The Custodian of the Two Holy Mosques’ Overseas Scholarship Program: Targeting Quality and Employment

Annalisa Pavan1*

1Department of Philosophy, Sociology, Education and Applied Psychology, University of Padova, Italy
*Correspondence: Dipartimento FISPPA, Università degli Studi di Padova, via B. Pellegrino 28, 35137 Padova, Italy. Tel: 39-049-8271709

Received: July 23, 2017            Accepted: August 7, 2017     Online Published: August 14, 2017
doi:10.5430/wje.v7n4p32          URL: https://doi.org/10.5430/wje.v7n4p32

Abstract

The purpose of this paper is to fill the void in academic literature concerning the transition from the King Abdullah Scholarship Program (KASP) to the current Custodian of the Two Holy Mosques’ Overseas Scholarship Program. Based on a review of published news accounts and of announcements made by Saudi sources, Saudi official documents and comments from various international sources presented in chronological order, this paper suggests that there have been three phases in this transition, from 2015 to the present, namely: Phase One (Uncertainty); Phase Two (Establishment of the Custodian of the Two Holy Mosques’ Overseas Scholarship Program); Phase Three (The Quality Issue). Saudi Arabia is going through particularly challenging times in the globalized knowledge society and economy; this paper encourages the academic community to focus on the moves now being made by the Kingdom to address the quality issue within its educational system, bearing in mind the comments of Majlis Ash-Shura member Huda Al Helaissi when interviewed by the Italian newspaper La Repubblica: “You must give us time: we are a young nation… above all, we Saudis are not like you Westerners: we have different values and we intend to uphold them. We will change in our own way, not yours”.

Keywords: Arab News; Saudi Gazette; Saudi Ministry of Education; Saudi Vision 2030; The Custodian of the Two Holy Mosques’ Overseas Scholarship Program

1. Introduction

The launch of the King Abdullah Scholarship Program (KASP) under Royal Order 5387/mb issued 26 May 2005 has been largely dismissed by Western narratives, as well as by several Gulf Arab scholars, as a product of the Abdullah-Bush joint statement delivered in April 2005, regrettably ignoring the long and already well-established support provided by Saudi rulers to citizens who wished to study abroad at foreign universities (Pavan, 2017b, pp.8-9). KASP has gained a reputation among education researchers, over time, as “the largest nationally-funded higher education program in the world” (Molavi, 2015). In February 2010 the late King Abdullah extended KASP until November 2015, and a sum of $3.2 billion was allocated by the government to finance the extension (IECHE, 2012, p.2). In February 2013 King Abdullah approved the third five-year extension of the program, from November 2015 to 2020 (Arab News, February 12, 2013).

The purpose of this paper is to fill the void in academic literature concerning the transition from KASP to the current Custodian of the Two Holy Mosques’ Overseas Scholarship Program. Based on a review of published news accounts and of announcements made by Saudi sources, Saudi official documents and comments from various international sources presented in chronological order, this paper suggests that there have been three phases in this transition, from 2015 to the present, namely: Phase One (Uncertainty); Phase Two (Establishment of the Custodian of the Two Holy Mosques’ Overseas Scholarship Program); Phase Three (The Quality Issue).

In reality, the important shift to the qualitative phase in Saudi scholarship policies has not received due attention from international observers thus far; instead, the focus has been on worries over financial losses caused by the decreased numbers of Saudi students abroad — especially in the US, the preferred destination of Saudi scholarship students — consequently overshadowing the Saudi government’s efforts to “upgrade KSA [Kingdom of Saudi Arabia] standing to the level of developed nations” (Saudi Ministry of Education website).
2. Phase One: Uncertainty

When King Abdullah passed away in January 2015, KASP had just entered its third stage, which is scheduled to continue through 2020. Despite the sharp decline in oil prices, a record $229.3 billion budget had just been approved in December 2014 for the fiscal year 2015, with total expenditure on the education sector equivalent to 25% of total allocations. The total number of Saudi students studying abroad under government sponsorship was over 207,000, the most popular countries of destination being US, UK, Canada and Australia (Pavan, 2016, pp.91-93). There seemed no reason to doubt that KASP would continue and implement past royal orders.

