



Munich Personal RePEc Archive

**Higher Education and Philanthropy
Potential in the GCC States: Analysis of
Challenges and Opportunities for FDI
and Venture Philanthropy in the MENA
Region**

Henry C., Alphin Jr and Jennie, Lavine

Drexel University, Higher Colleges of Technology

January 2016

Online at <https://mpra.ub.uni-muenchen.de/70781/>

MPRA Paper No. 70781, posted 19 Apr 2016 02:56 UTC

Higher Education and Philanthropy

Potential in the GCC States:

Analysis of Challenges and Opportunities for FDI and Venture Philanthropy in the MENA Region

ABSTRACT

In this chapter we aim to discuss the opportunities for FDI and venture philanthropy in higher education for the Middle East and North Africa. The MENA region has gathered interest due to the large population and increasing governmental influence on improving higher education in general in the region, and creating partnerships with organizations to better match higher educational options and employment. The GCC plays a large role in the impetus of foreign institutes wanting to invest in the economically developing MENA region. There are many challenges to overcome, some of which are great enough to discourage FDI; but overlooking the initial challenges, there are a wealth of opportunities awaiting exploration.

Keywords

Higher education, economic development, development, philanthropy, MENA, GCC, venture philanthropy, FDI

INTRODUCTION

This chapter will attempt to create an overall analysis of opportunities and challenges for foreign direct investment (FDI) and venture philanthropy for institutions of higher education (IHEs) in the Middle East and North Africa (MENA) region.

Higher education systems and their policies are affected by globalization, which is "the widening, deepening and speeding up of worldwide interconnectedness" (Held, McGrew, Goldblatt, & Perraton, 1999, p. 2). Higher education has become more of a focus in emerging nations, "in which worldwide networking and exchange are reshaping social, economic and cultural life" (Marginson & van der Wende, 2006, p. 4).

Higher Education philanthropy has been gathering traction in the wealthy Gulf States in recent times (Hertog, 2013). The need for funding has increased with the rapid growth rate the region has undergone and is continuing to undergo. Supporting and investing in higher education has become increasingly important in a globalized world, and to secure a competitive nature of the MENA region and future leaders (Hertog, 2013).

Before organized philanthropy in the twentieth century, philanthropy was conducted on a much smaller scale, largely financed by a few very wealthy individuals in response to personal appeals (Cutlip, 1990). Education philanthropy in the United Arab Emirates (UAE), and some other MENA countries, was predominantly orchestrated by governmental bodies ensuring that all citizens, up until university age, were educated under their funding.

Different countries have differing attitudes on philanthropy, especially regarding philanthropy in education. More recently, the growth of the focus on higher education in the Arab world has attracted the attention of many private companies (Wilkens, 2011). Major private Arab institutions donated more than \$1.9 billion USD in the years 2010-2012 to finance global education (The World Bank, 2015) – the largest being the Islamic Development Bank and the Saudi Fund for Development, which have generously given \$740 million USD and \$690 million USD (Zawya, 2015), respectively. The phenomenon of philanthropy in higher education is one

that has the potential to be developed further and, moreover, encouraged in the Arab world (Kapur & Crowley, 2008).

The rise of philanthropy in Arab higher education can be attributed to a number of factors. Heavy reliance on oil revenues is not a sustainable way to fund higher education, so alternatives must be sought and implemented (Luomi, 2009). Globalization has had a profound effect on the economies of the world (Gilpin, 2001). Previously, the UAE and other Gulf states relied significantly on low skilled labor from Asia due to its abundance and lower expected wage compared with other nationalities (Elhiraika, 2007). This was the way forward for rapid growth and to prosper. The changes in the economic climate and an increasingly hyper competitive market, both domestically and internationally, have introduced a new environment. Knowledge, including education and skills, has emerged as an imperative factor that companies must sustain for competition and growth. This requires a workforce capable of understanding, producing and utilizing knowledge-intensive goods and services and adopting and adapting modern methods of technological innovation, in order to remain competitive (International Labour Organization, 2011).

Currently, the financial support to MENA higher education from non-governmental entities is unknown and can be logically interpreted as modest (Cohen & Khan, 2013). The majority of Emiratis prefer to work in governmental institutes due to higher salaries and more accommodating working hours. The introduction of Emiratization by the UAE government as an affirmative action employment policy aimed at Emiratis to be able to achieve employment in the private sector has, so far, not reached quotas (Alnaqbi, 2011). The reasons are plentiful, with many opinions being directed at cosmetic approaches (Trenwith, 2013), and Professor William Scott-Jackson of Oxford Strategic Consulting, stating in a conference in Abu Dhabi, that employers must train future employees before they apply for jobs (Salama, 2013).

The establishment of majority American investors, and fewer from British or Australian universities, particularly focusing on the Gulf States of Qatar, Saudi Arabia and the UAE, are all pointing towards an influx of international financial investment and a push towards educational improvement (Thacker & Cuadra, 2014). Whether the latter is indeed the strategy is a cause for questioning. It has been speculated that the respective governments are using the investments as

a method of diversifying the economy from the dwindling oil reserves to one featuring education and sustainability at the forefront, without really focusing on the standard of education itself.

The current environment provides an opening for FDI in higher education. However, many potential investors or philanthropists – particularly from the West, do not understand enough about the local cultures and economies to make accurate assessments of the investment potential. An analysis of opportunities and challenges for higher education investment in the MENA region will provide investors with a better ability to understand the risks with the investment and also provide IHEs and MENA countries with a better ability to improve their potential for investment. The transformation of higher education from elite to a mass system and the inability of the government to take responsibility for the ever increasing burden and cost of higher education are several initial reasons for adopting the philanthropic route to higher education and treating students as consumers, all open to further exploration.

Research Questions

1. What are the challenges in obtaining FDI and venture philanthropy for higher education in the MENA region?
2. What are the current opportunities and incentives for foreign-based higher education investors in the MENA region?
3. What can the MENA region do, individually and as a whole, to minimize challenges and maximize opportunities for FDI and venture philanthropy for higher education in the MENA region?

BACKGROUND

Introduction

The MENA region includes the following countries: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates (UAE), West Bank and Gaza, and Yemen.

The specific topic of higher education philanthropy through FDI or venture philanthropy methods in the MENA region has not been studied extensively. Higher education philanthropy,

overall, is a small field that is only beginning to explore a theory-based approach from disciplinary perspectives (Drezner & Huehls, 2014).

FDI in MENA

The Middle East is the major region of the world that receives the lowest FDI inflow (Varghese, 2009). Al-Asaly (2003) argues that factors inhibiting FDI flow into the MENA region include: fragmented social systems; an undeveloped economic system; imbalances of constitution and financial law; the rate of growth of public expenditure; lack of well-developed objective criteria; and exogenous agreements that are required, such as IMF intervention. Bouoiyour (2003) cites other difficulties in obtaining FDI in the MENA region, including a backdrop of growing competition from EU countries, lack of education and illiteracy, and a need to move to higher value added, skill intensive, and high wage industries.

Eid and Paua (2002) found that FDI flows into MENA countries have been weak and unevenly distributed. FDI flows out from the Arab World are influenced by the foreign exchange rate, interest rates, and inflation (Onyeiwu, 2000).

Brahim & Rachdi (2014) developed nine measures of quality institutional frameworks to better understand the potential for FDI to flow into the MENA region. These nine measures include law and order, corruption, socioeconomic conditions, external conflicts, internal conflicts, military in politics, bureaucracy quality, religion in politics, and ethnic tension. Their paper further develops the connection of FDI with country and political stability. Onyeiwu (2003) uses measures that also include the rate of return on investment, openness of the economy, political rights, infrastructures, natural resource availability, corruption and bureaucratic red tape, human capital, and macroeconomic fundamentals. For this study, the factors we will focus on include a mixture of each: political stability and individual rights, conflict and tension, religion or military in politics, human capital, level of economic freedom, infrastructure and natural resources, and corruption.

Investors use available information to make investment decisions. At times, and within certain environments, information may be unavailable, skewed, or simply unreliable. Access to the country or region is important, whether in the form of travelling to the site, obtaining first-hand information from inside reporters or scholars, or analyzing data provided by government, quasi-

government entities, NGOs, or academic researchers. Negative affiliations of any sort can be detrimental, as Haddad & Hakim (2003) note the increase in sovereign spreads for the MENA region after the September 11, 2002 attacks.

One of the dominant factors in FDI is the stability of the receiving government. In the MENA region, factors that affect the stability of country and local governments and their budgetary systems are myriad. In Oman, the two most important motives for FDI are political and economic stability (Mellahi, Guermat, Frynas, & Al Bortamani, 2003). In the MENA region, particularly the Gulf Cooperation Countries (GCC) – which include Bahrain, Oman, Kuwait, Qatar, Saudi Arabia, and the UAE, have been unable to better integrate their economies largely due to socio-political reasons, rather than primarily economic concerns (Darrat & Al-Shamsi, 2003).

Oil revenues are primary government income (65 percent in Yemen), while the country's oil reserve is limited (Al-Asaly, 2003). Some Persian Gulf countries are considered developing countries because of their reliance on natural resources, particularly the windfall of oil revenues, even while the UAE has one of the world's highest per capita incomes (Burden-Leahy, 2009). The UAE aspires to be a global investment hub, and both the public and private sector understand that diversification of the economy is crucial to achieving that goal (Mina, 2014).

