

## Chapter 5

# 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.**  
*Drexel University, USA*

**Jennie Lavine**  
*Higher Colleges of Technology, UAE*

### 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.*

DOI: 10.4018/978-1-4666-9664-8.ch005

Copyright ©2016, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.

## **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 (Wilkins, 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

33 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/higher-education-and-philanthropy-potential-in-the-gcc-states/141826](http://www.igi-global.com/chapter/higher-education-and-philanthropy-potential-in-the-gcc-states/141826)

## Related Content

---

### The Existence of an Anomaly in the City Indices in Borsa Istanbul

Hakan Altin (2021). *International Journal of Corporate Finance and Accounting* (pp. 12-27).

[www.irma-international.org/article/the-existence-of-an-anomaly-in-the-city-indices-in-borsa-istanbul/285969](http://www.irma-international.org/article/the-existence-of-an-anomaly-in-the-city-indices-in-borsa-istanbul/285969)

### Winemaking Sector in Greece: An Accounting-Based Approach

Spyros Papathanasiou, Drosos Koutsokostas, Dimitris Baliosand Nikolaos Eriotis (2019). *International Journal of Corporate Finance and Accounting* (pp. 1-17).

[www.irma-international.org/article/winemaking-sector-in-greece/234334](http://www.irma-international.org/article/winemaking-sector-in-greece/234334)

### Assessing the Financial Vulnerability of Emerging Markets

Fahad Mansoor Pashaand Neslihan Yilmaz (2016). *Handbook of Research on Financial and Banking Crisis Prediction through Early Warning Systems* (pp. 405-438).

[www.irma-international.org/chapter/assessing-the-financial-vulnerability-of-emerging-markets/140085](http://www.irma-international.org/chapter/assessing-the-financial-vulnerability-of-emerging-markets/140085)

### The Crowdfunding Communities and the Value of Identification for Sustainability of Co-Creation

Melek Demirayand Yonca Aslanbay (2017). *Crowdfunding for Sustainable Entrepreneurship and Innovation* (pp. 155-174).

[www.irma-international.org/chapter/the-crowdfunding-communities-and-the-value-of-identification-for-sustainability-of-co-creation/160647](http://www.irma-international.org/chapter/the-crowdfunding-communities-and-the-value-of-identification-for-sustainability-of-co-creation/160647)

### Analyzing Why Organizations Differ in Board Composition: Evidence From a Large Panel of Greek Manufacturing Firms

Dimitrios Koufopoulos, Ioannis Gkliatis, Konstantinos A. Athanasiadisand Epameinondas Katsikas (2020). *International Journal of Corporate Finance and Accounting* (pp. 1-15).

[www.irma-international.org/article/analyzing-why-organizations-differ-in-board-composition/261856](http://www.irma-international.org/article/analyzing-why-organizations-differ-in-board-composition/261856)