In March 2015, the new Ministry of Education, a single entity created following the King’s death by merging the former Ministry of Education and the Ministry of Higher Education, suspended scholarship programs for post-graduate studies in all Arab universities, and Saudi students were denied permission to enrol at any Arab university, even at their own expense (Saudi Gazette, March 14, 2015). In a tweet of 23 March 2015, Dr Al Dakheel, the newly appointed Minister of Education, stated: “The scholarship program is important for creating knowledge and distinguishing the experiences of others. The program will, therefore, continue to run and will be developed to achieve its maximum goals” (Saudi Gazette, April 24, 2015). This clarification was needed after the decision issued a few weeks earlier by the Ministry of Education to remove three key powers from cultural attachés. As a result, the Ministry had become “the only body able to promote students on to the next and subsequent levels of their scholarships, students wishing to self-fund their studies abroad would need the ministry’s approval, and students who were self-funding their studies abroad could only secure a scholarship with the Ministry’s approval”. And while students abroad expressed their disappointment at the new decision, the Minister further clarified that the ministry was working “to revamp” the scholarship program, “in order to ensure that students do not major in fields that are not in high demand in the Kingdom” (Saudi Gazette, April 24, 2015).

Ten years after the establishment of KASP, it was clear that the program needed to adjust to new conditions, dictated by the need to diversify Saudi economy and to qualify its labour market. The new plans in preparation for economic diversification would require young, skilled and flexible human resources able to meet the needs of the job market. This meant raising the number of graduates at vocational training centres and technological colleges and institutes, and improving the overall quality of university education. The time had come for the Saudi Arabian educational system to shift the focus from quantity — since quantity is no longer an issue: according to UNESCO (2017), the literacy rate of Saudis aged between 15 and 64 is 91.84%, and as high as 99.31% between 15 and 24 — to quality, first and foremost at the level of higher education. With plummeting oil prices and rising unemployment among young Saudi graduates, in the absence of accurate research measuring the social and economic impact of KASP (Maatouk & Hausheer, 2015), urgent measures were required to ensure that funding the scholarship program would result in secure posts for graduates returning to the Kingdom.

3. Phase Two: Establishment of the Custodian of the Two Holy Mosques’ Overseas Scholarship Program

In June 2015, news began to circulate on Saudi media that arrangements were in progress for a new scheme — Your Job and Your Scholarship — under which specialties sponsored by the foreign scholarship program would be designed to meet the needs of the market (Arab News, June 3, 2015). The new scheme, implementing the third stage of the former KASP through to 2020, would be open to Saudi male and female students who wished to study abroad and were eligible to take up the jobs assigned by the Government. On their return, graduates would be recruited immediately by employers who had covered their scholarships.

The Ministry of Education had just signed the first “five-year contracts with a number of government departments to provide work opportunities for students after completing their studies abroad” (Saudi Gazette, June 5, 2015). In effect, the Education Ministry had decided “to link the government’s foreign scholarship program to employment”, and the aim of the move was “not only creating jobs for the graduates of foreign universities, but also to meet the manpower requirements of various government departments and agencies” (Arab News, June 8, 2015). Accordingly, more cooperation agreements had just been signed, namely with the General Organization for Military Industry, to send 5,000 students on scholarships abroad, also with Saudi Arabian Airlines —3,000 scholarships were allocated for the study of aviation science and 2,000 scholarships for aircraft maintenance (Arab News, September 24, 2016) — the Saudi Arabian Monetary Agency, and the Saline Water Conversion Corporation (Arab News, June 8, 2015). Under another agreement announced, with the Ministry of Commerce and Industry, 1,000 candidates would be sent on scholarships abroad (Arab News, June 16, 2015).

The “Fog and ambiguity” of previous months (Saudi Gazette, June 22, 2015) were finally cleared with the official announcement, made by the Minister of Education on June 27, 2015, that 10,000 places for the first year of the new
Custodian of the Two Holy Mosques’ Overseas Scholarship Program were open for applications; Saudi students who wished to study abroad were invited to apply for inclusion in the new implementation scheme, Your Job and Your Scholarship. By that time, 14 agreements had been reached with prospective employers (Saudi Gazette, June 28, 2015). Agreements were signed with the General Authority of Civil Aviation (600 scholarships), with the Ministry of Social Affairs (1,000 scholarships), and the Ministry of Health (20,000 scholarships), among others. By the end of June 2015, the number of scholarships covered by various governmental agencies had reached 43,600, and the Custodian of the Two Holy Mosques’ Overseas Scholarship Program had selected 479 courses and specialties at bachelor, master and doctoral level at foreign universities around the world (Arab News, June 29, 2015). As of 8 July 2015, out of the applications received “for 479 various degree programs, medical degrees topped the list, followed by 213 master’s degree programs, 126 bachelor’s and 12 diploma programs”. It was clarified that applications for master’s degree programs required a cumulative grade point average of at least 2.75, and applicants for doctorate degree programs, a cumulative score of “very good” and above (Arab News, July 8, 2015).