The Environmental Sustainability Index (ESI) is a ranking system, best equipped to worst equipped, based on the country's state of environmental systems, stresses on those systems, human vulnerability to environmental change, social and institutional capacities to cope with such change, and the ability to respond to the demands of global stewardship (Alpay, 2003). In the 2005 ESI, the highest ranking MENA countries were Tunisia at 55 and Israel at 62, the UAE was ranked at 110, and those countries ranking near the bottom (above 125), included Libya at 126, Lebanon at 129, Iran at 132, Saudi Arabia at 136, Yemen at 137, Kuwait at 138, and Iraq at 143 (Yale University & Columbia University, 2005). The UAE, along with Kuwait and Saudi Arabia, are noted as having limited participation in international cooperative efforts, yet these countries perform better than other MENA countries in reducing economic stress indicators (Alpay, 2003).

The UAE has been making steps in this area by developing institutes and initiatives to address this issue. Alpay (2003) developed a model, based on the ESI, that includes economic development and openness to trade. Alpay (2003) shows that per capita income has a significant and positive impact on ESI, and that positive impact is higher for developing countries, particularly for MENA countries. This means that economic growth can occur in the MENA region without a negative impact on the environment.

Kuemmerle (1999) found that multinational firms based in different countries or regions follow similar stimuli when seeking research and development sites abroad, including local and national commitment of public and private entities to R&D in the target country. Nour (2014) found a positive relation in Egypt between the share of public spending on R&D and spending on education, leading to a greater transfer of knowledge.

Higher Education Philanthropy in MENA

The MENA region, particularly Egypt, is home to the world's oldest continuous higher learning center, Al-Azhar University (Teferra, 2008). While the MENA region has a rich higher education history, some of that richness is tarnished by colonialization (Teferra, 2008), as well as an overall lack of qualified instructors coupled with outdated academic resources (Rupp, 2009). The World Bank (1999) argues that returns to education by level differ more in the MENA region than anywhere else. In addition, universities in developing countries are at risk for political instability, threatening perceptions of internationalization (Alphin Jr., 2014), lack of resources, and the potential for being peripheral institutions in the scope of international higher education (Altbach, 1998). Developing countries in the MENA region, particularly those that are ethnically diverse and under centralized government control, are at risk of reduced higher education expansion (Schofer & Meyer, 2005), and thus a decreased potential for an improved economy through higher education enrollment. Turmoil in the MENA region has led to conflict between the Middle East and the United States (Rupp, 2009), and it is unlucky that that investment can occur without socio-political stability taking shape (Teferra, 2008).

Higher education philanthropy in the MENA region is difficult to assess quantitatively and qualitatively primarily due to it not being a part of the culture, lack of government transparency and reporting, and lack of a true IHE push for investment. Developing a culture of philanthropy in higher education is an investment of its own, as institutional advancement requires

commitment to the short and long term goals of the development team and approach; adequate staffing and professional development; a data infrastructure conducive to prospect management; a culture of outreach and developing alumni and potential donors; and the support of higher education leaders, community leaders, and the government to pattern a holistic approach to higher education sustainability coupled with economic and regional development.

Drezner (2011) provides a report on philanthropy and fundraising in American higher education, but many of the topics, including annual giving and campaigns, can be utilized as a structure for beginning to understand philanthropy and fundraising in MENA higher education. The link between the two seems to be effective leadership that can bring together donors and causes, including boards of trustees (Drezner & Huehls, 2014) and women in leadership positions (Sperling, Marcati, & Rennie, 2014). As an example, Shimoni (2008) connects mega donors in Israel to patriotic philanthropy focused on the public good on a national level. Higher education fundraising leadership could utilize this type of approach with donors from each of the MENA countries who feel a kinship with their respective people.

In Tunisia, students contribute less than one percent to fund their education, which results in a regressive tax benefitting high income groups (Johnstone, 1998). Johnstone (1998) argues that cost restructuring in higher education is resulting in systems having a difficult time closing inefficient and outdated campuses. As higher education tends to be a reflection of world cultures (Schofer & Meyer, 2005), the MENA region has much to prepare for in terms of accessibility and equality of opportunity. Part of the answer may lie in ICT growth, whereas such growth may have a positive effect on economic growth (Shirazi, Gholami, & Higon, 2009), which could correspond with increased higher education attainment and knowledge production. Murphy and Salehi-Isfahani (2003) developed a model of human capital accumulation based on knowledge versus creativity, with individuals in rigid labor markets – supported by education systems and employer-defined rewards – focusing on knowledge accumulation and credentialing rather than developing their creativity skill set.

Academic freedom is an ongoing issue in MENA higher education, most recently making headlines when New York University professor Andrew Ross was barred from entering the UAE to conduct research (Mangan, 2015). Also noticed by the international higher education community is Iran's foray into branch campuses across the Arab states (Sawahel, 2015a).

Privatization of higher education has become an important discussion in the MENA region. Public higher education institutions often offer low salaries and inadequate academic resources. In addition, with the increased prevalence of rapid transportation combined with the internationalization of higher education, many students do not need to rely on their home countries to fulfill their higher education needs.

Leslie and Ramey (1988) argue that prominence and public visibility are vital in the decision making process of higher education donor groups. MENA IHEs, with a healthy mix of well-established and nascent institutions, have yet to reach the prominence and visibility of Western institutions. Some countries have very few higher education philanthropists, with higher education philanthropy in Oman being almost nonexistent (Al-Lamki, 2002). Non-philanthropic private contributions to higher education can be detrimental to growth because of the reduction of autonomy (Tilak, 2005). However, liberty-oriented philanthropists have the potential to increase autonomy by allowing the institution to rely less on government support and more on charitable giving that reinforces voluntary exchange (Ealy, 2012).

Quality in higher education is a vague term, but for the purposes of this chapter, Tarawneh's (2011) description of the following factors is sufficient: managing the changing perception of society toward higher education, satisfying the needs of students' and employers' expectations of graduates, structure and context of academic programs, study conditions and implementation of the academic process, and the balance between research and teaching. It is important to restate the importance of perception and prominence within the description of quality in higher education, as noted earlier, Leslie and Ramey (1988) point out that prominence of the institution or system is vital to obtaining donors. Garvin (1980) developed a model of universities as economic institutions led by individuals with self interest in mind, in which faculty members and administrators focus on prestige as a market-enhancing element. For the MENA region, prestige is a priority, but Raines and Leathers (2003) caution that within an economic model, IHEs focusing on prestige need to be able to balance a quantity and quality tradeoff of expanded enrollments and increased salaries versus poorly prepared students and budgetary restraints, respectively.

Quality assurance in higher education is a peer review process, generally with self-evaluation initiatives and site visits by peer teams. Independent accreditation boards, particularly in the

MENA region, are crucial to the success of monitoring quality in both public and private higher education (The World Bank, 1999). Private higher education, alone, presents specific challenges regarding autonomy, including equity issues (Tilak, 2005) and student stratification (Varghese, 2009). Inequities in higher education tend to result in inequities in employment (Varghese, 2009).

Higher education accreditation in the MENA region is lacking a central, authoritative, and cohesive authority with contacts deeply invested in the region. The most developed effort at accreditation within the region is membership in the International Network for Quality Assurance Agencies in Higher Education (INQAAHE), which is a voluntary international association with purposes to gather and disseminate assessment information, undertake or commission research on higher education quality, promote the theory and practice of higher education quality improvement, and provide advice and expertise, among others (INQAAHE, 2013).

While INQAAHE processes and procedures provide a step closer toward well-developed accreditation efforts, Knight (2008) argues that there has been a lack of cohesive policies and results, and Blackmur (2008) argues that the network merely encourages compliance on a national level. One of the issues facing INQAAHE is its ability to change and update according to new challenges, which has been an ongoing problem in higher education worldwide. Blackmur (2008) criticizes the INQAAHE Guidelines of Good Practice (GGP) from 2007 for disregarding cultural differences, making compliance difficult. As of March 2015, the GGP were last updated in 2007. However, the INQAAHE is making an attempt to better understand cultural differences in higher education assessment, as the 2015 conference has keynotes subthemes on diversity in higher education and internationalization (INQAAHE, 2015).

The INQAAHE has regional networks that attempt to better address higher education quality issues at a deeper and intimate level. The Association of Quality Assurance Agencies of the Islamic World (QA-Islamic) was established at a conference in Syria in 2009, and exists to strengthen the quality of institutions in the Islamic region, including raising the level of underperforming institutions and developing and maintaining human resources in the form of world-class scientists and technologists, and to promote cooperation amongst quality assurance agencies in the Islamic world (Tarawneh, 2011).

The Arab Network for Quality Assurance in Higher Education (ANQAHE) exists to support and enhance Arab quality assurance organizations, develop human resources and quality assurance cooperation in the Arab region, and sustain regional and international cooperation in quality assurance (ANQAHE, 2015). ANQAHE was conceived in 2004 and the constitution drafted in 2006, all in Cairo. ANQAHE membership includes half of the MENA countries, including Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Saudi Arabia, Sudan, UAE, and Yemen. The ANQAHE works in collaboration with INQAAHE and the Association of Arab Universities (AArU) to disseminate information, apply good practice, and establish mutual recognition (Tarawneh, 2011). Ultimately, higher education accreditation in the MENA region has much to improve upon so that quality can be a universal concept with which higher education leadership can utilize to solicit funds from philanthropists.

