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# Understanding the Mutating ‘Third Wave’: Comparing the Drivers of Remote Metropolitan Branch Campuses and International Branch Campuses

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## Abstract

For several decades, universities in the UK have been growing and diversifying their revenue by recruiting international students. There have been three sequential waves of internationalisation – export education, then franchising degrees to private providers overseas, and finally the establishment of international branch campuses (IBCs) around the world. More recently, there has been a mutation of this ‘third wave’ with an increasing number of UK universities setting up remote metropolitan branch campuses (RMBCs) in London. This paper compares the motivations of UK universities establishing RMBCs and IBCs. It finds that while there are broad parallels between the reasons for starting an RMBC and an IBC, there are important differences of emphasis and impact. It also finds that RMBCs offer universities a valuable ‘experimental laboratory’ on home soil to pilot new curricula, pedagogies and operating models, which are potentially transferrable back to the home campus.

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**Keywords**

international branch campus, London campus, transnational education, international students, widening participation, university finances

**Introduction**

In their paper analysing the internationalisation of higher education, Mazzarol et al. (2003) argued that the establishment of international branch campuses (IBCs) represents the 'third wave' of a three-stage process. Building on the theory of international production explaining market entry and encompassing the role of ownership, location and internalisation introduced by Dunning (1980, 1988), this process starts with export education (recruiting international students to study on campus), evolves into forms of franchising (licensing a university's programmes to be taught by a third-party provider abroad) and ends with the construction and operation of campuses in other countries (Chen, 2015).

For the three dominant exporters of higher education, Australia, the UK and the United States, the transition from the first to the second wave began in earnest in the late 1990s, as important source markets for international students like Hong Kong, Singapore and Malaysia began to decline. To sustain enrolment volumes, universities started to franchise their programmes to local colleges, dramatically lowering the cost of degree acquisition to students who could study in their home countries at reduced tuition fees.

While the number of franchised programmes in these traditional source countries remains high, the market innovators moved onto the third wave, initially setting up IBCs in Malaysia and Singapore. These satellite campuses gave the exporting universities greater control over marketing and recruitment and, although most employ locally hired staff to teach their programmes and provide support services, they can exert more direct oversight of curriculum delivery and assessment than with a franchise operation (Escriva-Beltran et al., 2019).

Over time, the third wave spread further afield, to new countries where franchising had either proved harder to get started or where the host government favoured IBCs over franchising as a means of absorbing local unmet demand for higher education with high-quality provision. This was particularly true in both China and the United Arab Emirates (UAE) where IBCs developed despite the very limited extent of prior franchising.

Although there is steady growth in the number of IBCs operated by Australian, UK and US universities, there is evidence that the third wave is beginning to mutate in an unexpected fashion, with first Australian and US, and more recently UK, universities increasing enrolments by setting up remote metropolitan branch campuses (RMBCs) in metropolitan centres like Sydney, New York and London. For the UK universities in particular, enrolments in London-based RMBCs are growing strongly and Hickey

and Healey (2024) estimate these have now reached 30,000 – compared with 38,656 enrolments in all UK IBCs (UUKI, 2023).

While there is an extensive literature on the various motivations for universities setting up IBCs, relatively little is known about the much more recent phenomenon of RMBCs. This paper seeks to explore whether RMBCs are essentially a special case of cross-border higher education – in which the borders being crossed are regional rather than national – or whether they are qualitatively different from IBCs in terms of motivations and challenges.

The approach taken is to briefly review the established literature on IBCs in terms of institutional motivations. The paper then adopts an insider-researcher methodology to explore the reasons for the growth of RMBCs based on interviews with the directors of 10 London-based RMBCs. It tests the interview results against the motivations for establishing an IBC to investigate the similarities and differences between regional and international spatial diversification. Where there appear to be significant differences between the two, the paper seeks to induce new insights into the specificities of RMBCs. It adds to the small but growing body of literature of RMBCs and provides some insight into possible future trajectories for international student mobilities, as universities continue to diversify their operations and broaden their reach.

## Literature Review

### *Internationalisation of HE*

There is an extensive literature examining both the drivers of the internationalisation of higher education, as well as the political, economic, social and technological factors that have shaped its form (e.g., Altbach & Knight, 2007; Knight, 2003, 2004). While the orthodox view is that higher education follows the incremental stages pattern associated with the Stockholm School of exporting, licensing and direct foreign investment, known as the ‘Uppsala internationalisation model’ developed by Johanson and Vahlne (1977), Healey (2008) argued that this commercial framing is too simplistic. Universities in countries like Australia and the UK, where government policy since the 1980s has made them financially dependent upon revenues from international tuition fees, undoubtedly behave commercially. But they operate in a global higher education sector influenced by a range of factors including national and international politics, geodemographics, globalisation, technological advances and societal change (Mense et al., 2018).

