

Why Do International Branch Campuses Fail? A Systematic Review of Failure Patterns and Pathways

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ABSTRACT

Why do International Branch Campuses fail? This systematic review synthesizes literature from 2000 to 2026 to answer this question. Drawing on resource dependence theory, stakeholder theory, and institutional theory, we identify four failure types: financial, governance-related, legitimacy-based, and mixed. We analyze root causes across resource, governance, context, and individual levels. Based on Jones (2023) and case analysis, we identify four failure pathways: rapid collapse, gradual decline, conflict eruption, and legitimacy erosion. Three research gaps are identified: limited comparative analysis of failure cases, lack of longitudinal studies, and undertheorized failure pathways. The review offers a conceptual framework and directions for future research.

KEYWORDS

International Branch Campus; Failure; Closure; Withdrawal; Decline; Sustainability; Systematic review.

1. INTRODUCTION

International Branch Campuses (IBCs) have grown rapidly, with over 380 campuses worldwide. Yet many fail. Ennew (2026) reports 73 IBCs have already closed. Robinson (2025) calls the branch campus model a "failed business model" based on multiple Canadian cases.

Recent failures include Texas A&M closing its Qatar campus after 20 years (Lane, 2025), the University of Calgary withdrawing from Qatar, Algonquin College closing its Saudi campus after three years (Robinson, 2025), the University of Essex closing a campus after international student numbers fell by 52% (University of Essex, 2025), and MITT College closing after international enrollment dropped by 55% due to policy changes (MITT closure, 2026).

Classic failures are well-documented. Michigan State University Dubai opened in 2008 and closed in 2010, unable to recruit enough students. University of New South Wales Asia in Singapore opened in 2007 and closed in 2008, losing over \$8 million. George Mason University Ras Al Khaimah opened in 2005 and closed in 2009 due to low enrollment (Healey, 2015). These cases show failure has always been part of IBC development.

Failure damages home university reputation, wastes host country investment, and harms students and faculty. Understanding why IBCs fail is essential for improving sustainability.

Despite attention to success factors, no systematic review has specifically examined failure. Studies document individual cases but lack comparative analysis of failure patterns. Jones (2023) provides a framework but calls for more research.

This review asks four questions: (1) How is IBC failure defined and measured? (2) What types of failure are documented? (3) What are the root causes of failure? (4) What pathways do failures follow?

2. RESEARCH METHODS

This review follows PRISMA 2020 guidelines. Four databases were searched in March 2025: Web of Science, Scopus, ERIC, and Google Scholar, covering 2000 to 2026. Grey literature from Times Higher Education, University Affairs, and Buila UK was also included.

Search strings combined: ("international branch campus" OR "transnational higher education") AND ("failure" OR "closure" OR "withdrawal" OR "exit" OR "collapse" OR "challenges").

From 87 studies in the broader project, 28 studies and reports with direct relevance to IBC failure were synthesized. Classic cases were drawn from Healey (2015). Thematic analysis focused on failure types, root causes, pathways, and research gaps.

The study selection process followed PRISMA 2020 guidelines, as illustrated in Figure 1.