Venture Philanthropy

Venture philanthropy is a relatively new style of philanthropy centering around four primary characteristics: a close relationship between the investor and individual or organization, a long term commitment between the parties, the investor's commitment to strengthen the organization, and developing an ability to measure the outcomes of the investment (Boverini, 2006). Venture philanthropy is an ongoing relationship between the donor and the donee, whereas the donor uses his or her expertise to assist in improving the organization's mission. Venture philanthropy is also known as high impact philanthropy and the new philanthropy, as a large proportion of venture philanthropists are younger investors who offer a hands on approach to philanthropy. The Lumina Foundation and similar groups tend to focus on grant making with engagement, part of a hands on strategic philanthropy approach (Gose, 2013). Venture philanthropy builds off of Duncan's (2004) model of impact philanthropy as the donor making a difference in the final outcome of the mission, rather than simply providing funding for an organization that is pursuing the mission's end result.

While venture philanthropists of differing persuasions have been actively involved with their investments since Andrew Carnegie and John D. Rockefeller in the late nineteenth century (Boverini, 2006), venture philanthropy wasn't adequately defined as a discipline until Grossman, Letts, and Ryan (1997) came along. Grossman et al. (1997) use the venture capital model to

develop a comprehensive investment approach for nonprofit organizations. Their approach focuses on six practices of venture capitalism, including: risk management, performance measures, closeness of the relationship, amount of funding, length of the relationship, and the exit.

Risk management is an important component concerning the potential for FDI in the MENA region. Venture philanthropists may be willing to take on a riskier higher education investment if the potential for reward is high. As higher education philanthropy in Oman is almost nonexistent, a venture philanthropist seeking social status or fulfilling a personal commitment to Oman may be willing to invest to improve the country's higher education system if the potential for reward or success is high. However, a foundation may either not be willing to take the risk or may donate to the higher education system without having an adequate performance measurement system in place.

Measuring the performance of MENA higher education institutions is not a clear cut process. In the MENA region, international higher education funders – including The World Bank and IMF – have obtained significant influence (Alphin Jr., 2014). Accreditation provides a method to review the quality of the system, but institutional leadership is responsible for the direction of IHEs. While the accreditation process generally offers a set of guidelines or best practices, it is incumbent upon leaders within the IHEs to build rapport with potential donors and alumni. In this sense, executive leadership ties into venture philanthropy because venture philanthropists want to be sure that leadership at the top is open to their recommendations.

Institutional leadership is largely responsible for securing financial support. Lasher and Cook (1996) argue that IHE presidents can utilize a presidential hand of cards for raising funds, including: stature of the office or position, quality and prestige of the institution, importance of higher education to society, interpersonal and human relations skills, appealing to donor motives, strength of the relation between the donor and institution and representatives, and stature and prestige of the solicitation team. Harbaugh (1998) expands upon Becker's (1974) and Andreoni's (1988) arguments that donations buy the donor a warm glow – internal satisfaction, as well as the prestige that coincides with Garvin's (1980) analysis, arguing that reporting plans that reward donors seeking internal satisfaction and prestige could present an opportunity for more donors

who seek to be included in the respected club. Duncan (1999) developed a public goods production model noting that individuals can contribute both time and money.

Ultimately, venture and strategic philanthropy are nascent approaches in higher education. In the MENA region, there is much potential for this type of approach to take hold. As the world becomes more open through ICT and rapid transportation, students are increasingly willing to travel for education and other career-specific opportunities. Patriotism and a warm glow can lead these future leaders to become lifelong learners while simultaneously leading them to connect with their home IHEs and become actively involved in philanthropy through a hands on approach.

ANALYSIS OF HIGHER EDUCATION AND PHILANTHROPY IN THE MENA REGION

Matching Culture and Natural Resources with Workforce Development

The challenges in education in the Middle East are generally well known to the rest of the world. Besides poverty, there are rising political and religious tensions. Education is also an area that remains unstable and fluctuates from region to region. Literacy rates vary as shown below. There is a huge gender gap with respect to education in many countries – the highest in Yemen, with a literacy rate of 65.3 percent and speculated to be 35 percent for females. Other regions in the MENA area differ. Female literacy among 15-24 year olds is close to 100 percent in the Gulf Countries, including Oman, as well as in Saudi Arabia, Jordan, Syria and Tunisia, and between 70-75% in Egypt, Morocco and Yemen (Egypt, Morocco and Yemen) (World Bank, World Development Indicators). One of the highest literacy rates is in the occupied Palestine, where UNICEF reports literacy as 99.3 for males and 99.4 for females (UNICEF 2013).

The lack of females being educated is a common phenomenon in some countries in the MENA region due to cultural traditions. Schultz (1997) affirmed that the low investment in girls' education is not economically effective in any country.

Access to secondary and tertiary education is a challenge in several MENA countries due to a variety of reasons, and the majority lay with political biases amongst the elites. In Lebanon, the late Prime Minister Rafic Hariri had his own foundation whereby he ensured education was a priority for Lebanese nationals. The foundation in the United States also pledged millions of dollars in donations to Georgetown University in 2009 (Georgetown University Press, July 2009). On the other hand, Palestinian refugees in Lebanon have limited access to public secondary education, and higher education is strictly reserved for the elites or those with connections (Hanafu & Tiltnes, 2008). Most of the population are not able to afford the high cost of private secondary education, and higher education is even less possible. UNRWA operates three secondary schools in Beirut, Saida and Tyre. Accessing education can be described as inequitable. The main determinants in the Middle East are by region, by gender and socio-cultural issues (Moghadam, 2003). The tremendously unstable regions plagued by war, religious tensions and poverty have created a major gap in educational access and, moreover, attitudes toward education. More rural inhabitants do not see the need to enter into higher education as their role is that of cultivating the land, and for the women, it is child rearing. The more urban students have a greater access, but this can be hindered by sudden political changes or decisions. With each new leader, prime minister, or similar, the rules surrounding who can and cannot gain education alters.

Traditionally, women in the Middle East have been predominantly groomed for being a wife and mother, and education after primary school was seen as something wasted. The rising cost of education meant the men of the family were more likely to be educated in order to provide for the family. The late Sheikh Zayed strongly encouraged educating the female population of the UAE, which research has shown a 45 percent decline in uneducated women in not only the UAE, but Jordan, Bahrain and Algeria (Steer, Ghanem, & Jalbout, 2014).

Birth rates are higher in the MENA areas, population size is growing and more and more women are entering higher education (Clawson, 2009). The focus on quality has made students, both male and female, across the Middle East become much more selective in educational choices. Those from the more affluent backgrounds are able to fund private education in the country or abroad – countries of choice being UK or USA. Students from less strong socio-economic backgrounds opted in the past for a government education, which is paid in full until a bachelor

degree is achieved, in most of the MENA region (UNESCO, 2010). The UAE government's response to improving education and encouraging more and more private organizations to invest has created a large market of nationals who would now not only prefer to be educated in their own country, but are increasingly interested in a variety of non-traditional subjects for employability, hence creating a heightened interest in attracting investors. Johnstone (1998) argues that there is greater demand for quality and efficiency equating to an increased relevance and learning.

The more oil-rich Gulf States have taken appropriate and innovative methods in an attempt to ensure a sustainable future for nationals focusing on health, education, and sustainable resources in an attempt to focus on a move from their dependency on oil. As part of its strategic development plan, at the Abu Dhabi Economic Vision 2030, the government stated ambitious focus to transform the economy of the emirate of Abu Dhabi into a knowledge-based economy by focusing on sectors requiring high skills such as energy, aviation and biotechnology.

The growing population and the need for an increasingly competitive, technologically sophisticated nature (Johnstone, 1998) has altered the shape of education in the region. Education philanthropy in the UAE, especially, was predominantly orchestrated by governmental bodies that ensured all its citizens until completing tertiary education to a bachelor level were eligible for their full educational funding.

Different countries have differing attitudes in philanthropy, especially towards education. Orr (1999) has proposed that through Western education, citizens are losing vernacular knowledge, referring to knowledge of one's own identity. With many foreign institutes either opening or funding education in the region, the internationalization of higher education has become one of the key targets of educational policy and planning in many Arab Countries. This is the case particularly in the GCC countries that are anxious to appear modern, forward thinking, and promote education as a symbol of modernity and accepting Western standards of education. Godwin (2006) recommends an "acceleration of the articulation and accreditation programme" (p. 1) and not so much on educational establishments already present in the country. In such a vast land populated with enormous youth and ambition, growth in donations and education establishments could never have been more important.

The growth of the focus on higher education in the Arab world has attracted the attention of many private organizations and institutes. Altbach (2007) states that some developing nations have an advantage economically, and hence are more successful at establishing private institutions. A growing population and a cultural commitment to philanthropy means that the Middle East is now one of the most fertile lands for fundraising, delegates at the Council for the Advancement and Support of Education Europe stated at a conference in Glasgow in 2010 (Fearn, 2010). A recent announcement in the UAE is the opening of a Dubai-based campus developed by the University of Balamand (UoB), a non-profit higher education institute with headquarters in Lebanon (Khaleej Times, 2014). The market for higher education in the UAE is a dynamic market and a fast growing area of the UAE economy (Reuters, 2014).