Economic growth, rising living standards and lags in the expansion of domestic higher education capacity continue to drive demand for students in the Global South to study abroad (British Council, 2024). These forces create the market for export education offered by universities from the Global North. The latest data from UNESCO (2024) suggests that for every degree-seeking student that is willing and able to study abroad, there are 50 who are geographically immobile for financial or cultural reasons, creating the demand for transnational education (TNE) like franchising and IBCs. As Table 1

**Table I.** Global Enrolments.

	1980	1985	1990	1995	2000	2005	2010	2015	2022
Internationally-mobile tertiary students (m)	1.1	1.1	1.3	1.7	2.1	3.0	4.1	4.8	6.4
Global tertiary enrolments (m)	51.2	60.3	68.7	81.7	99.9	139.0	181.7	217.7	254.3
Internationally mobile as % total	2.1%	1.8%	1.9%	2.1%	2.1%	2.2%	2.3%	2.2%	2.5%

Source: UNESCO Institute for Statistics (2024).

shows, while global enrolments in higher education have increased five-fold since 1980, the percentage that study abroad remains persistently low at around 2%.

There is a wealth of literature exploring the importance of higher education to economic development and social inclusion, as well as its role in building nationhood and prestige (e.g., Agastini & Bertoletti, 2022; Basit & Tomlinson, 2014). The demand for international higher education is, accordingly, strongly mediated by national policy and regulations. Higher education sectors are socialised, publicly subsidised, heavily regulated, quality controlled or overtly directed by ministries of education (Helms et al., 2015). National governments have considerable influence over their citizens' ability to study abroad, through the allocation of overseas scholarships, restrictions on currency exchange to fund study and moral suasion. On their home soil, national governments can, should they choose, exert an absolute monopoly over whether, and on what terms, a foreign university can offer higher education to its citizens in-country (McBurnie & Ziguras, 2001).

### *Institutional Motivations for Establishing International Branch Campuses*

This means that the internationalisation of higher education is driven by a complex interaction of economic, political and social factors (Altbach & Knight, 2007). On the supply-side, Australian and UK universities have engaged in internationalisation so aggressively because domestic enrolment numbers and/or tuition fees have often been capped by their governments and research income yields a small or even negative financial contribution (McCaffery, 2010). Since the 'liberalisation' of international enrolments and international tuition fees in the 1980s, international student recruitment on- and off-shore has become one of the few viable means of diversifying and growing revenue, as summarised by Koryakina (2018).

On the demand-side, unmet excess demand for higher education in rapidly growing countries in the Global South creates a market, mediated by the priorities and policies of their national governments, for both export education and TNE (Healey, 2008). These policies, in turn, evolve over time. For example, as the quality and scale of the domestic higher education sector expands to absorb a greater share of the local demand, the willingness of national governments to tolerate the outflow of foreign exchange to allow students to study abroad, and their acceptance of low-quality TNE, quickly ebbs. Malaysia systematically discouraged outbound student mobility from the late 1990s onwards in response to the onset of the 1997 Asian financial crisis (Symaco & Wan, 2017), while Singapore used the 2009 Private Education Act to purge its domestic sector of low-quality franchise operations (Tan, 2019).

For the exporting universities, the drive to internationalisation is more nuanced than the simple commercial pursuit of revenue. Healey (2023) identifies five broad reasons why UK universities have set up a physical presence overseas:

1. Revenue diversification and maximisation

The IBC may be seen as a means of creating a revenue flow back to the exporting university, while mitigating financial and reputational risk that can arise from franchising (McBurnie & Ziguas, 2006; Naidoo, 2006; Verbik & Merkley, 2006; Wilkins, 2012; Wilkins & Huisman, 2012; Pon & Ritchie, 2014; Universities UK, 2018a, 2018b). The creation of the new revenue streams stems from two distinctly different approaches to reaching new student markets:

- (a) Local demand absorption: the IBC may serve local students who are unable to access suitable domestic higher education or travel abroad for study. This may be due to shortages of capacity in the existing domestic higher education sector, cultural or ethnic discrimination by local universities against certain groups (e.g., female or minority students), the absence of professional, part-time education for working students, or financial and cultural constraints that mitigate against their studying abroad (Wilkins, 2016).
- (b) Regional demand absorption: the IBC may operate as a regional 'export hub', serving regional students from neighbouring countries who cannot access higher education in their home countries, but for financial or cultural reasons are unwilling to study at the home campus of the IBC (Knight, 2011, 2014).