Due to the volatility of oil prices and the increase in spending on social welfare and military and security projects (Saudi Ministry of Finance, December 28, 2015, p.2), the Saudi national budget for the year 2016 cut overall spending on education by 11.7% compared to the previous year (Global Research Saudi Arabia, December 29, 2015, p.2). Nonetheless, in his address to the Shoura Council on 23 December 2015, King Salman stated that “As for education, the State was keen to make its most significant investment in the field of Saudi human resources development… In this context, the focus of the Foreign Scholarship Program named after the Custodian of the Two Holy Mosques was to harmonize the outputs of education and the needs of labor market so that it contributes to bridging the gap in the labor market of some specialties, particularly medicine and other scientific professions” (Saudi Gazette, December 24, 2015).

4. Phase Three: The Quality Issue

4.1 Saudi Arabia: Quality First

A few months after the launch of the third stage of the foreign scholarship program, the new Minister of Education, Dr Al Issa, announced the ministry’s intention to review the program and specialties, in order to rationalize the Kingdom’s expenditure on scholarship students, and its plans to work on further development of the scholarship program in the private sector level to maximize results (Arab News, January 2, 2016). On signing a partnership with the Ministry of Transport to send 665 students abroad, studying a variety of disciplines, Dr Al Issa “expressed hope that the scholarship grantees will come back more enlightened and endowed with a broader perspective of life so that they can be of better service to the nation” (Arab News, January 6, 2016).

On 1 February 2016, the Saudi government announced new eligibility requirements for applicants wishing to study abroad under the new scholarship program. It was established that applications for a given course of study must target one of the world’s top 50 academic programs in the chosen field, or one of the top 100 universities, as identified by the Ministry of Education (Paul, 2016). Undergraduate students would need to have completed at least 30 credit hours with a minimum 3.0 grade point average, while graduate students would need a 3.3 grade point average. The Saudi government was apparently sending out signals that it wanted the Custodian of the Two Holy Mosques’ Overseas Scholarship Program to become “more academically selective and tie it more closely to the country’s labor needs” (Redden, February 25, 2016). The $6 billion King Abdullah Scholarship Fund (Kottasova, 2016) was being reoriented to favour quality over quantity.

As the website of the Saudi Ministry of Education explains in its Introduction of the Custodian of the Two Holy Mosques’ Overseas Scholarship Program, “The number of universities, and study seats has increased, and specializations offered by universities have become diverse. From this point, it became necessary to develop a work mechanism for the program to increase its effectiveness in line with the requirements of the current stage to serve comprehensive, and sustainable development, especially in light of the emergence of indications that some of the graduates who benefited from the program were late in getting the intended job of their choice, as well as the emergence of signs that some of the discipline, for which the graduates received scholarships, are offered by domestic universities”; therefore, “The new mechanism adopted…Your Job First, and Then Your Scholarship, seeks effective partnerships between the Ministry, and other public institutions in KSA in the field of overseas scholarships, and employment”. Even allowing for the economic circumstances that have influenced the review of the scholarship program, the shift from the quantitative to the qualitative perspective on the education front provides a good indicator of the country’s effective development (Pavan, 2017b, p.10).

At a time when new Saudi Arabian scholarship policies aim at “keeping pace with rapid changes in the requirements...
of development, contributing in strengthening KSA competitiveness”, while “linking candidates’ capacities to the career field appropriate for them” (Ministry of Education website), the destination countries favoured by Saudi scholarship students, first and foremost the US, have begun counting their financial losses.