With the emergence of knowledge-based and technology driven economies in the Gulf States, there is a surge in the demand for a highly skilled and technologically competent workforce. International higher education enrollment is expected to double to more than 262 million by 2025 (Maslen, 2012). Zayed University's provost, Dr. Daniel Johnson, states that the university predicted that enrollment of Emirati students would increase from the current 4,820 to more than double the amount to around 9,000 in 2014 (Zayed University, 2013). This expectation is according to the demographics of the population and in the number of Emiratis reaching university age (Mahani & Milki, 2011). The demand for places in higher education is rapidly increasing, yet the support from governments in the Gulf states in terms of funding per student as a unit, is declining (Wilen-Daugenti, 2009). The push towards higher education funding has never been as attractive and, indeed, lucrative.

Employers are increasingly concerned with maximizing financial gains by ensuring they are recruiting and retaining only the best talent to further their business and maintain a competitive advantage, pushing them to invest their money in the education of much needed and wanted individuals. Qatar has developed several strong ties with higher education institutes outside of the Gulf in a push for educational excellence, and to create individuals that are employable (Gill, 2008). For example, Cornell and Georgetown Universities each have a branch campus in Doha.

The rise of philanthropy in education can be attributed to a number of factors. Heavy reliance on oil revenues is not a sustainable way to fund higher education in the future, so alternatives must

be sought and implemented. According to (Shuaa Capital, 2008), Abu Dhabi contributed 55 percent of the UAE GDP through oil revenues. The number of UAE nationals wanting to enter the federal university system has increased, yet places are limited, resulting in a push for donations from private organizations (The National, 2013). A rising population, a greater emphasis on quality in education, and the fact the UAE has been taking steps to model their education on the collaborations with western institutes – like Kuwait and Saudi Arabia before them, have allowed access and opened markets. Previously, all subjects were taught predominantly in Arabic, and now English is the medium in order to prepare leavers of secondary education for the world of global business. There is a massive untapped potential for growth, which has caused many international institutes to gain an interest in the region. A presentation made by The Parthenon Group in 2014, declares the UAE as having the largest market opportunity for international IHEs in the K-12 and higher education segments (Wam, 2014).

Currently, in the UAE, there are 18 IHEs. They are divided into 3 categories, federal, public non-federal, and private. Federal institutes are funded by the UAE government and are located all across the UAE. The two largest are the Higher Colleges of Technology and UAE University, followed by Zayed University. The public non-federal can either be funded directly by the government or indirectly. The Petroleum Institute is funded directly by ADNOC, however, this is privately owned government oil company.

The push for more privately funded higher education in the UAE coincides to a noticeable lacuna between the “qualifications provided by the education & training system and labor market requirements” (Raven, 2011, p. 30) . There is a considerable difference in education between privately funded institutes and government institutes, which is why there is a need for more fundraising and philanthropy to bridge the gap and allow graduates to confidently enter the workplace with the required skills. Traditional approaches to learning were employed, which did not especially encourage independent learning or application of what had been learned. The market is attractive in the UAE as it provides new lines of investment, coupled with the major changes that are being implemented to modernize education and align it with international standards, which sets the path for better accreditation efforts.

The large number of expatriates in the country created a need for an influx of foreign schools and IHEs with the standards expected in their home countries. Knowledge Village, based in Dubai, is home to the UAE's majority foreign higher education institutes. It was established in 2003 by TECOM investments and enables organizations from outside the UAE to operate without the requirement of a local sponsor. This led to institutes from the UK, USA, New Zealand and India opening up small campuses to fulfill the needs of the market.

In 2009, MASDAR Institute, a not-for-profit, independent, graduate level and research-driven higher education institute opened in Abu Dhabi, with Massachusetts Institute of Technology (MIT) support and cooperation. It supports the government focus on educational reforms for jobs of the future by offering a range of sustainability-focused courses. According to a report from the American Management Association (AMA), the primary goal of sustainability is to ensure that "whole systems remain healthy so that people as individuals, societies, and organizations improve their overall chances of wellbeing" (AMA, 2011). Diversifying of the economy from oil to one based on health and education requires investment into areas not previously offered, such as sustainable development, energy and maritime studies. In addition to an international affiliation, qualified students were accepted into the postgraduate program from around the world and are offered full tuition, accommodation, monthly stipend, personal computers, all text books, and travel reimbursements (Mahani & Milki, 2011).

In order for these foreign institutions to be academically and economically successful, they must recognize the cultural and legal differences in the host country. The MENA region is not as uniform as first suggested, as each country has its own dialect, food and history, which has shaped the people, their attitudes, behavior and culture. Failure to comply with these cultural differences could result in civil or criminal liability, culture clash, and an outraged host government. In order to prevent such problems, institutions must recognize and understand the host country's laws, regulations and cultural differences (Mahani & Milki, 2011). The more modern UAE has lesser restrictions on education, as opposed to Saudi Arabia, and education is increasingly featuring in government initiatives. Traditionally, certain jobs or careers were bifurcated based on gender. Women scientists or engineers from the Gulf states are rarely employed. Despite 57 percent of graduates from university in Saudi Arabia being female, only 17 percent of women gain employment (Booz Allen Hamilton, 2013), despite Saudi Arabia

being the largest education market in the GCC (Alpen Capital, 2014b). A conservative attitude towards women in the workplace could purport an explanation, but also lack of opportunities, in certain sectors.

In a global competitiveness report (Alpen Capital, 2014b), the UAE was graded 34 in quality of scientific research institutions and 13 overall for availability of scientists and engineers. On the other hand, the Saudi Arabian government is now observing how this higher education segment is necessary to produce home grown talent and have set strategic goals such as international collaborations and investment, and a number of visiting professors, to increase the wide spectrum of ideas. Although this is currently in place, the number of students in tertiary education in Saudi Arabia is just over 50 percent enrollment (Choudaha & Chang, 2012).

The higher education market in Saudi Arabia is attracting a large number of private investors, with a further interest in that of vocational training. Encouraging this investment has allowed the Saudi government to set targets in this industry to reach in excess of a 30 percent share by 2018, currently at 12 percent (Choudaha & Chang, 2012). Private investors are expected and encouraged to bring in professional education institutions to operate schools and universities, in addition to their international experience and best practices. Increasing competition in the higher education sector will also present an opportunity to enhance the quality of education offered in the country by raising curriculum standards and enhancing student experience. Majors such as business management and IT will fuel innovation and research in the industry, presenting new teaching methods and nurturing new ideas.

The current market in some areas of the GCC and MENA region can be described colloquially as a free for all, as there is now an increasingly different type of student evolving who wants to relate education and the industry, and a strong push from the respective governments.

Government employment only has a limited amount of positions and it is clear from research that Emirati graduates do not have the transferable skills to enable them to successfully integrate into private organizations (McLean, 2010). A new, updated government request in all higher education establishments is the inclusion of courses on innovation and entrepreneurship. This is to ensure its nationals have the tools required in the future should the availability of positions rapidly decline due to economic cycles. Full employment in countries like the UAE can actually

increase GDP by 12 percent (Paschyn, 2013). We expect the same result for other countries in the region.

Diversifying from Oil and Attracting FDI

The MENA region is attempting to diversify its respective economies and reduce the need for oil and natural resources as the main source of revenues. Abu Dhabi is attempting an ambitious project worth approximately 25 million AED, the Khalifa Industrial Zone Abu Dhabi (KIZAD). The free zone has been designed to allow international investors the chance to own an industrial property without the need of an Emirati national. The zone, which is based on the Abu Dhabi and Dubai border, is 160 square miles, providing office facilities, storage, and land specifically for industrial use (Abu Dhabi Ports, 2015).

The aim is to attract FDI partnerships with the lure of tax exemptions, facilities and modern infrastructure coupled with reduced rates for necessities such as water and electricity. KIZAD is marketing itself in selected regions across the globe to attract private companies to open and manage businesses in the area. The UK, USA and Germany are among the Western countries targeted, and China, South Korea, and India are among the Eastern countries encouraged to invest. Asia is a key component in attracting philanthropy. China, India, and South Korea are the world's leading sources of international students. One out of six internationally mobile students is from China (ICEF, 2014), and together these three top countries account for more than a quarter of all students studying outside their home countries (ICEF, 2014). Asian students account for 53 percent of all students studying internationally (ICEF, 2014). Encouraging investment from Asian countries will enable the MENA region to develop their higher education systems further and equip students with knowledge required and the work skills necessary for employment and career success.

The Khalifa Fund and the Abu Dhabi Council of Economic Development (ADCED) are offering full training and support in funding to local SMEs and the private sector for purposes of growth, alongside investing in higher education establishments to produce nationals of an acceptable and employable standard. The corollary here is the businesses will invest directly in the education of the employees to their specification, who are then able to gain employment.

All throughout the Arab world, standards and accessibility to higher education is different. Egypt has a range of very well established universities such as Al Azhar and the American University of Cairo. In general, there is an overall lack of quality in higher education in Egypt (Abi-Mershed, 2010). This can be attributed back to Nasser's reforms, which were largely continued by his predecessors. Nasser wished to create a more equitable society by increasing the access to higher education for the masses (Council on Foreign Relations, 2014). However, the reforms of greater access, although well-intentioned, led to poor quality of public university education today. Most Egyptian students attend state run universities, and currently there are 12 state-run universities, as well 10 private universities (The American University in Cairo, 2012b).