## 2. A pipeline of international students

The IBC may be set up, not as a revenue-generating centre in its own right, but as a way of preparing students in their own countries for subsequent transfer to the home campus as conventional international students (British Council, 2020; HEFCE, 2015). The revenue gain comes mainly from the students once they enrol at the home campus. The in-country operation may be actually loss-making, regarded by the exporting university as a better means of recruiting talented, motivated students than relying on agents and incurring agents' commissions.

## 3. Internationalisation of the curriculum

The IBC may create opportunities for structured international mobility for students from both the home and host country (Pon & Ritchie, 2014). If the exporting university can replicate programmes at both its home campus and its IBC, then in principle students can move seamlessly between the different nodes to build their intercultural experience and competency, while maintaining an integrated, coherent student programme. This contrasts with the traditional student exchange between universities, which is plagued by difficulties of transferring credit between participating institutions (Wilkins, 2021).

A contemporary related phenomenon is the current European University Initiative funded by the European Commission through Erasmus+ (Pagliarello, 2022). This

programme seeks to transform networks of universities across Europe into federal structures ('European Universities'). These will allow students to take a degree of the federal university by studying at a number of campuses in different countries. In effect, the EUI aims to turn autonomous national universities into IBCs of the new European Universities.

#### 4. Access to talent and research funding

The IBC may facilitate the recruitment of the most gifted students who can contribute to the university's research programmes and position the exporting university so that it can build research teams offshore and access new sources of research grant from the host government (Ennew & Fujia, 2009; Feng, 2013).

#### 5. Prestige and global positioning

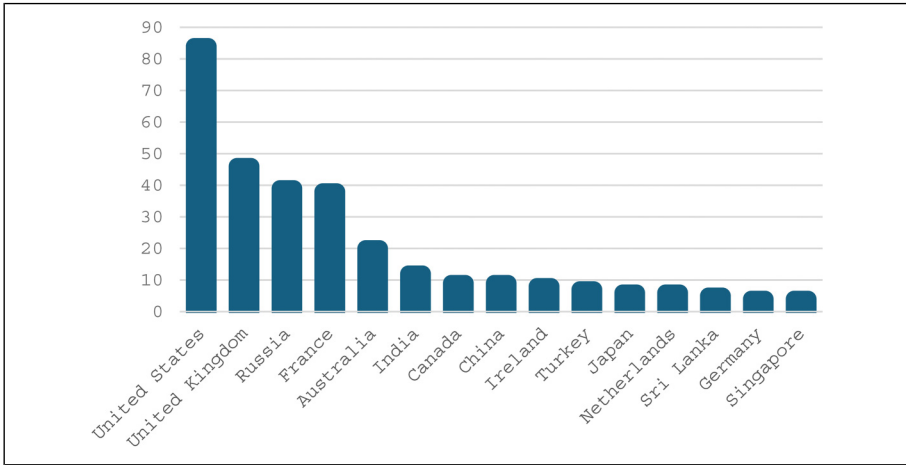
The IBC may help establish the exporting university as a global brand, with reach that extends far beyond its national base (Harding & Lammey, 2011; Mazzarol et al., 2003; McBurnie & Ziguras, 2006; Naidoo, 2006). This may indirectly increase its international student recruitment to the home campus by raising the profile of the university on the global stage, but the enhanced prestige may also assist it to compete for academic talent and political influence with both its own and foreign governments.

### *IBCs and RMBCs*

This paper takes its definition of an IBC from C-BERT, which provides the most up to date global source of statistics on their scale. C-BERT describes an IBC as 'an entity that is owned, at least in part, by a foreign higher education provider; operated in the name of the foreign education provider; and provides an entire academic program, substantially on site, leading to a degree awarded by the foreign education provider' (C-BERT, 2023).