4.2 International Institutions: Quantity First

The US is the most popular destination among Saudi students, followed by the UK and Canada. A record 16,000 Saudi students graduated from US universities in 2014-2015 (Saudi Gazette, April 4, 2015), and the cultural attaché at the Saudi embassy in Washington reported that in 2015-2016 about 580 students from the Kingdom were studying at the top 10 universities in the US, while 1,600 had secured medical fellowships at outstanding hospitals across the country (Saudi Gazette, April 13, 2016). After announcing that, subject to certain conditions, 12,000 Saudi students who were studying in the US at their own expense could be included in the scholarship program (Arab News, May 15, 2015) — it is estimated that approximately 85% of Saudi students abroad are sponsored by government funding: see Abouammoh et al., 2014, p.45 — King Salman confirmed that all Saudi students studying in the US at their own expense could join the Custodian of the Two Holy Mosques’s Overseas Scholarship Program provided that they took up approved courses in recognized universities (Arab News, September 21, 2016). At present, consequently, only Saudi students in the US sponsored by entities such as the Saudi Basic Industries Corporation (SABIC), Saudi Aramco, the General Organization for Social Insurance, the Saudi Arabian General Investment Authority (SAGIA), the Institution of Public Administration and the Olayan Financing Company (U.S. Department of Commerce, 2016, p.26) are excluded from government funding.

According to the Open Doors Report 2016, published by the Institute of International Education, before the launch of the third stage of its foreign scholarship program, Saudi Arabia had in 2015-2016 become the third-biggest source country of international students in the US, after China and India, with a total number of 61,287 students, making up 5.9% of international students in the US, which reflected a 2.2% increase over the previous year (Open Doors 2016 – Leading Places of Origin, IIE website accessed May 1, 2017). Notwithstanding the importance given by Saudi rulers to the US not least as a top destination for Saudi students, American educational institutions have started to voice their considerable disquiet at the declining numbers of Saudi enrolments for the academic year starting in Autumn 2016, albeit the worries they express might not necessarily be connected with cultural concerns.

Redden (February 25, 2016) quotes “a recent analysis from Moody’s Investors Service on the impact of reduced funding and stricter eligibility requirements for the scholarship program” which confirms that “even modest enrolment fluctuations could have a meaningful effect on some universities”. Walcutt (2016) describes “the scholarship struggle Saudi Arabian students are facing” due to new stricter requirements for securing and subsequently extending scholarships. And while Redden (July 18, 2016) reports extensively on worrying enrolment data from universities across the US (“Saudi Arabia was just kind of a given…well, it’s not a given anymore”), The New Arab (2016) highlights the “Exodus of Saudi students from US over ‘austerity, Islamophobia’”: “The number of new Saudi students sent to study in the US in 2016 was 10,980, bringing the total number of Saudi students enrolled in the US to 71,000 compared to 96,000 students in 2015” — it should be noted that the Open Doors Report 2016 provides a more conservative estimate: the difference, according to the US Department of Commerce (2016, p.25), could be justified by two reasons, the high proportion of Saudi students (around 22%) who are taking intensive English language courses in programs not necessarily affiliated with universities, and the number of Saudi students studying on Saudi scholarship programs who are dual US-Saudi citizens and therefore not counted as international students — specifying that “In August [2016] it was reported that the revenues of Idaho University, for example, were expected to drop by more than $5 million in the new academic year due to a drop in the number of Saudi scholarship students. This decreased enrolment at the institution came after Idaho University witnessed a range of racist attacks on Saudi and Kuwaiti students, which prompted the Saudi Embassy in Washington to reconsider the scholarship programme with the university”.

The report in question not only remarks that, as already stated, (Pavan, 2017a, p.4), there is an Islamophobia problem, but also unveils the specifically financial worries in many US educational quarters caused by the drop in Saudi enrolments. The times when the Saudi “price-inelastic students” (Redden, July 18, 2016), made up 39% of the “explorer” profile of international students in the US (i.e. “students with high financial resources and low academic preparedness”: Choudaha et al., 2013) are over. In May 2016, the US Department of Commerce invited US exporters to pay attention to changes affecting “this KASP process” (p.26) — although KASP as such had officially ceased in June 2015, as explained above, when applications were opened for the new scholarship program — given that “a disproportionately young population coupled with growing university enrolment levels make Saudi Arabia an attractive market for US colleges and universities looking to increase their ratio of international students” (p.25).
Wall Street Journal warns that “U.S. Colleges’ Bounty of Foreign Students Thins”, and “a drop in applicants from Saudi Arabia [and] Brazil brings new challenges in recruitment, retention and revenue” (Korn & Al Omran, May 24, 2016). It is estimated that “if even 10% of Saudis choose not to study in America, a projected economic loss could be close to $200 million” (Ali, 2016).