Private universities have tapped into foreign resources including universities overseas, technical experts, and donor funding. Private universities are thriving in Egypt and are generally perceived as a success story (The American University in Cairo, 2012b). Egypt began the mission of seeking out private institutes that focus on attracting talent in specific areas of education, such as business-related degrees.

One of the oldest not for profit educational establishments is the American University of Cairo. It was established in 1919 and is now ranked the number one university in Egypt (The American University in Cairo, 2012b). The John D. Gerhart Centre for Philanthropy and Civic Engagement at the American University in Cairo in 2012 launched a conference titled Takaful. The conference is based on Arab philanthropy and civic engagement, and is a platform for academics and practitioners to engage in an intellectual exchange on the latest trends in citizenship, youth leadership and agency, volunteerism, philanthropy in transition, transnational philanthropy and Muslim philanthropy. 'This conference introduces new research on civic participation and links scholars with professionals working in this vital arena,' notes Barbara Ibrahim, director of The John D. Gerhart Center for Philanthropy and Civic Engagement (The American University in Cairo, 2012a). Since the Arab Spring in 2010 that swept through Tunisia, Libya and Egypt, amongst other Arab states, ensuring a smooth transition for the Arab youth in the region requires collaboration and support from society as a whole.

In some areas of the MENA region, there is the lack of fully evolved education and the requirement of several missing parts that have failed to link graduating students with employment in industries. Alpen Capital (2014a) reports that only 29 percent of employers

believe that graduates in the GCC region meet current job market requirements. In approach to tackle this problem, Saudi Arabia established many technical colleges to increase the transferability of quality education directly into the workplace.

A consistent concern in attracting FDI to the MENA area is the frequent political turmoil the region experiences, and the number of wars that are still ongoing, including those in Iraq, Syria, Lebanon, and Yemen. Many countries in the MENA regions are too encompassed with a daily fight to survive to focus on education. Despite this, research by UNICEF has shown that the occupied Palestinian territory has a 95 percent literacy rate despite the restrictions and unstable environment the people live under (UNICEF, 2013). A high population density and the loss of access to traditional work life has motivated education amongst the youth in an attempt to further their studies at foreign institutes in a foreign country as a means of escaping poverty and a daily fight to exist. Many of the universities in Palestine are government- and UN-funded with a little amount of fundraising (UNICEF, 2013).

The number of globally mobile students will nearly triple to eight million by 2025 (Mahani & Milki, 2011). The advancements in technology and access to the world have stimulated the university students of today to seek a global education overseas to gain a greater perspective on life, education, and the world. The phenomenon will also continue to be a widespread trend among future generations. The emergence of the Gulf states as global players in the business field, diversification of the ruling families into not only other countries, but industries – Qatari owned Harrods in London, Abu Dhabi owned Manchester City Football Club – has been enough for an emergence for a potential surge of not for profit foreign organizations investing in higher education institutes in the region.

In 2012, there was an 11 percent increase in enrollment in private higher education institutes, specifically in Dubai – which hosts the majority (KHDA, 2013). Dubai has an ambitious vision to be a higher education hub in the very near future. An added bonus for private organizations wanting to invest in this area of MENA is the ease of application for visas for other non GCC Arabs and the close proximity geographically, not including other cultural landscapes such as religion, food, art, music, and more.

Information extracted from a UNESCO research demonstrates that enrollment in higher education is the highest in MENA with a rate, as of 2013, at 50.9 percent (OECD, 2012). It further demonstrated that the growth rates in the region surpassed the world average of 30.1 percent (OECD, 2012).

Currently, there is an employment shortage in a number of sectors in the majority of the GCC region. Engineering and medical graduates are not as represented in the GCC regions, with the majority of medical doctors in the region hailing from other Middle Eastern states such as Syria, Egypt, Lebanon and Jordan and other Western states. The aim is to attract students from the region to study in this sector in order to fulfill future requirements. It is estimated 42 percent of the GCC's local population are under the age of 15 and will shortly be embarking on a career (Alpen Capital, 2014b).

An increasing population and increasing unemployment amongst the GCC nationals has shaped the hand of the governments who are now actively fundraising and donating funds for students in the medical field. Existing investment in education in the medical sector is ongoing with private institutes such as Cornell's undergraduate medical program in Qatar and The Royal College of Surgeons of Ireland have opened postgraduate facilities in Bahrain (RCSI, n.d.). These institutes are not producing enough medical doctors in order to maintain the surge in population expected. There is a gap in this market for education in the UAE. Currently, there are no affiliations with any private higher education institute, leaving a huge lacuna. This gap is not only evident in the UAE, but Oman also has a huge gap between job availability and skilled local manpower (Alpen Capital, 2014a). Some international players in the training industry have already entered the Omani market and are making an impact, but still require some investment, which all GCC states are now viewing as important in accomplishing their objectives. The Kuwaiti, Bahraini and Qatari education markets are currently growing at a relatively modest pace attributed to a combination of gaps in the education market in many areas, and with strong positive encouragement from the respective governments, private institutions are being attracted into the region.

Special Needs

The Gulf has opened to special needs education only since the last decade. Those with special needs or disabilities were largely hidden from society and therefore restricted from any form of

education. Schools do not have children with varying disabilities, such as Down Syndrome, and in the case of a child with special needs wanting further education, they are often placed in different rehabilitation centers reserved specifically for the more affluent in society.

The Ministries of Education of the GCC member nations have begun to embrace a broader policy view of inclusive education, which seeks to provide learning opportunities to special needs students. Each nation has adopted a different approach towards offering support and learning for students who fall into this category. Currently, it is practically non-existent and unclear how the process will go forward, when employers are still unsure of the provisions required for those employees and future employees with disabilities. However, considering this segment in the region, the private sector can play a key role in enhancing the quality and availability of special needs learning and training.

The government in the UAE, with an aim to reform the education system across the country and deepen the reach and quality of education, established the Dubai Education Council (DEC) and the Abu Dhabi Education Council (ADEC) in 2005. The DEC's strategy was to enhance the quality of education in Dubai by attracting more prestigious private schools and focusing on availing international accreditation (The Cultural Division of the Embassy of the United Arab Emirates, 2011).

Similarly, ADEC began to focus on improving educational standards and facilities, curriculums and ICT usage, by engaging investors from the private sector. The government was reasonably successful and many top class higher education providers opened campuses in both Dubai and Abu Dhabi, which are the two main cities in the UAE.

The current higher education segment is still requiring investment, and UAE is also witnessing an increase in the number of private investors in the higher education segment, which has to cater to a growing number of youth, in the UAE, GCC and greater MENA region in general.

SOLUTIONS AND RECOMMENDATIONS

In this study, the factors affecting FDI include: political stability and individual rights, conflict and tension, religion or military in politics, human capital, level of economic freedom, infrastructure and natural resources, and corruption. Current opportunities and incentives for foreign-based higher education investors include: a large student base, increasing level of democratization, an increase in the amount of women entering higher education, increasing level of economic freedoms, and an attempt by MENA governments to work with IHEs to improve academic freedom concerns.

This leads us to the final research question: what can the MENA region do, individually and as a whole, to minimize challenges and maximize opportunities for FDI and venture philanthropy for higher education in the MENA region?

Government, Legal, and Policy

MENA governments will have to begin or continue to develop policies and legal initiatives that promote transparency and equity. As an example, the budgetary process could be separated and handed over to different agencies (Al-Asaly, 2003). This type of arrangement will provide a balance of powers that would be a step toward better transparency and decreasing corruption. Under strong and inclusive leadership, IHEs and government entities can come together to promote a competitive environment in which everyone has an opportunity to thrive.

Specifically concerning higher education and economic development, government recommendations include: assuming startup costs, then transferring ownership to the private sector; subsidies for private sector higher education participation (Al-Lamki, 2002); promoting entrepreneurial activities within IHEs – industry collaboration (Sawahel, 2015b); and developing a culture of philanthropy and endowment to better endow IHEs (Al-Lamki, 2002).

Government-promoted philanthropy is an important component in this process. Even if the government cannot provide funding for higher education, it still has a role in planning and regulation (Varghese, 2009). If government agents take the time to listen to the concerns of donors and consider legislation that decreases donor fears and concerns, then there is an element of harmony that shows other potential donors that the government is open to collaboration. However, governments must follow through and maintain stability, particularly concerning

policies that promote FDI. Unfair practices including nepotism and blatant cronyism will hinder the process, as will disallowing competition from dwindling down the best ideas through Schumpeter's creative destruction.

If foreign investors are provided with an equal or fair opportunity to develop private IHEs, then the needs of students and the nation will play a large role in the success of the efforts. For all its concerns, private higher education offers choice to students – if they can afford the options (Tilak, 2005). Governments can moderate the public/private dichotomy by addressing equity and access in determining how to pass along costs to students and families during privatization initiatives (Al-Lamki, 2002). Private institutions and the search for profit may make governments and citizens wary, but a highly developed system of accreditation will assist in making sure that students are provided with credible and quality options and quality programs, respectively.

