

# 1 Universities, the internet and the global education market

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Privatizing educational services in an unstable marketplace raises a number of troubling issues. It does not require a leap into science fiction to foresee the development of a government-financed education industry complex that is ultimately as unaccountable as the military-industrial complex. To whom, other than their investors and shareholders, might the bearers of these new technologies be accountable?

(Michael Barker 2000: 114)

A few years ago, an observer of the e-learning scene in the USA noted that the most ambitious amongst the various newly emerging educational service providers were those 'that want to create via the internet a learning environment that might actually dispense with the teacher – at least in the conventional, classroom sense of the word' (Barker 2000: 107). He saw the education industry as the perfect example of the way the internet transformed the US economy by generating companies that would not have existed otherwise. As of yet, nobody could imagine a world where learners were actually taught by intelligent machines but it would be easy to envision how information and communication technologies (ICT) and the internet would one day change the nature of teaching. The pioneering spirit of the late 1990s is characterised by a then much publicised remark from John Chambers, CEO of Cisco Systems, a US manufacturer of network technologies and co-founder of Internet2: 'The next big killer application for the internet is going to be education. Education over the internet is going to be so big it is going to make e-mail usage look like a rounding error' (as quoted in Barker 2000: 108).

Since then, the euphoria of those years has somewhat subsided. Nevertheless, there is hardly a decline in product developments in the e-learning and online content sectors and even less an end to the transformations that drive the privatisation and commercialisation of education and science worldwide. In the educational and academic sectors, there are enormous profits to be made from a commercialised internet. This situation is by no means the cause of the global privatisation of public educational and academic systems. The profitability of the internet, however, which has been structured accordingly, is a factor that very much accelerates these transformations. Subject to these are not only the actual processes of acquiring an education that are a part of an individual's existential provisions, but also the normative ideal of education as a public good and a human right (cf. Lohmann 2002). When this basic right succumbs to the innovation rhetoric, there are indeed no more arguments as to why people should not pay for their individual education themselves. For the university sector that is at the centre of this article, I take:

- *privatisation* to mean all measures that are aimed at the elimination of the universities' public duties in favour of virtually changing them into extended workbenches of

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commercial companies; measures like changing the universities' legal form into private-law foundations, for instance; or installing university councils consisting of representatives from the commercial sector in management positions; the (short-term) acquisition of funds on the capital market through university-owned real estate; the assignment of research results (that have still been financed with public money) to commercial businesses etc.

- *commercialisation* to mean the orientation of courses, diplomas and course contents towards the market; the elimination of academic disciplines, topics and research subjects that are not market-compatible; the introduction of performance-related pay for university staff; the setting up of access restrictions to the internet by technical means and the submission of content development to the increasingly strict regulations of intellectual property rights; the elevation of 'successful operation on the global education market' to the most important maxim of academic policy (cf. BDA/HRK 2003).

In the university sector it is particularly obvious at the moment how educational processes are being transformed into *property operations with knowledge as commodity*.<sup>1</sup> German universities have long been involved in far-reaching restructuring processes, where the imperative of 'competitiveness on the global education market' has played a crucial role, as will be shown in the course of this article. One of the countless problems in the process is that, according to analysts, there is a critical mass for the ability to compete on the global e-learning market, so that universities have been forced to merge. In Great Britain, for example, there will be an estimated decrease of 10 per cent in the number of universities by the year 2010 (Sommerich 2002). Not surprisingly, there has been an increase in warnings against undesirable side-effects of the transformations lately. An astonishing number of 88 private universities have been closed by the Mexican government in the years 2001–03, due to the fact that the providers did not even meet the most basic of quality standards (cf. World Bank 2003). On the other hand, the closures are also part of regulation measures that are hardly in line with market conditions and have been taken by the Vicente Fox government in order to intervene in the mushrooming segment of private universities for the sake of more competitive suppliers. But first things first. Here are some figures relating particularly to the market segment of *studies abroad*:

- According to estimates from investment bank and financial consultants *Merrill Lynch*, the financial volume of the global knowledge enterprise industry amounts to about 2200 billion US\$ per annum.<sup>2</sup>
- 85 per cent of all students abroad enrol in educational institutions in OECD countries.
- Student mobility into OECD countries has doubled over the last two decades; in these countries, and between 1995 and 1999 alone, the number of students from non-OECD countries rose by almost double the rate than that of students from OECD countries themselves.
- In 1999, 30 billion US\$ were accounted for by around 1.5 million students from abroad, particularly from Asia, who were enrolled in tertiary-sector educational institutions in OECD countries – that is roughly the same as the international financial service industry's annual turnover.<sup>3</sup>

Out of the five segments of the educational sector according to WTO classification (primary education services; secondary education services; higher education services; adult education; and other education services like testing, external experts and others), higher education and 'other services' are the two areas where international trade has already become an important factor. Within the higher education sector, distance learning as well as consumption abroad have become the fastest growing segments (EUA 2001: 1 *et seq.*). In view of this growing market for education export,<sup>4</sup> the OECD countries are striving to meet the demand with lucrative commercial offers. At the same time, they point out that the *public* budgets at their disposal for the tertiary education sector are decreasing. It is being argued that privatisation and commercialisation of the education sector are inevitable, should the growing demand for higher education be satisfied.

The share of public budgets available for the tertiary educational sector varies considerably across OECD countries. It seems that only in Korea, Japan and the USA, native students are obliged to raise more than 30 per cent of the real costs for their studies privately. For the remaining OECD countries there are no reliable data concerning the costs to be borne by the students themselves. Nevertheless, there seems to be considerable leeway to pass costs back on to the demand side, i.e. the students. A statement from Ron Perkinson, Senior Education Specialist with the World Bank's *International Finance Corporation*, given at the *World Education Market* in Lisbon in 2002 applies to all of them: 'It is not a question of *if* but *when*. What is happening around the globe is that the larger traditional markets are being challenged through the globalisation of education. Britain and its fantastic tradition has so much to offer. It is certain politicians and government officials are going to look for better use of their education pounds' (as quoted in Sommerich 2002).

### **Contradictory utilisation of the internet**

In this process, the internet is being utilised in a contradictory manner. On the one hand, rising prices for users are being legitimised with rising costs for the service providers – costs for technological infrastructure, networking, data transmission, content development etc. The providers argue that the introduction of break-even prices and/or the raising of fees are inevitable, as the costs for technological equipment as well as hard and software development in the technological and content areas could not be borne otherwise in the long term. Moreover, it is argued, the raised salaries expectations for the higher qualified would justify them bearing their share of the costs.

On the other hand, certain expenses can be avoided with the help of the internet. Both the suppliers and the demand side face high costs through travel, accommodation and the cost of living in a foreign country on the one hand, and the actual provision of properties with libraries, computer learning centres and full-time academic staff on the other. In order to minimise these costs for studies abroad in particular, a growing number of students especially from non-OECD countries are striving for enrolment in educational institutions they can access via the internet and e-learning from their own homes. They do have to pay tuition fees, of course, but the remaining costs are considerably lower. While certain categories of educational service providers in a wider sense – i.e. providers of accommodation for foreign students – are falling behind here, providers in the quickly growing market segments of e-learning, online teaching and e-content are coming onto the scene, often in co-operation with regional, private educational institutions.

It was an environment like this that generated well-known structures like the University of Phoenix in Arizona that, in the course of a few years, became the largest private university in the USA. It operates practically without any full-time staff or libraries; most tutors are teaching part-time and most students get large parts of the tuition fees reimbursed from the companies that employ them. The UoPX is a prime example for the new quality of educational processes as property transactions with knowledge as commodity: all of the participants are creditors and debtors at the same time – the university as a tax-paying business; the companies that finance their employees' qualification processes; the company specialists and consultants teaching part-time; and the students that need to make up for the costs invested in their qualification.