There has been a steady growth in the number of IBCs globally, from 82 globally in 2006 to 333 in 2023 (C-BERT, 2023), although the trend has been marked by regular failures and closures of IBCs which partially offset the number of new start-ups (Wilkins, 2016). The market leaders, the United States and the UK, have been joined by other countries, including those from the Global South – notably India, where private universities like Amity and Manipal have opened campuses to serve their expatriate communities in markets like the UAE, and China which appears to be using IBCs to project soft power, partly in pursuit of its ambitious 'Belt and Road' initiative. Figure 1 shows the number of IBCs by the top 15 home countries, highlighting the provider diversity.

The literature on RMBCs is much less developed than for IBCs. In an early foray into the field, Brooks and Waters (2018) explored the way that provincial UK universities exploit the lure of a global capital city to compensate for the lack of facilities



**Figure 1.** Top 15 home countries of international branch campuses 2023. Source: C-BERT (2023).

provided by the RMBCs, concluding that ‘selling’ London to international students is pivotal to the success of RMBCs in the city. Kleibert (2021) also found that apart from using RMBCs to access to new markets (labelled ‘territorial fixes’), RMBCs provided a reputational gain (‘symbolic fixes’) to the UK university through enhancing its association with the city of London. Generally, however, the relative dearth of studies of RMBC appears to be because the phenomenon is much more recent and limited than IBCs, the latter dating back almost 30 years and being globally widespread. It may also be because RMBCs are somewhat invisible, often being relatively small-scale operations in major capitals served by much larger, established universities.

Hickey and Healey (2024) define an RMBC as:

a teaching facility that is established or acquired in a strategic metropolitan location which is geographically remote from – but in the same country as – the home campus of the higher education provider; that is owned or leased, at least in part, by that provider; is operated in the name of that provider; and that offers academic programmes, substantially on site, leading to a degree awarded by that provider.

The term RMBC is used in preference to domestic branch campus (DBC) because many universities in Australia and the UK were created in the 1970s by merging formerly independent colleges (e.g., teacher training colleges, art colleges, colleges of commerce and technology) to create federal structures (typically polytechnics in the UK) which had multiple campuses in the same local area. An RMBC, in contrast, describes a satellite campus which has been established *de novo* in a major

metropolitan centre far from the home campus(-es) to give the university strategic access to a completely new student market.

## Research Methodology

The key research question is whether the establishment of RMBCs is motivated by the same broad objectives as IBCs, or whether there is something qualitatively different about spatial diversification that is undertaken within, as opposed to across, national borders.

To explore the motivations behind the creation of RMBCs, London was selected as a case study because such a large number of RMBCs have been, and continue to be, established in the UK capital. As Table 2 illustrates, there were 15 RMBCs operating in London in 2024, with three of these having opened since 2023 and a fourth currently

**Table 2.** London Remote Metropolitan Branch Campuses in Operation / Planned.

University <sup>a</sup>	Current Location	Established	Approx. students
1. Anglia Ruskin University	Farringdon, EC1N, East India, E14	2007	8,500
2. Coventry University	Spitalfields, E1	2009	5,000
3. University of Cumbria	Canary Wharf, E14	2007 <sup>b</sup>	500
4. Glasgow Caledonian University	Shoreditch, E1	2010	1,500
5. Loughborough University	Stratford, E15	2015	800
6. Northumbria University	Spitalfields, E1	2014	6,000
7. Staffordshire University	Stratford, E15	2019	430
8. University of Sunderland	Canary Wharf, E14	2012	4,700
9. University of Wales, Trinity St David	Kennington, SW9	2012	Unknown
10. University of Warwick	London Bridge, SE1	2015	<250
11. University of West of Scotland	East India, E14	2016	4,000
12. York St John University	East India, E14	2018	2,200
13. Nottingham Trent University	Whitechapel, E1	2023	Unknown
14. Teesside University	QE Olympic Park, E15	2023	Unknown
15. Portsmouth University	Waltham Forest, E17	2024	Unknown
16. Sheffield Hallam University	Brent Cross, NW2	2026	Planned

<sup>a</sup>In addition, some HEIs, such as Ulster University, Solent University and the University of Northampton operate London Centres with third parties.

<sup>b</sup>The University of Cumbria gained university status in 2007, but its campus in London has been in operation, led by legacy institutions, since 1973.

Sources: Authors, based on interviews and university websites.

under development. The home universities are drawn from across the various mission groups, from Russell Group to MillionPlus.