Higher Education and Human Capital

MENA region higher education does not need to emulate Western higher education, but leaders can learn from the successes and failures of the West. One of the efforts that will calm the nerves of potential investors is a well-developed peer-review accreditation system.

Some higher education systems would be better served by consolidating to reduce costs and improve accountability (Al-Lamki, 2002), while others need to grow in order to thrive. MENA governments can assist in the consolidation process, but faculty input should be a priority. The education world is watching MENA higher education development closely, and any concerns over academic freedom should be openly discussed and resolved transparently. Otherwise, fewer international academics will be open to relocating to the MENA region and helping to build existing and new systems.

It would be optimal for each MENA country to develop a comprehensive strategic plan for its higher education system, and then share that plan. Investors would be able to look for opportunities, and then seek government assistance and direction in acting on those opportunities. Again, transparency would be the impetus for such an initiative, and then investors would begin to feel more confident that their goals could align with that of the national system (Al-Lamki, 2002). Together with employers, IHEs and their respective systems can serve as collaboration hubs, forging stronger networks between higher education, research institutions,

and overall investment in R&D (Emirates Competitiveness Council, 2011), leading the way in boosting investor confidence.

Higher education systems have the potential to create positive economic spillovers, improving conditions such as characteristics of investors, local firms, human capital, and the policy framework (Bouoiyour, 2003). As an example, expansion and diversification of current higher education systems can meet the needs of the student population (Al-Lamki, 2002) in order to develop a deeper reserve of human capital that can promote success in knowledge-intensive markets. Each country will need to analyze its system to see whether consolidation or expansion is the right path for their vision.

Together with government, IHEs should work to promote an inclusive environment within, similar to the vision and mission of King Abdullah University of Science and Technology (KAUST) to diversify the Saudi economy and also “root and grow a culture of excellence embracing openness with purpose, passion with focus, debate with respect, and diversity with respect” (KAUST, 2015). It is understandable that turning such a vision into reality is difficult, and should not be only permissible within guarded walls, but such an initiative is a starting point and opens a dialog to further inquiry.

Economic and Individual Freedom

The MENA region is in a strong position to show the rest of the world that an increase in economic and individual freedom can result in strategic higher education economic development and growth. Further development of existing resources and gaining new ones will promote stability and show investors that the MENA region offers a solid footing for FDI. Existing resources include human capital and a dynamic workforce, and new resources include youth working their way through the education system and developing their career skills, yet it also includes opportunities for unemployed and underemployed workers, each of whom will benefit from a better developed higher education system. Developing existing resources includes diversifying the economy beyond that of natural resources, and yet also serving as a proponent of sustainability. Following Alpay (2003), there is potential for an increase in GDP per capita to increase the ESI, which could increase the potential for FDI investment in higher education.

Along with a robust and attractive investment environment, government officials can implement knowledge economy focused education policies (Emirates Competitiveness Council, 2011). An increase in ICT growth in the MENA region could lead to economic growth and increased higher education attainment (Shirazi et al., 2009). Development of existing higher education systems supplemented with technology and deeper connections to foreign IHEs willing to build collaborations or branch campuses offers potential for the large amount of students in the region seeking higher learning. The UAE has been a leader in this area, and much of the MENA region may be open to these changes as they see the benefits.

Providing students with quality options and offering academics the freedom to develop and promote their expertise without consequence is the individual freedom path to growth. Some donors may be offended by criticisms by academics, but the long term growth of the higher education systems and the quality of education will allow new donors to step up. Donors can be quite specific in their requests, such as contributing to endowed professorships or deanships, resources, or capital for new construction. Development officers in the MENA region need to be able work well with both home and international donors. Venture philanthropists will want to apply a hands-on approach, and senior leadership should be willing and able to accept input from donors. Venture philanthropy also provides an element of individual freedom, as donors are not only offering input, but shaping the future of the higher education system for current and future students – shared governance will only make MENA region IHEs stronger. Accordingly, investors will be increasingly willing to become part of economic development efforts that are transparent and planned strategically.

FUTURE RESEARCH DIRECTIONS

Research into the quality of MENA higher education, considering the accreditation process, is ongoing, and would be a further direction of study. The marrying of the educational system with employer needs is another area to ascertain to see if it is meeting expectations and succeeding, or requires further development. The diversification of the economy from oil revenues opens doors for higher education growth, and thus reveals the importance of higher education and quality.

Other information could be researched from the opening of a second and larger New York University Campus in Saadiyat Island Abu Dhabi. The university has recruited staff worldwide and is housed in the cultural area, which will also open the Guggenheim and Louvre in 2016 and 2017 respectively. This is, potentially, a lucrative area of investment. INSEAD have acquired a plot in the neighboring area and will begin construction for a second campus in Abu Dhabi. The opening of the two universities will aim to attract not only Emirati nationals, but talent from the greater MENA and Asia regions alike. Research could be directed towards the impact of two major Western universities opening bigger campuses in a MENA region where economic freedom is increasing, and the talent and philanthropy it is attracting.

Research into the effect the recent political issues and wars have had on attracting philanthropy in the MENA region would be beneficial. The Arab Spring in December 2010 caused a complete turmoil after several countries in the MENA region were catapulted into political unrest and several presidents and prime ministers were removed from power. The aftermath of this relating to education and FDI could be a further area of investigation. It is easy to see how higher education, economic development, FDI, and political science are all intertwined and thus interdisciplinary studies of this region are of the utmost importance.

CONCLUSION

To summarize, there is potential for educational development via FDI in the majority of the MENA region, the focus being on the Gulf States. There is a large population of Arab youth who are keen to develop not only human capital within themselves, but the workforce and societies within their countries. There are challenges in understanding the many bifurcating cultures and traditions in the MENA region, and for some philanthropists, the risk may be too much to consider for investing. But there are many investors willing to take that risk and they can be reassured that they will have a fair chance to succeed.

The increased importance of a few countries in the MENA region in the world economy and politics has generated a mutual interest in what the West is willing to provide and promote, and what the MENA region can offer investors. The importance of the Gulf States, specifically, which are increasingly becoming more and more noticeable, will lead FDI into the MENA region. Active government initiatives to improve institutions and offer an educational system that

could compete with Europe and Asia will only serve to attract investors to the region. Other research has stipulated the importance to provide quality institutes in order to attract FDI (Daude & Stein, 2007), which in turn will improve economic growth, creating the vision the government has of the UAE more specifically – to diversify from oil.

Issues remain with the impact that democracy and corruption have on FDI investment, and generally high corruption countries do not attract investors (Brahim & Rachdi, 2014). The nature of the region and the plagues of war and turmoil are negatives that tend for investors to search for alternative locations. The emergence of Qatar and the UAE as global front runners in business—and now a move towards education, prepares the region to attract FDI. With Qatar hosting the world cup in 2022 and Dubai hosting the Expo in 2020, this will allow tourists and businesses alike the opportunity to visit the two countries, and business investors to pledge millions of dollars for the construction of much needed infrastructure. The growth in population and the governments' attempting to compete in educational reforms can only be observed to be positive. The attempt at reducing corruption, relaxing stringent laws and reducing complex bureaucratic procedures can improve the attractiveness to FDI investors.

The MENA region is in an enviable position, preparing to take great strides in business and education. Internally, an increase in alumni of quality programs and institutions provides a substantial donor base of patriotic investors, likely venture philanthropists. Across the globe, wise investors will continue to view the MENA region as a less risky investment, as each MENA country begins to increase FDI and put it to good use, particularly in higher education. Higher education philanthropy requires an investment of adequate resources and a commitment to the time it takes to develop donors and create a culture of philanthropy, involving higher education leadership, regional and local leadership, and government support. A well-educated workforce with strategic philanthropy in mind would position the MENA region to establish itself as a solid foundation in need of FDI to grow its prestige and continue the growth and economic development trajectory.

REFERENCES

- Abi-Mershed, O. (2010). *Trajectories of education in the Arab world: Legacies and challenges*. New York, NY: Routledge.
- Abu Dhabi Ports. (2015). *Kizad*. Retrieved from <http://www.adports.ae/en/article/industrial-zone/kizad-1.html>
- Al-Asaly, S. (2003). Political reform and economic institutional building: A case study of budgetary institutional reform in Yemen (pp. 1–39). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Al-Lamki, S. M. (2002). Higher education in the Sultanate of Oman: The challenge of access, equity and privatization. *Journal of Higher Education Policy and Management*, 24(1), 75–86.
- Alnaqbi, W. (2011). *The relationship between human resource practices and employee retention in public organisations: An exploratory study conducted in the United Arab Emirates*. Perth: Edith Cowan University.
- Alpay, S. (2003). Economic development, openness to trade and environmental sustainability in the MENA countries (pp. 1–20). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Alpen Capital. (2014a). *GCC education industry*. Retrieved from http://www.alpencapital.com/downloads/GCC_Education_Industry_Report_July_2014.pdf
- Alpen Capital. (2014b). *GCC Education sector undergoing an exciting phase of growth, says Alpen Capital's latest report*. Retrieved from <http://www.alpencapital.com/news/2014-July-2.html>

