This fall, hundreds of Middle Eastern, South Asian and East Asian students will begin work on graduate degrees from Carnegie Mellon, Cornell Medical School, Georgetown, Northwestern, Texas A&M and Virginia Commonwealth University. Yet none will travel to the U.S. Instead, these eager young people will head for Qatar, to a brand-new complex called Education City.

Qatar is not the only Persian Gulf kingdom developing state-of-the-art campuses. In Abu Dhabi in the United Arab Emirates, a similar effort is under way. Shimmering in the desert heat, these new facilities hark back to the golden age of Islamic civilization, when the scholars of Damascus, Baghdad, Alexandria, Cairo and Cordoba translated ancient Greek and Persian texts while also blazing new paths in mathematics and science. Yet they also offer the gold standard of modernity: American higher education.

Funded entirely by their billionaire royal sponsors, these branch campuses promise the same quality of faculty and curricula as their universities do at home. Admirers claim that they will also become oases of free inquiry in a region still lacking some basic liberties. Skeptics wonder whether this can really happen, and some deride the new ventures as a mirage conjured by petrodollars and rhetorical hot air.

Wherever living standards are rising, higher education is seen as the key to middle-class status. So ever since 1995, when the GATS rules of the World Trade Organization defined "educational goods and services" as a commodity, business has boomed in places like Dubai's Knowledge Village, a tax-free zone where more than 450 Australian, Belgian, Canadian, Indian, Iranian, Irish, Pakistani, Russian and British institutions, ranging from reputable universities to fly-by-night diploma mills, peddle their wares.

Knowledge Village boasts many brands, including the International Institute of Coffee and Barista Training (IICBT). But not many are American, doubtless because, unlike Hollywood moguls, who are content to see their products defined as commodities, American educators are divided on the issue. According to Philip Altbach, director of the Center for the Study of International Education at Boston College, for-profit entities (textbook publishers, testing services, distance learning companies) favor the GATS approach; but the educational establishment (accrediting organizations, unions, the majority of universities and colleges) reject the idea that education is a product and fear a loss of autonomy.
These fears are well understood by the emir of Dubai, Mohammed bin Rashid Al Maktoum. Rather than ask Michigan State and the Rochester Institute of Technology to hang a shingle next to the IICBT, he's building a whole new complex for these and other respected institutions, called International Academic City. The reluctance of American universities to "sell their name" is reflected in another Dubai undertaking: a Harvard-assisted medical training program in nearby Healthcare City. Significantly, this program will not be run by Harvard Medical School, but rather by Partners Harvard Medical International, a for-profit company that owns several Boston hospitals. And the word "Harvard" will be dropped from that company's name in 2012.

By contrast, New York University is boldly launching a full-scale liberal-arts college in Abu Dhabi. In return for a $50 million gift from Abu Dhabi's crown prince, Sheikh Mohamed bin Zayed Al Nahyan, NYU will soon join the Sorbonne, the Guggenheim, the Louvre and several other distinguished institutions on Saadiyat Island, a $28 billion complex still under construction near Doha.

Will other universities follow NYU's example? Probably not. One reason may be the memory of a rush to establish branch campuses in Japan back in the 1980s, when the Japanese economy was soaring. Recalls Peggy Blumenthal, executive vice president of the Institute of International Education (IIE): "The Japanese government sank a huge amount of money into a hundred or so campuses. But due to unrealistic expectations on both sides, only a couple were left standing a decade later."

One unrealistic expectation was that all courses would be taught by Americans. "The demand is great," says IIE's president, Allen Goodman, "and so is the need for faculty to know more about the rest of the world. But it is stunning how few are willing to go overseas, even for their own university." Despite high salaries and perks, many faculty see overseas teaching as a risky step off the career ladder. Hence Mr. Goodman's admiration for Carnegie-Mellon and Texas A&M, which he says "incentivize" it, and for NYU's Dr. Sexton, who "is talking about sending every professor and student to Doha."

The question no one seems to be asking is what will happen if these incentives work, and American professors and students flock to these Gulf kingdoms. Will their presence enhance or diminish the luster of American higher education (and of America) in the region?

The first thing to note is the potential cultural clash. "Emiratis are not fundamentalist," says Abdulakhaleq Abdullah, a professor at Emirates University. "But they are very guarded about their language, customs and families." This guardedness, which is shared by the South and East Asian populations, enhances the appeal of branch campuses. If the permissiveness found at many colleges in the U.S. shocks American parents, how much more shocking must it be to Arabs and Asians? That's why many who can afford to send their children to study in America now prefer that they get the same education closer to home. Along with such oft-cited reasons as difficulty obtaining visas and fears of harassment, parents also cite the desirability of a campus where the sexes do not live together and there is zero tolerance for binge drinking and "hooking up."

The challenge for overseas branch campuses, then, is to distinguish between two kinds of freedom: the libertinism of American undergraduate life, in which too many students major in "partying"; and the liberty of thought, inquiry and expression that makes American universities the envy of the world.

Despite political correctness and other restraints, it is still true (quoting David Waterbury, president of the American University of Beirut) that "the word 'American' is to education what 'Swiss' is to watches." Openness and critical thinking are deeply ingrained in U.S. higher education and contrast dramatically with foreign systems that still adhere to the medieval model of knowledge being poured from one vessel into another. Equally ingrained, and popular, is the American style of wielding authority: casual, approachable, eliciting questions and opinions rather than suppressing them.
Yet if the glittering new campuses of the Gulf are to become true centers of learning, we Americans must relearn, and try to teach, the difference between license and liberty. Otherwise our efforts and those of the branches' royal sponsors will founder in the sands of mutual misunderstanding.

Ms. Bayles's book about the global image of American culture will be published by Yale University Press next year.