We use the term 'Director' to represent the individual responsible for the RMBC, who in practice have a range of titles including Director, Pro Vice Chancellor, Provost, etc. They are all experienced academic and/or professional services leaders. Having approached all twelve Directors in situ in late 2023, semi-structured interviews were held with the ten who responded (identified hereafter as Participants A-J) to investigate a number of themes including the institutional rationale and aims, operating models, programme offerings, target markets, pedagogical approaches, and wider opportunities and risks. Nine of the ten interviews were conducted in person at the London RMDC, and one online. The aim was to allow the authors to manually code the qualitative data based on the interview transcripts in terms of primary motivations and to assess the extent to which these map onto the key motives for establishing IBCs that have already been identified in the wider international spatial diversification literature.

## Results

### 1. Revenue diversification and maximisation

Like an IBC, the Directors interviewed confirmed that the primary motivation for establishing an RMBC is to access new markets for students that cannot be reached from the home campus. There appear to be direct parallels with the source markets for IBCs in two respects, but with important differences.

(a) Local demand absorption: accessing new markets rather than competing for existing markets

RMBCs in London are competing in a very contested market. London has over 20 public universities (including individual members of the University of London), a similar number of specialist publicly-funded institutes and colleges, and dozens of alternative, and in many cases small, providers (HESA, 2024).

However, many of the Directors reported that they recruited local mature working students whose needs were not met by more traditional providers. In part, Participant G conceded that RMBCs have had to focus on non-traditional students because 'it's very difficult to deliver programmes at a branch campus to a traditional 18-year domestic market'. Participant G continued: 'why don't students always choose large campus universities? Perhaps it's because [we] have no choice but to cater for 'difficult' students whilst the likes of [large established post-92 universities] have not worked very hard to support them'.

Participant D outlined the profile of their local students, noting that 'they are returners to HE [higher education], commuters, WP [widening participation] students, with an average age of 32. 75% are female, all working with caring responsibilities'. Participant F also confirmed the atypical composition of their local student intake,

describing them as ‘hyper local – our fulltime students are 92% BME [black and minority ethnic], with many Bangladeshi students. Our top-up students are mainly eastern European UK residents with an HND [Higher National Diploma] from a local FE [further education] college’.

Like an IBC, the RMBCs absorb local demand for higher education. The difference is that IBCs tend to attract market share away from local competitors, including, in many nations, private institutions, by offering an international education at an affordable cost (Wilkins et al., 2012). In contrast, the RMBCs are operating in mature, highly contested markets and create new markets by targeting non-traditional mature working entrants who cannot access conventional full-time programmes at incumbent universities. As Participant A noted, our RMBC is explicitly community-based with ‘lower tuition fees, WP focused with a flexible timetable, mature students, and very locally orientated with ties to the community’.

#### (b) International demand absorption: global rather than regional export hubs

Unlike IBCs which serve as regional export hubs, RMBCs in London recruit students internationally from all the major source markets. As Participant A put it, the primary purpose of our RMBC is ‘to capitalise on the opportunities London offers for international students’. Participant C confirmed that ‘we have almost no international students [at our home campus], so we wanted to diversify intakes and income through our London operation’.

The target market for many RMBCs is international students who want to study in the UK, but who for various reasons are uninterested in studying in the provincial cities and towns where the home campuses of the RMBCs are located. This may be because these students crave the cosmopolitan, multicultural nature of London, favour easier international travel connections or are attracted by its vibrant labour market.

Participant E explained that ‘we have a strong UK/international brand, but for international students our home campus in [a Northern city] has weak appeal as a destination. Our London campus helps us to attract students with the brand to London’. Outlining the decision-making process for international students, Participant H noted ‘it’s very much London first, then choice of university second in the student’s eyes. Why do they keep coming to smaller operations like ours? Because we are in London’.

#### 2. A pipeline of international students

The interview results suggest that this motivation is almost wholly absent for RMBCs. Unlike an IBC, which may offer a more affordable way of starting a qualification in the students’ home country before progressing to the UK to complete their educations, RMBCs are invariably the end point. The interviewees confirmed that there was little or no interest amongst their international students in transferring to

the home campus partway through their studies. This is wholly predictable, as the attraction of the transfer to the home campus from an IBC is to complete their degree in the UK, and possibly benefit from post-study work entitlements. As Participant A explained 'students at the London campus want something different and there's very little overlap between what we do and what happens 'up the road' [at the home campus]'. Because the RMBC students are already studying in the UK and have access to rich employment opportunities in London, there is no obvious advantage to relocating to the home campus in another part of the country.