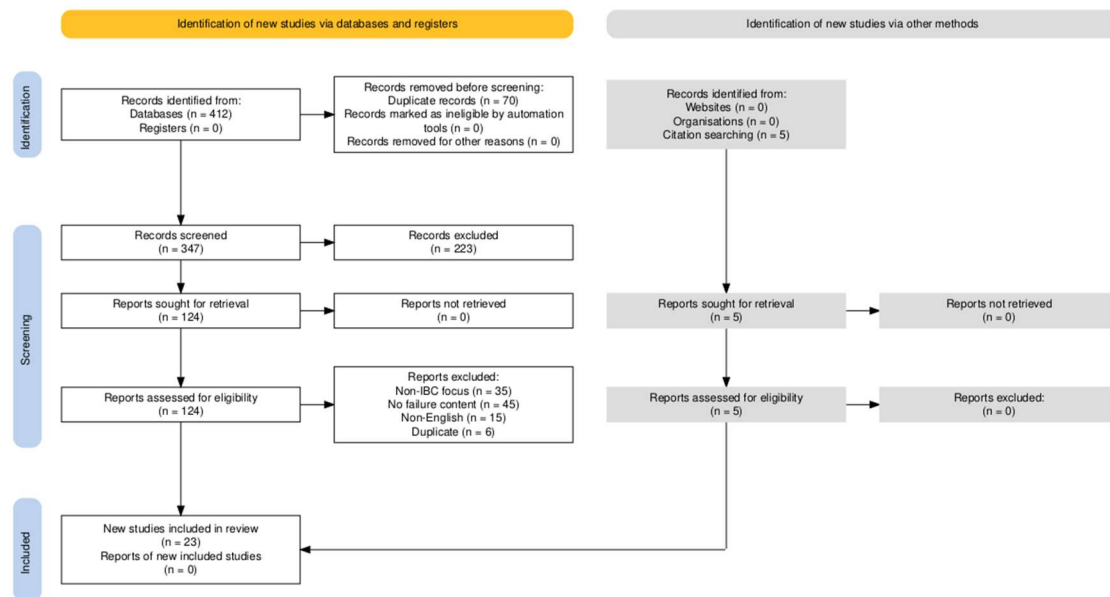


Figure 1. PRISMA 2020 flow diagram for study selection

3. RESEARCH FINDINGS

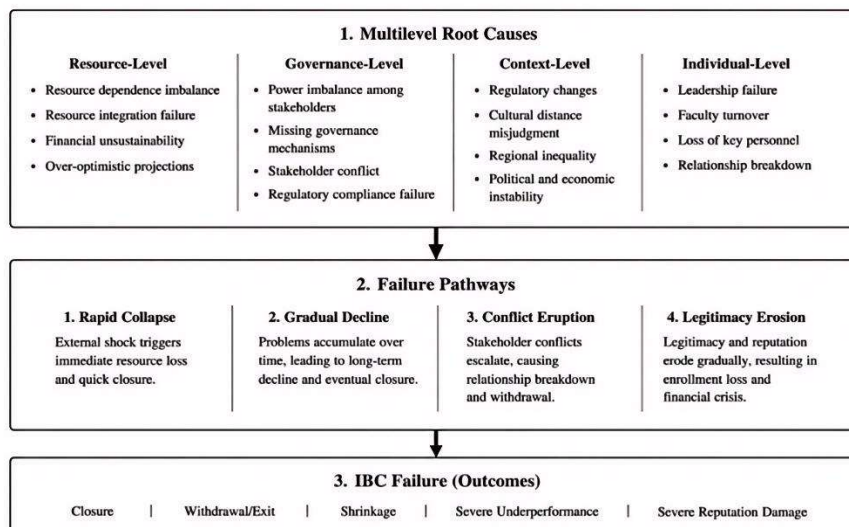


Figure 2. Conceptual Framework of IBC Failure: Causes, Pathways, and Outcomes

Source: Developed by the author based on Jones (2023), Healey (2015), and the reviewed literature (2000–2026).

Figure 2. Conceptual Framework of IBC Failure: Causes, Pathways, and Outcomes

Figure 2 presents a conceptual framework of IBC failure showing root causes, pathways, and outcomes.

3.1 Defining IBC Failure

Literature defines failure in several ways.

Complete closure: The campus permanently stops operating. Ennew (2026) reports 73 such cases. Examples include MSU Dubai, UNSW Asia, and George Mason (Healey, 2015).

Withdrawal or exit: The home university leaves. Texas A&M withdrew from Qatar (Lane, 2025). UNSW Asia is another example.

Shrinkage: Significant reduction in enrollment or investment. Memorial University is selling its Harlow campus due to low student numbers (Robinson, 2025).

Severe underperformance: Consistent failure to meet goals. Algonquin College's Saudi campus closed after three years of losses (Robinson, 2025).

Severe reputation damage: Loss of legitimacy. Killick (2024) describes an IBC with admission violations and weak quality assurance.

Some scholars define failure narrowly as closure (Healey, 2015). Others include underperformance and legitimacy loss (Farrugia & Lane, 2013). Jones (2023) views failure as a process with stages, not a single event.

3.2 Types of Failure

Financial Failure

Financial failure involves funding problems and dependence on one income source.

Recent cases: MITT closed after policy changes caused a 55% enrollment drop (MITT closure, 2026). Essex closed a campus after international student numbers fell 52% (University of Essex, 2025). Memorial's Harlow campus costs \$1 million yearly but has only 39 students (Robinson, 2025).

Classic cases: UNSW Asia lost over \$8 million and closed after one year. George Mason failed to recruit enough students and closed after four years (Healey, 2015).

Key factors: lack of funding diversity, low enrollment, policy shocks, over-optimistic projections.

Governance-Related Failure

Governance failure involves stakeholder conflicts and partnership breakdown.

Recent cases: Texas A&M closed its Qatar campus partly due to academic freedom concerns (Lane, 2025). Algonquin College closed its Saudi campus after revenue collapse and public relations problems (Robinson, 2025).

Classic cases: MSU Dubai faced governance challenges with its local partner. UNSW Asia struggled with coordination between Singapore and Australia (Healey, 2015).

Key factors: power imbalance, missing governance mechanisms, cultural conflict.

Legitimacy-Based Failure

Legitimacy failure involves loss of recognition and reputation collapse.

Recent case: Killick (2024) describes an IBC with quality problems in regulatory "grey areas."

Classic cases: Many early IBCs, including George Mason, struggled to establish legitimacy (Farrugia & Lane, 2013; Healey, 2015).

Key factors: quality assurance failure, disconnection from local needs, insufficient brand recognition.

Mixed Failure

Mixed failure involves multiple factors in a decline spiral. All three classic cases exhibited mixed patterns-financial problems combined with governance issues and legitimacy challenges (Healey, 2015). Hickey and Davies (2024) found failed IBCs typically show multiple reinforcing problems.