- Alphin Jr., H. C. (2014). Global accreditation for a knowledge-oriented community: Foundational change breeds global access to educational and economic opportunity. In *Handbook of Research on Transnational Higher Education* (Vol. 1, pp. 303–328). Hershey, PA: IGI Global.
- Altbach, P. G. (1998). *Comparative higher education: Knowledge, the university, and development*. Westport, CT: Ablex Publishing.
- Altbach, P. G. (2007). Peripheries and centres: Research universities in developing countries. *Higher Education Management and Policy*, 19(2), 111–134.
- AMA. (2011). *Management Centre Europe to open Middle East office in Abu Dhabi*. Retrieved from <http://www.amanet.org/news/5201.aspx>
- Andreoni, J. (1988). Privately provided public goods in a large economy: The limits of altruism. *Journal of Public Economics*, 35, 57–73.
- ANQAHE. (2015). *History*. Retrieved from <http://www.anqahe.org/index.php/about/history>
- Becker, G. (1974). A theory of social interactions. *Journal of Political Economy*, 82, 1063–1094.
- Blackmur, D. (2008). A critical analysis of the INQAAHE Guidelines of Good Practice for higher education quality assurance agencies. *Higher Education*, 56(6), 723–734. <http://doi.org/10.1007/s10734-008-9120-x>
- Booz Allen Hamilton. (2013). *Booz Allen Hamilton to support business and economic growth in the Kingdom of Saudi Arabia*. Retrieved from <http://www.boozallen.com/media-center/press-releases/2013/02/booz-allen-to-support-economic-growth-in-saudi-arabia>
- Bouoiyour, J. (2003). The determining factors of foreign direct investment in Morocco (pp. 1–19). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.

- Boverini, L. (2006). When venture philanthropy rocks the ivory tower. *International Journal of Educational Advancement*, 6(2), 84–106.
- Brahim, M., & Rachdi, H. (2014). Foreign direct investment, institutions and economic growth: Evidence from the MENA region. *Journal of Reviews on Global Economics*, 3, 328–339.
- Burden-Leahy, S. M. (2009). Globalisation and education in the postcolonial world: The conundrum of the higher education system of the United Arab Emirates. *Comparative Education*, 45(4), 525–544.
- Choudaha, R., & Chang, L. (2012). *Trends in international student mobility*. World Education Services. Retrieved from <http://www.uis.unesco.org/Library/Documents/research-trends-international-student-mobility-education-2012-en.pdf>
- Clawson, P. (2009). *Demography in the Middle East: Population growth slowing, women's situation unresolved*. The Washington Institute. Retrieved from <http://www.washingtoninstitute.org/policy-analysis/view/demography-in-the-middle-east-population-growth-slowing-womens-situation-un>
- Cohen, M. L., & Khan, E. (2013). Scientific engagement defining gaps and creating opportunities for cooperative research and global security in the broader Middle East and North Africa (BMENA) region. In K. M. Berger (Ed.), *Future Opportunities for Bioengagement in the MENA Region*. Washington, DC: AAAS.
- Council on Foreign Relations. (2014). *Egypt info service: The Egyptian Women and Economy*. Retrieved from <http://www.cfr.org/world/egypt-info-service-egyptian-women-economy/p24141>
- Cutlip, S. M. (1990). *Fund raising in the United States: Its role in America's philanthropy*. New Brunswick, U.S.A: Transaction Publishers.

- Darrat, A. F., & Al-Shamsi, F. S. (2003). On the path to integration in the Gulf region: Are the Gulf economies sufficiently compatible? (pp. 1–18). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Daude, C., & Stein, E. (2007). The quality of institutions and foreign direct investment. *Economics & Politics*, 19(3), 317–344.
- Drezner, N. D. (2011). Special issue: Philanthropy and fundraising in American higher education. *ASHE Higher Education Report*, 37(2), 1–155.
- Drezner, N. D., & Huehls, F. (2014). *Core concepts in higher education: Fundraising and institutional advancement: Theory, practice, and new paradigms*. Florence, KY: Routledge.
- Duncan, B. (1999). Modeling charitable contributions of time and money. *Journal of Public Economics*, 72, 213–242.
- Duncan, B. (2004). A theory of impact philanthropy. *Journal of Public Economics*, 88, 2159–2180.
- Ealy, L. T. (2012). Investing in the ideas of liberty: Reflections on the philanthropic enterprise in higher education. *Independent Review*, 17(2), 177–191.
- Eid, F., & Paua, F. (2002). *Foreign direct investment in the Arab World: The changing investment landscape* (Working Paper Series). Beirut: School of Business, The American University.
- Elhiraika, A. M. (2007). Explaining growth in an oil dependent economy: The case of the United Arab Emirates. In J. B. Nugent & M. H. Pesaran (Eds.), *Explaining Growth in the Middle East*. The Netherlands; Oxford: Elsevier.

- Emirates Competitiveness Council. (2011). *Policy in action: The UAE in the global knowledge economy: Fast-forwarding the nation*. Retrieved from http://www.ecc.ae/docs/default-source/ecclibrary/ecc_policy_in_action_issue_01_knowledge_economy_jan_2011_english.pdf?sfvrsn=0
- Fearn, H. (2010). *Fundraisers recommended to tap Eastern promises of financial aid*. Times Higher Education. Retrieved from <http://www.timeshighereducation.co.uk/news/fundraisers-recommended-to-tap-eastern-promises-of-financial-aid/413396.article>
- Garvin, D. A. (1980). *The economics of university behavior*. New York: Academic Press.
- Gill, J. (2008). *Oiling the learning machine*. Times Higher Education. Retrieved from <http://www.timeshighereducation.co.uk/403223.article>
- Gilpin, R. (2001). *Global political economy: Understanding the international economic order*. Princeton: Princeton University Press.
- Godwin, S. M. (2006). Globalization, education and Emiratisation: A study of the United Arab Emirates. *The Electronic Journal of Information Systems in Developing Countries*, 27(1), 1–14.
- Gose, B. (2013). *Strategic philanthropy comes to higher education*. The Chronicle of Higher Education. Retrieved from <http://chronicle.com/article/Strategic-Philanthropy-Comes/140299/>
- Grossman, A., Letts, C. W., & Ryan, W. (1997). Virtuous capital: What foundations can learn from venture capitalists. *Harvard Business Review*, 75(2), 36–50.

- Haddad, M. M., & Hakim, S. R. (2003). Did September 11 alter the sovereign risk in MENA? An empirical investigation (pp. 1–18). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Hanafu, S., & Tiltne, A. A. (2008). The employability of Palestinian professionals in Lebanon: Constraints and transgression. *Knowledge, Work and Society*, 5(1), 1–15.
- Harbaugh, W. T. (1998). What do donations buy? A model of philanthropy based on prestige and warm glow. *Journal of Public Economics*, 67, 269–284.
- Held, D., McGrew, A., Goldblatt, D., & Perraton, J. (1999). *Global transformations: Politics, economics and culture*. Stanford, Calif: Stanford University Press.
- Hertog, S. (2013). *The private sector and reform in the Gulf Cooperation Council* (No. 30). London: London School of Economics and Political Science.
- ICEF. (2014). *Summing up international student mobility in 2014*. ICEF Monitor. Retrieved from <http://monitor.icef.com/2014/02/summing-up-international-student-mobility-in-2014/>
- INQAAHE. (2013). Constitution. Retrieved from <http://www.inqaahe.org/main/about-inqaahe/constitution/constitution-html>
- INQAAHE. (2015). INQAAHE 2015. Retrieved from <http://www.acbsp.org/page/inqaahe2015>
- International Labour Organization. (2011). *A skilled workforce for strong, sustainable and balanced growth: A G20 training strategy*. Geneva: International Labour Office.
- Johnstone, D. B. (1998). *The financing and management of higher education: A status report on worldwide reforms*. The World Bank.
- Kapur, D., & Crowley, M. (2008). *Beyond the ABCs: Higher education and developing countries* (No. Working Paper Number 139). Washington, DC: Center for Global Development.
- KAUST. (2015). *Our vision at KAUST*. Retrieved from <http://www.kaust.edu.sa/vision.html>

- Khaleej Times. (2014). *Dubai Investments signs deal with University of Balamand*. Retrieved from http://www.khaleejtimes.com/biz/inside.asp?xfile=/data/uaebusiness/2014/November/uae_business_November329.xml§ion=uaebusiness
- KHDA. (2013). *The higher education landscape in Dubai 2012*. Dubai: Knowledge and Human Development Authority.
- Knight, J. (2008). The internationalization of higher education: Complexities and realities. In D. Teferra & J. Knight (Eds.), *Higher Education in Africa: The International Dimension*. Chestnut Hill, MA: Boston College Center for International Higher Education.
- Kuemmerle, W. (1999). The drivers of foreign direct investment into research and development: An empirical investigation. *Journal of International Business Studies*, 30(1), 1–24.
- Lasher, W. F., & Cook, W. B. (1996). Toward a theory of fund raising in higher education. *The Review of Higher Education*, 20(1), 33–51.
- Leslie, L. L., & Ramey, G. (1988). Donor behavior and voluntary support for higher education institutions. *The Journal of Higher Education*, 59(2), 115–132.
- Luomi, M. (2009). Abu-Dhhabi's alternative-energy initiatives: Seizing climate-change opportunities. *Middle East Policy*, XVI(4).
- Mahani, S., & Milki, A. (2011). Internationalization of higher education: A reflection on success and failures among foreign universities in the United Arab Emirates. *Journal of International Education Research*, 7(3), 1–8.
- Mangan, K. (2015). *UAE incident raises questions for colleges that open campuses in restrictive countries*. The Chronicle of Higher Education. Retrieved from <http://chronicle.com/article/UAE-Incident-Raises/228565/>