### 3. Internationalisation of the curriculum

While RMBCs do not afford wider benefits to the home campus in terms of internationalising the curriculum through inter-campus student exchange, they do have the potential to enrich learning opportunities for students at the home campus. Because there is much greater scope for finding high-quality work-based placements in London than in some of the provincial towns and cities where the home campuses are based, universities with RMBCs can use their locations and new industry networks in London to find placements for students from the home campus.

For example, Participant I observed that an important benefit of the RMBC was 'to create additional opportunities for [home campus based] students', noting that many 'architecture students from [the university] go to the London campus for work experience'. Participant I added that 'we work very differently in London, there is a thread of entrepreneurship through all programmes. Research and innovation is a key part of our offer. We have a lot of industry partners here in London, [so] dissertation students can do an in-company project instead'.

Rather than offering ways to internationalise the curriculum as an IBC might, instead the London location of RMBCs allows universities to embed entrepreneurship and employability through their connections to industries in the Capital. Participant A claimed the primary purpose of their RMBC was 'to exploit employability links in London and make opportunities available to both London and [home campus] based students. Employability and experiential learning is a big part of our curriculum'. Similarly Participant B noted that the RMBC allowed the university to 'create links with business to promote employability, which includes having space in the nearby business incubator'. Participant C explained that 'all masters [degrees at the RMBC] are two-years, with a placement in Year 2 or a six-month in-house entrepreneurship programme. We are not just a teaching sausage factory'.

### 4. Access to talent and research funding

Like IBCs, RMBCs may also offer universities access to more talented students for similar reasons. Just as IBCs allow universities to recruit well-qualified students who would otherwise be unable to travel to the UK for study, so RMBCs allow provincial

universities to enrol students who are uninterested in studying in the UK outside London.

Although RMBCs do not allow universities to access new sources of research grants from foreign governments, they do make it possible to develop research-based partnerships with corporations in London. Several of the Directors reported that they were in the early stages of establishing joint industry-financed research centres in their RMBCs, because their research strengths are aligned with specialised industrial clusters in London (e.g., finance, fashion, design, sports business, DigiTech) that are absent in their home regions.

### 5. Prestige and global positioning

Just as an IBC may help to establish the exporting university as a global brand, a RMBC also serves to raise the international profile of provincial universities by attracting more international students. For example, Participant I explained that that a key motivation for establishing the RMBC was to increase the university's 'reputation and reach, [our university] is unknown outside UK despite high rankings nationally', and the RMBC makes us 'more attractive to the international market, with the aim of raising our international rankings'.

Participant E was equally clear that an important motive for establishing the RMBC was that we 'wanted the campus to be our London HQ for industry engagement, policy lobbying, etc. We wanted to be seen and heard in the international centre for HE, London'. Participant H confirmed that the RMBC allows 'us to engage with more businesses – the HQs of big businesses are in London'.

In raising the profile of the university internationally, some Directors conceded that there was initially a fear amongst staff that the RMBC would divert international student recruitment away from the home campus with no net gain to the university. In fact, they argued the reverse appears to be the case. Participant B explained that 'international student numbers have grown [at the home campus], partly due to profile of [RMBC] and the work of our London-based staff. London campuses tend to boost international recruitment for the home campus'.

Dismissing the idea that RMBCs divert students from the home campus, Participant B continued that 'they do not cannibalise numbers for [the home campus] because international students want to go to London and choose [University X] London, not [University X] and then choose London. London students are economic students, they want to come to London for a job'.

Participant H agreed that 'the excitement of London has brought many more students to [the home campus]', while Participant J described the RMBC as 'the 'jewel in the crown', whose aim was to raise the international profile of the university and capture more domestic students'.

In addition to motivations for establishing an RMBC that broadly parallel, to a greater or lesser extent, those relating to IBCs, a number of the Directors suggested benefits offered by the RMBCs which do not feature prominently in the literature

on IBCs. These stem from the fact that because RMBCs are smaller and operate in a highly contested market, they necessarily have to be more innovative and agile to thrive, allowing them to serve as 'experimental laboratories' for the home campus.

This is particularly due to the key target markets for RMBCs: non-traditional local students who cannot access programmes in the established incumbent universities, and international students who are attracted to London by the prospect of attractive job opportunities, both while studying and after graduation. Successfully attracting and retaining both target markets depends critically upon offering programmes that are vocational, provide experiential and work-based learning, and are flexible enough for students to work either full-time (for local students) or part-time (for international students).