3.3 Root Causes of Failure

Resource-Level Causes

Resource dependence imbalance: Too much dependence on one funding source (Healey, 2015). UNSW Asia depended entirely on tuition from a market that did not materialize.

Resource integration failure: Faculty cannot work together, creating "othering loops" (Swenddal et al., 2022). Classic cases struggled to recruit qualified faculty (Healey, 2015).

Financial unsustainability: High costs with insufficient revenue (Robinson, 2025). George Mason and UNSW Asia had cost structures requiring unachievable enrollment (Healey, 2015).

Governance-Level Causes

Power imbalance: One stakeholder dominates, suppressing others (Lane, 2025). MSU Dubai faced tensions with its local partner (Healey, 2015).

Missing governance mechanisms: No coordination, conflicts unresolved (Jones, 2023). UNSW Asia lacked clear decision-making (Healey, 2015).

Regulatory compliance failure: Misunderstanding host country rules (Killick, 2024).

Context-Level Causes

Regulatory change: Policy shifts like Canada's international student cap (MITT closure, 2026)

Cultural distance misjudgment: Underestimating differences (Killick, 2024). Classic cases underestimated institutional differences (Healey, 2015).

Regional inequality: TNE concentrated in developed areas (Venzon et al., 2026)

Individual-Level Causes

Leadership failure: Key people leave, relationships break (Cai & Hall, 2015)

Faculty turnover: Core faculty cannot be retained (Killick, 2024)

Robinson (2025) argues the branch campus model itself is flawed. Lane (2025) highlights political risk. Killick (2024) points to "grey areas." Jones (2023) identifies three crisis elements: insufficient resources, context misjudgment, and governance problems. Healey (2015) concludes failure results from multiple interacting causes.

3.4 Failure Pathways

Based on Jones (2023) and case analysis, failure follows four pathways.

Pathway 1: Rapid Collapse

External shock causes quick closure.

Recent case: MITT closed within a year after policy change (MITT closure, 2026). Classic case: UNSW Asia closed after one year (Healey, 2015). Stages: External shock → Resource loss → Cannot operate → Closure.

Pathway 2: Gradual Decline

Problems slowly worsen.

Recent cases: Essex enrollment fell over years before closure (University of Essex, 2025). Memorial had long-term low enrollment (Robinson, 2025). Classic case: George Mason struggled for four years (Healey, 2015). Stages: Early problems → Middle decline → Late crisis → Closure.

Pathway 3: Conflict Eruption

Stakeholder conflict causes breakup.

Recent case: Texas A&M withdrew over academic freedom disputes (Lane, 2025). Classic case: MSU Dubai faced partnership tensions (Healey, 2015). Stages: Early tensions → Conflict accumulation → Relationship breaks → Withdrawal.

Pathway 4: Legitimacy Erosion

Gradual loss of acceptance.

Recent case: Killick (2024) describes quality problems leading to reputation collapse. Classic case: Many early IBCs struggled for legitimacy (Farrugia & Lane, 2013). Stages: Quality problems → Reputation falls → Difficulties with Enrollment → Financial crisis → Closure.

A key concept is the **decline spiral**-problems reinforce each other (Hickey & Davies, 2024; Healey, 2015).

3.5 Research Gaps

Gap 1: Limited Comparative Analysis of Failure Cases

Existing literature offers isolated case studies. Healey (2015) provides multiple cases but does not systematically compare them. Ennew (2026) records 73 closed IBCs but does not analyze patterns. Do different failure types share common patterns? How do causes differ across contexts?

Gap 2: Lack of Longitudinal Studies Tracking Failure Processes

Most studies analyze failure after it happens, relying on memories (Killick, 2024; Robinson, 2025). They lack real-time tracking. Jones (2023) proposes a framework but it needs empirical testing. What are early warning signs? How long does decline take? When is intervention effective?

Gap 3: Undertheorized Understanding of Failure Pathways

Most failure pathways are derived from case studies and lack theoretical models. This review identifies four such pathways. Are these pathways exhaustive? Do different pathways have different causes and consequences? Are there tipping points? How does the downward spiral work? These questions require further research.

4. CONCLUSION

This review synthesized literature on IBC failure, drawing on recent and classic cases. Four failure types were identified: financial (Essex, MITT, Memorial, UNSW Asia), governance-related (Texas A&M, Algonquin, MSU Dubai), legitimacy-based (Killick, 2024, George Mason), and mixed. Root causes span resource, governance, context, and individual levels. Based on Jones (2023) and Healey (2015), failure follows four pathways: rapid collapse, gradual decline, conflict eruption, and legitimacy erosion.

Three research gaps were identified: limited comparative analysis of failure cases, lack of longitudinal studies tracking failure processes, and undertheorized understanding of failure pathways. Future research should address these gaps through comparative case studies, longitudinal designs, and

theoretical model development. For practitioners, understanding failure patterns enables early warning detection and timely intervention.

These four reviews together provide a comprehensive understanding of IBC governance: stakeholder power, governance mechanisms, resource integration, and failure pathways.

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