Over a period of 10 years, the number of international students in the US has grown from 500,000 to over a million (College Factual, 2017, and Open Doors 2016), and international students contributed more than $35 billion to the US economy in 2015 (Open Doors, 2016, citing the US Department of Commerce; see also the annual NAFSA International Student Economic Value Tool). But according to the latest available data for the first academic year of the Trump era, 38% of US higher education institutions report a decline in international applications, 35% report an increase, and 27% report no change in applicant numbers (American Association of College Registrars and Admission Officers - AACRAO, 2017, p.2). Moreover, “International student recruitment professionals report that they are hearing a great deal of concern from students and families all over the globe, with the highest percentage of concerns emanating from the Middle East (79%)” (p.4). And while US colleges face a potential loss of $250 million from the drop in international enrolments (Schaffhauser, 2017), the Financial Times reports that UK higher education institutions are planning to capitalize on this new situation, which is seen as “a big opportunity … to recruit more students from Saudi Arabia and neighbouring states” (Wiggins, January 16, 2017).

Considering that since 2010 Saudi Arabia has been the top sending market for English study in the US (ICEF Monitor, 2016), the decline in Saudi scholarship students presents a challenge especially to those American institutions providing IEPs (Intensive English Programmes). In fact, “Along with the tremendous influx of Saudi students since 2005 came more IEP school openings. IEPs barely had to lift a finger to fill their seats thanks to the Kingdom of Saudi Arabia. There was really no reason to allocate resources to prime the pump of other potentially lucrative future international students markets”. In reality, “These major ‘market disruptors’ such as the Saudi student decline occur about every decade for IEPs”. So “how to survive the Saudi slump”? Obviously “There are few short-term solutions to getting us [IEPs courses] out of this mess” (Academic Exchange website, introducing an article by Akins, 2016).

The problem affects the UK as well. On a fairly optimistic note, the British Council (2016) highlights opportunities and risks for UK-based EFL providers in the post-KASP era, given an expected increase in the number of self-funded Saudi students coming to the UK. However, some institutions speak of a critical financial situation arising due to the fact that “contracts from foreign governments — including Saudi Arabia, Oman, Brazil and Ecuador — to teach their students English as a second language dried up unexpectedly” (Blackford, 2016). And indeed it was confirmed at the 2017 NAFSA (Association of International Educators) Annual Conference, that US intensive English sectors had declined in 2016 by 18.7% (Deacon, 2017).


Commenting on unemployment figures in Saudi Arabia, Forbes contributor Dudley (2016) writes that “Doubts about the reliability of official [Saudi] data are nothing new”, pointing out that “unemployment among 20-29 year olds is running at more than 28%”, though without citing any source, it must be said.

According to the Saudi General Authority for Statistics (2017), unemployment in the fourth quarter of 2016 stood at 12.3%. Self-evidently, huge efforts must be made first of all by the higher education sector if the country is to meet its target of 7% unemployment (Saudi Vision 2030, p.39), and a first important step has been taken with the launch of the reviewed foreign scholarship program described in this paper. Faithful to its long-established policy of supporting education — and higher education in particular (Pavan, 2013 and Pavan, 2014) — the Saudi government is committed to closing “the gap between the outputs of higher education and the requirements of the job market”. It “will also work towards developing the job specifications of every education field” (Saudi Vision 2030, p.40).

The 2017 Riyadh Conference Statement confirms the goals set by Saudi Vision 2030: “The success of the vision will, in large part, be determined by the engagement and commitment of Saudi universities and their contribution to knowledge creation and innovation…It will be necessary to build an education system that prepares graduates with skills and attitudes to adapt to change, but perhaps even more importantly, to contribute to change”.

Ideally, official figures on implementation of the Custodian of the Two Holy Mosques’s Overseas Scholarship Program should be made available to the international audience in the English language, not only to enable transparent research and commentary, but also because such data could provide a starting point for other countries to
learn from Saudi Arabia’s best practices in effective government funding directed toward higher education. Saudi Arabia is going through particularly challenging times in the globalized knowledge society and economy; this paper encourages the academic community to focus on the moves now being made by the Kingdom to address the quality issue within its educational system, bearing in mind the comments of Majlis Ash-Shura member Huda Al Helaissi when interviewed by the Italian newspaper La Repubblica: “You must give us time: we are a young nation… above all, we Saudis are not like you Westerners: we have different values and we intend to uphold them. We will change in our own way, not yours” (Caferri, June 30, 2017, p.30, printed edition).

References


