increasing investment in the private and overseas financing of local higher education, including forging partnerships with foreign universities. Eleven private–international universities were established between 2001 and 2005, with another in 2012. In 2012, 14,287 students reportedly enrolled in private universities compared with 18,040 in state universities, even though one private university had only forty-four students (Higher Education Council, 2012), the justification being the supposed high numbers of international students wishing to study in Bahrain. Thus as well as sending students abroad, the government has sought both to attract international students to study in Bahrain (Higher Education Council, 2014), even though foreign nationals have normally not been allowed entry to state universities in the Gulf states. International students in Bahrain are now drawn from other GCC countries, mostly Kuwait (32%) and Saudi Arabia (16%), and in 2012 the number of students from ‘other countries’ was reported to be 35% (Higher Education Council, 2012). The agenda is part of the country’s ‘economic vision 2030’, to “…position(ing) Bahrain as a regional hub for quality higher education, producing graduates with the skills, knowledge and behaviours required to succeed in the global knowledge economy while contributing to the sustainable and competitive growth of Bahrain” (Higher Education Council, 2014:11). Yet as all but one of Bahrain’s private universities still award local qualifications, these private universities represent ways in which even the internationalisation process has been very local.

The privatisation inherent to this process brings more ‘glocalization’ characteristics, as well as tensions in terms of the ways that perceived global capital vies with local needs, especially in Bahrain which has bought more wholeheartedly into transnational higher educational capitalism as a trader not just a buyer. Here, part of the tension relates to competing standards – striving for an ‘international’ qualification framework while qualifying local graduates well for the local market. On one hand, the Bahraini Quality Assurance Authority for Education and Training has closed down two private universities and prevented others from recruiting new students. On the other hand, the desire to raise the international prestige of its private institutions has seen it tighten admissions criteria for local students, which have been based to-date on the local ‘Tawjihi’ system (Higher Education Council, 2014). The tension also relates to socio-cultural fit. Belying the apparently clear government vision in both countries of universities as mechanisms for the production of economic capital, in either human or real-estate investment terms, is the undercurrent of a rhetoric reminding local audiences of higher education’s role in ‘creating leaders’ and promoting good cultural and family values (Findlow, 2008). In Saudi Arabia this has taken the form of caution about isomorphic network pressures and global model diffusion: “…through Islam, the Kingdom can prove to the world how it is capable of developing and progressing better than other states and without imitating the models of such states” (Prince Khaled, cited in Pavan, 2014).

This tension makes the curriculum, at both undergraduate and postgraduate levels, telling. In Bahrain, there has been a government push to align taught programmes more closely with the needs of the local labour market. Humanities and business studies are said to have been oversupplied, and “social science graduates lack employability skills” (Secretariat General, 2012:3). As well as the funding shift, non-workforce focused subjects have been culled (Higher Education Council, 2014). Yet the goal of Bahrain’s
recently developed national research strategy is more balanced: “… to help transform 
the Bahraini economy into Knowledge Economy, to reduce Bahrain’s dependence on 
natural resources, ensure long-term social, environmental and cultural well-being of the 
Kingdom, … advance the prestige of the Kingdom within the region and globally and 
provide local opportunities for Bahraini citizens for world-class education and research” 
(Stanford Research Institute, 2014:25). However, research programmes are only 
available at the country’s most three established local universities and, so far, no 
national research funding has been awarded to universities (Higher Education Council, 
2012). Furthermore, while the research strategy notes the need to increase research 
outputs to support the transition to a knowledge economy, it also urges greater 
integration between academic institutions and business enterprises focused on 
Bahrain’s economic priorities (Stanford Research Institute, 2014). In Saudi Arabia, 
consistent stress on the need to properly prepare graduates for future jobs (Baki, 2004) 
is more balanced by rulers’ invocation of higher education’s role in the holistic, ideational 
education of citizens: “… we have a formidable task ahead of us. We have been 
entrusted with a huge responsibility of building good citizens …” (Prince Khaled, cited in 
Pavan, 2014). Nonetheless, this holistic vision is undermined by the narrowly 
instrumental way the Saudi government chooses graduate students’ fields of study: top 
of the list are medicine, medical science and health sciences, fields seen as essential for 
the country’s development (Taylor and Albasri, 2014).

Conclusions

These accounts thus provide two related but slightly distinct readings of present and 
future higher education capital and capitalism, with regional characteristics while 
reflecting more local interests in a global game. The same ingredients are present in 
different measures: rampant free-market competitiveness, the promotion of private 
investment in state-owned institutions, a variety of conceptions of global capital, high 
value placed on foreign qualifications and extremely light-touch governance set in a 
regional context of real policy-resource sharing, residual ideals of higher education as a 
public good for the education of citizens but with local workforce needs high on the 
agenda. But Bahrain has bought more wholesale into the competition – as both import 
and exporter, public good with private investment (like the rest of the world aspires to). 
And this is despite the rentier history of the Gulf states.

There is strategic ambivalence in both countries, reflecting divergent readings of similar 
markets and competing concepts of capital, reflected in financing, governance, 
curriculum and standards. This can be seen best in Bahrain’s drive to create regional 
hubs, reducing the need for students to go abroad and also to generate economic return 
in competition with Bahrain’s neighbours. While in Saudi Arabia, American degrees are 
eagerly imported, yet there is apparent caution about blind borrowing.

Despite the stronger history of regional sharing of both capital and policy in the Gulf, the 
main driver is interstate competition, despite light-touch state governance. There is no 
sign of ‘global capital’ in the sense of shared capital; ‘global higher education’ simply 
denotes the trading environment. Compared with the early ABEGS days, regionalism 
appears limited today. And since GCC regional governance is not, as Bologna aimed to 
be, a ‘standardising project’, it may therefore fit more easily with a free-market approach 
to higher educational business. State governance has clearly shifted some way from 
guardianship of public good(s) in any sense other than economic good. The public roles 
played by private foreign providers in each importing can be seen as both symptom and 
cause of the fragmentation of regional and national systems of governance.

So what does this multi-stakeholder ambivalence say about transnational higher 
education capitalism and its relationship with governance and the public good? Well, 
clearly it shows that the phenomenon is not the same everywhere, providing a case-in-
point of ‘glocalization’ as the opportunity to re-conceive structures, systems, priorities, 
collectivities and paradigms, with not exactly blurred but infinitely moveable boundaries
between public and private, between local, regional and international, and between markets and culture. Hence the need to hedge bets.
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