Participant G attributed their success to the RMBC enjoying 'lots of autonomy to deliver what is right for London students. London teaches in blocks, with six intakes per year'. Participant A claimed that the RMBC allows the university to 'pilot interesting courses and explore new ways of working to deliver them effectively and efficiently. Our trialling focuses on smaller class sizes and block teaching'. The interviews all attributed their agility to their freedom from the usual legacy of bureaucracy and historic procedures and practices, combined with strong commercial pressure to innovate or fail.

Intensive block teaching, often concentrated into two days a week, appeared to be a popular way of making programmes attractive to local working students, and international students who need to support their studies by part-time working. Participant D argued that 'we design the education around the students...most of our students work, but we have good attendance as classes are compressed into two days which makes it easier to attend. Participant E explained that 'London focuses on small group teaching – not lectures and seminars, but three-hour blocks, with teaching concentrated into two days'. Participant I said their RMBC had experimented with 'intensive three-week block teaching plus a week for assessment'.

Commenting on the obstacles placed by the home campus on their RMBC, Participant J complained 'academic delivery has been very traditional, timetables are set by the main campus with term-long modules. We are still delivering content as if we were teaching philosophy. We should definitely be trying to move towards block teaching of 40 credit modules'.

The role of the 'experimental laboratories' can also enhance what to teach, as opposed to how to teach it. Participant E explained that 'London is much more agile, we will develop and approve a programme in three months compared to two years [at the home campus]. Our vice chancellor wanted London to be the testbed of teaching innovation – accelerated degrees, three intakes a year – but then wanted to bring the innovations back to [the home campus]. Participant B noted that 'our UK students come for our niche programmes. I want everything built for the London market'.

The Directors were generally aware that their success depended on offering subjects that were tailored to the specific needs of London-based students. Reflecting

on a traditional university whose RMBC had failed due to its inability to react quickly to market opportunities, Participant F commented that ‘it was an oil tanker trying to work with a speedboat’. Participant J also felt that their RMBC was constrained by its dependence for curriculum development on the home campus, noting ‘we basically just offer the courses that are successful [at home], we are a child of the mother campus. We run what they offer, there is no appetite to resource courses that are independent of [the home campus].’

Participant G summed up the challenge as follows: ‘London is going to end up with a sub-market of branch campuses – it will be survival of the fittest. The branch campuses that are the most agile and which can modify what they do and who they do it for quickest will be the most successful. Being genuinely better than the competition (rather than just saying you are) will be important’.

## Discussion

While there are clear parallels between the opportunities offered by establishing IBCs and RMBCs, there are also important differences. Both modes allow the home university to extend its reach into new markets and attract students who would otherwise be unable or unwilling to study at the home campus. When it comes to enrolling students, it is important to distinguish between local demand absorption and regional demand absorption.

In the former case, the IBC enrolls local students who typically could not afford to study at the home campus in the UK. In this sense, the IBC provides an international education that is more affordable and accessible (e.g., to women who might face cultural obstacles to travelling abroad to study), so that there is a public good dimension. Often, the IBC is positioned between the elite public universities in the host country and lower-quality private colleges, tending to take its market share from the latter group.

For the RMBCs in London, they operate in a higher education market that is highly contested, where they are generally either lower-ranked or less well-known than the local public universities, and offer much more limited facilities. In recruiting local students, there is very limited scope to poach traditional full-time students from incumbents. The RMBCs that have enrolled significant numbers of local students have done so by offering highly-innovative, intensive teaching programmes that attract working students that would otherwise be unable to enter a more conventional programme. In this sense, the RMBCs also have a public good dimension in relation to local students.

In contrast, for IBCs that serve as an educational hub, they seek to attract wealthier, more mobile international students from neighbouring countries. Nevertheless, because it is cheaper to study at a regional IBC than to travel to the UK, there may still be a limited public good benefit. For a RMBC enrolling international students, this dimension is wholly absent. The tuition fees for the RMBC are typically the same as at the home campus, and the accommodation costs of living in London are higher. The RMBC is recruiting from the same pool of relatively wealthy,

internationally mobile students that UK universities generally enrol at their home campuses, with the key differentiator for the student being the opportunity to study and live in a global centre like London.

In terms of connecting the home campus to a future pipeline of international students, RMBCs offer none of the benefits of IBCs. Although the prospect of transferring from the first or second year of an undergraduate degree spent in a converted office block in London, albeit with all the support offered by small classes and pastoral care, to a vibrant full-service provincial campus in the third year seems appealing in principle, most students have made the decision to study at the RMBC on basis of location.