- Marginson, S., & van der Wende, M. (2006). *Globalisation and higher education*. OECD.
Retrieved from <http://www.oecd.org/edu/research/37552729.pdf>
- Maslen, G. (2012). *Worldwide student numbers forecast to double by 2025*. University World News. Retrieved from
<http://www.universityworldnews.com/article.php?story=20120216105739999>
- McLean, M. (2010). Citizens for an unknown future: Developing generic skills and capabilities in the Gulf context. *Learning and Teaching in Higher Education: Gulf Perspectives*, 7(2), 9–30.
- Mellahi, K., Guermat, C., Frynas, G., & Al Bortamani, H. (2003). Motives for foreign direct investment in Gulf cooperation countries: The case of Oman (pp. 1–21). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Mina, W. (2014). United Arab Emirates FDI outlook. *The World Economy*, 37(12), 1716–1730.
<http://doi.org/10.1111/twec.12169>
- Moghadam, V. M. (2003). *Modernizing women: Gender and social change in the Middle East* (2e ed.). Boulder: Lynne Rienne Publishers, Inc.
- Murphy, Jr., R. D., & Salehi-Isfahani, D. (2003). Labor market flexibility and investment in human capital (pp. 1–21). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Nour, S. S. O. M. (2014). *Overview of knowledge transfer in MENA countries - The case of Egypt* (No. #2014-017). Maastricht, The Netherlands: United Nations University.
- OECD. (2012). *OECD Week 2012*. Retrieved from
<http://www.oecd.org/social/family/50423364.pdf>

- Onyeiwu, S. (2000). Foreign direct investment, capital outflows, and economic development in the Arab World. *Journal of Development and Economic Policies*, 2(2), 27–57.
- Onyeiwu, S. (2003). Analysis of FDI flows to developing countries: Is the MENA region different? (pp. 1–22). Presented at the ERF 10th Annual Conference, Marrakech, Morocco.
- Orr, D. W. (1999). Education for globalization (modern Western education system). *The Ecologist*, 29(3), 166.
- Paschyn, C. M. (2013). *Women in the Gulf: Better educated but less employed*. Al-Fanar Media. Retrieved from <http://www.al-fanarmedia.org/2013/10/women-in-the-gulf-better-educated-but-less-employed/>
- Raines, J. P., & Leathers, C. G. (2003). *The economic institutions of higher education: Economic theories of university behavior*. Cheltenham, UK ; Northampton, MA: E. Elgar.
- Raven, J. (2011). Emiratizing the education sector in the UAE: Contextualization and challenges. *Education, Business and Society: Contemporary Middle Eastern Issues*, 4(2), 134–141.
- RCSI. (n.d.). *RCSI Bahrain*. Retrieved from https://www.rcsi.ie/rcsi_bahrain
- Reuters. (2014). *Dubai Investments plans investments in education, healthcare*. Gulf Business. Retrieved from <http://gulfbusiness.com/2014/10/dubai-investments-plans-investments-education-healthcare/>
- Rupp, R. (2009). Higher education in the Middle East: Opportunities and challenges for U.S. universities and Middle East partners. *Global Media Journal*, 8(14).
- Salama, S. (2013). *Emiratisation quotas won't work, warns academic*. Gulf News. Retrieved from <http://gulfnews.com/business/sectors/employment/emiratisation-quotas-won-t-work-warns-academic-1.1262779>

Sawahel, W. (2015a). *More cross-border campuses in the Arab states*. University World News.

Retrieved from

<http://www.universityworldnews.com/article.php?story=20150320011437374>

Sawahel, W. (2015b). *Universities urged to develop links with industry*. University World News.

Retrieved from

<http://www.universityworldnews.com/article.php?story=20150326160428148>

Schofer, E., & Meyer, J. W. (2005). The worldwide expansion of higher education in the twentieth century. *American Sociological Review*, 70(6), 898–920.

Schultz, T. P. (1997). Assessing the productive benefits of nutrition and health: An integrated human capital approach. *Journal of Econometrics*, 77(1), 141–158.

Shimoni, B. (2008). *The new philanthropy in Israel: Ethnography of major donors* (No. Article 2). Jerusalem: The Hebrew University of Jerusalem.

Shirazi, F., Gholami, R., & Higon, D. A. (2009). The impact of information and communication technology (ICT), education and regulation on economic freedom in Islamic Middle Eastern countries. *Information & Management*, 46, 436–433.

Shuaa Capital. (2008). *Vision 2008: UAE equity markets*. Retrieved from

<http://www.arabruloflaw.org/compendium/Files/UAE/104.pdf>

Sperling, J. M., Marcati, C., & Rennie, M. (2014). *GCC women in leadership: From the first to the norm*. McKinsey & Company.

Steer, L., Ghanem, H., & Jalbout, M. (2014). *Arab youth: Missing educational foundations for a productive life?*. Washington, DC: Center for Universal Education at Brookings.

- Tarawneh, E. (2011). Assessing and understanding quality in the Arab region. In T. Townsend & J. MacBeath (Eds.), *International Handbook of Leadership for Learning* (Vol. 2, pp. 1107–1124). Dordrecht; Heidelberg; London; New York: Springer.
- Teferra, D. (2008). The internationalization of dimensions of higher education in Africa: Status, challenges and prospects. In D. Teferra & J. Knight (Eds.), *Higher Education in Africa: The International Dimension*. Chestnut Hill, MA: Boston College Center for International Higher Education.
- Thacker, S., & Cuadra, E. (2014). *The road traveled: Dubai's journey towards improving private education*. Washington, DC: The World Bank.
- The American University in Cairo. (2012a). *AUC holds second annual conference on Arab giving and civic participation*. Retrieved from <http://www.aucegypt.edu/news/Pages/NewsRelease.aspx?rid=294>
- The American University in Cairo. (2012b). *The chronicles 2012*. Cairo: The American University in Cairo. Retrieved from http://www.aucegypt.edu/research/ebhrc/publications/Documents/Chronicles2012/2012_chronicles_final-version.pdf
- The Cultural Division of the Embassy of the United Arab Emirates. (2011). *Education in UAE: K-12 education*. Retrieved from <http://uaecd.org/k-12-education>
- The National. (2013). *Room to improve private universities in the UAE*. Retrieved from <http://www.thenational.ae/thenationalconversation/editorial/room-to-improve-private-universities-in-the-uae>
- The World Bank. (1999). *Education in the Middle East and North Africa: A strategy towards learning for development* (p. 56). Human Development Network.

- The World Bank. (2015). *Middle East and North Africa*. Retrieved from <http://www.worldbank.org/en/region/mena>
- Tilak, J. B. G. (2005). *Private higher education: Philanthropy to profits* (pp. 113–121). Barcelona: Global University Network for Innovation and Palgrave Macmillan.
- Trenwith, C. (2013). *Emiratisation failing to cut UAE jobless rate - Al Mulla*. ArabianBusiness.com. Retrieved from <http://www.arabianbusiness.com/emiratisation-failing-cut-uae-jobless-rate-al-mulla-526191.html>
- UNESCO. (2010). *Towards an Arab higher education space: International challenges and societal responsibilities*. (B. Lamine, Ed.). Cairo: UNESCO.
- UNICEF. (2013). *At a glance: State of Palestine*. Retrieved from http://www.unicef.org/infobycountry/oPt_statistics.html
- Varghese, N. V. (2009). *Globalization, economic crisis and national strategies for higher education development*. Paris: International Institute for Educational Planning.
- Wam. (2014). *UAE more attractive for higher education institutions than China, Singapore*. Emirates 24|7. Retrieved from <http://www.emirates247.com/uae-more-attractive-for-higher-education-institutions-than-china-singapore-2014-09-19-1.563512>
- Wilen-Daugenti, T. (2009). *Edu: Technology and learning environments in higher education*. New York, NY: Peter Lang Publishing, Inc.
- Wilkins, K. (2011). *Higher education reform in the Arab world*. Washington, D.C: Saban Center at Brookings.
- Yale University, & Columbia University. (2005). *2005 Environmental Sustainability Index: Benchmarking national environmental stewardship*. Yale Center for Environmental Law

and Policy; Center for International Earth Science Information Network at Columbia University.

Zawya. (2015). *UAE*. Retrieved from <https://www.zawya.com/middle-east/countries/uae/>

Zayed University. (2013). *Zayed University self-study report*. Retrieved from

http://www.zu.ac.ae/main/files/contents/assessment_resource/Accreditation/MSCHE_Self-Study_2013.pdf

KEY TERMS AND DEFINITIONS

Emiratisation: A government initiative in the United Arab Emirates to ensure all nationals were employed in all sectors, actively reducing the unemployment rate.

EXPO 2020: The event being held in Dubai in 2020 with the theme *Connecting Minds, Creating the Future*, will be a platform for hundreds of nations to showcase their thinking in architecture, science and technology.

MENA: Middle East and North Africa

NGO: A nongovernmental nonprofit organization that is not part of a government and not part of a for-profit business.

UNRWA: United Nations Relief and Works Agency