In contrast to IBCs, which are located in third countries, RMBCs do not offer the opportunity for an international experience to either students or staff from the home campus, but interestingly, they do allow provincial universities to enrich their curriculum and enhance employability. In the main, this is because their location in a major metropolitan centre creates the opportunity for industrial placements and business relationships that could not be replicated in smaller towns and cities outside the capital. Student enrichment is, therefore, a product of both campuses, but in very different respects.

In terms of access to talent and research funding, both IBCs and RMBCs allow universities to recruit talented students and staff who would otherwise be unwilling or unable to move the home campus, while by virtue of their location allowing them to access new sources of funding, often from neighbouring businesses.

Finally, like IBCs, RMBCs do appear to raise the prestige and global positioning of the home university. Indeed, for some of the highly ranked UK universities that have RMBCs, using a London-based location to recruit international students and connect better to government and business in the Capital was part of the plan from the outset. For the lower ranked universities, it might appear counterintuitive that operating a small RMBC, which has none of the impressive facilities and research infrastructure of the home campus, would serve to raise their international profile. But the ability of the RMBC to attract to London significant number of international students, who would never otherwise have enrolled in the home campus, means that the university is educating and graduating a new source of international students.

Table 3 summarises the relative benefits of an IBC versus an RMBC. It shows that, if 'internationalisation of the curriculum' is broadened to 'enrichment of the curriculum', an RMBC achieves many of the same benefits of an IBC for the home university. It is really only the latter's failure to offer a potential pipeline of students to the home campus that is the negative mark on the ledger.

However, over and above these benefits for the home university is the role, reported by many of the Directors, that the RMBC serves as an 'experimental laboratory' for trialling new academic delivery models and new subjects. IBCs similarly have to innovate to survive in foreign markets and, presumably, also have the potential to pilot new ideas.

**Table 3.** The Relative Benefits to the Home University of an IBC vs an RMBC.

	IBC	RMBC
Revenue diversification and maximisation		
a. Access to more local students?	Yes	Yes
b. Access to more international students?	Yes	Yes
A pipeline of international students to the home campus?	Yes	No
Enrichment of the curriculum?	Yes	Yes
Access to talent and research funding?	Yes	Yes, but limited
Prestige and global positioning?	Yes	Yes

However, the key difference is that RMBCs are operating in the same national jurisdiction as the home campus. Whatever is proved to work at the RMBC can, by virtue of the common regulatory and funding environment, be exported back to the home campus. While organisational structures vary, many RMBCs are faculties of the home campus, or otherwise remain integrated into its academic fabric. Geographical distances are small, there is a regular interchange of staff. An ‘experimental laboratory’ in a higher education sector that is being disrupted by technological and demographic change, yet tends to remain conservative and risk-averse, is potentially a very valuable way of charting alternative ways forward in a controlled series of educational trials.

## Conclusion

For over two decades, there has been a steady trend of internationalisation of higher education, with UK universities (along with their Australian and US counterparts) leading the way in transitioning from expert education to franchising to the ‘third wave’ – the establishment of IBCs in third countries. This third wave is now evolving from a Global North to South phenomenon to becoming genuinely global, with South-South and even South-North IBCs beginning to emerge.

While many UK universities have had multiple campuses, often in the case of the post-92 institutions as a result of the college mergers by which they were established, a recent mutation of the third wave has taken place, with provincial universities establishing RMBCs, predominantly in London. This paper has undertaken a qualitative investigation of RMBCs using interviews with ten of the 15 Directors of London-based RMBCs to explore the parallels between the motivations for establishing RMBCs and IBCs.

It finds that while there are broad similarities in terms of the reasons universities set up RMBCs and IBCs, especially in their importance as an attractive destination for international students, there are important differences. In particular, the RMBCs, whether by design or by accident (because their original target of international student recruitment was interrupted by change in immigration regimes or

Covid-19), have opened up access to local students who would otherwise have been excluded from higher education. This is a surprising, but welcome finding.

It also finds that, while primarily serving a commercial, revenue diversifying function, RMBCs provide valuable ‘experimental laboratories’ for otherwise conservative institutions to explore new models of academic delivery, develop new employment-focused curricula and generally test the acceptable limits of institutional agility in responding to student demand and competitive pressures. At a time when universities face considerable disruption from a combination of fiscal, demographic and technological pressures, this role of RMBCs may prove to be the most beneficial.


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