### **Technological infrastructure – the state of the art**

Economic, legal and ideological dimensions aside, the internet also provides a new technological and infrastructural basis for the transformation of traditional educational processes into property operations with knowledge as commodity. This new basis facilitates and even generates the fastest-growing segments of the global education market and creates wholly new categories of protagonists. Not much is known about the technological infrastructure of the 'knowledge society', however, nor do we know much about the steering committees co-ordinating its development or about the economic interest behind them. Here is my attempt at a crash course:

At the beginning there was the Internet2<sup>®</sup>, launched in April 1998 by the then US Vice President Al Gore, a consortium consisting of:

- the US government;
- 206 US universities, from Arizona State to Yale under the direction of the University Corporation for Advanced Internet Development (UCAID);
- several dozens of leading global corporations as members, partners or sponsors, among them many companies from the IT industry as well as the research and learning industries; to name but a few: Apple Computer Inc., Cisco Systems, Ford Motor Company, IBM, Japan Telecom, Microsoft Research, Sun Microsystems, the Thomson Corporation,<sup>5</sup>
- as well as the Association for Communications Technology Professionals in Higher Education (ACUTA) as associated member and a good three dozen affiliated members, among them research institutes, companies in the education industry, and the World Bank (cf. Internet2).

This consortium develops and uses the most advanced electronic network technology. Its acknowledged aim is the creation of the 'Internet of the Future' that, among other things, differs from the conventional internet in the fact that it is not generally and publicly available.<sup>6</sup> The framework for its extremely fast data transmission is Abilene – Advanced Networking for Leading-Edge Research and Education. At the moment, Abilene provides a transmission speed of 10 gigabits per second with its cross-US backbone. The access to at least 100 megabits per second for every connected desktop is the next short-term aim (cf. Abilene 2005). In 1999, the University of Indiana received 10 million US\$ for establishing the connection of the *Next Generation Internet* with

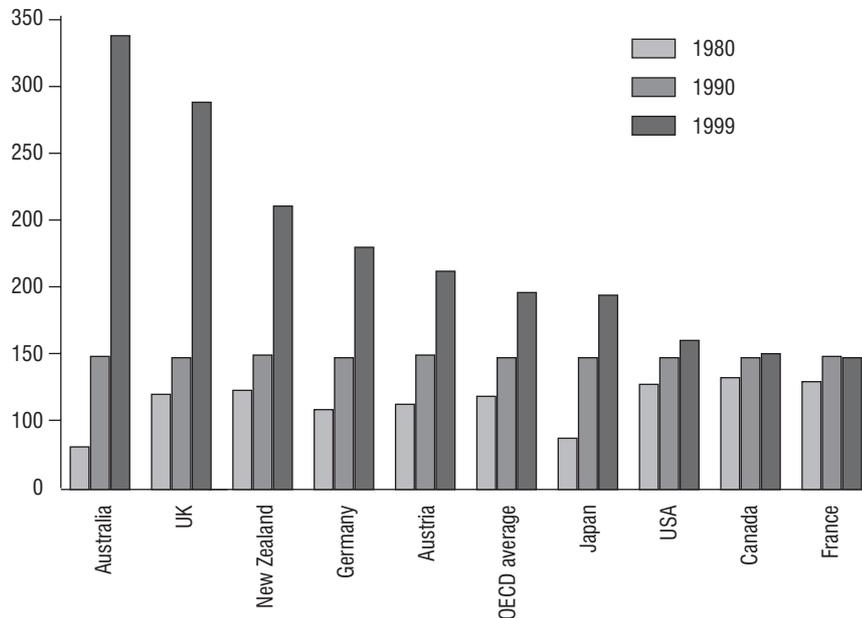


Figure 1.1 Students from abroad in selected OECD countries 1980–1999

Japan, Korea, Singapore and Australia and the University of Tennessee collected 4 million US\$ for the connection to Moscow and St Petersburg.

In this respect, though, Europe is hardly trailing behind the USA. At the European Council meeting in Lisbon in March 2000, the declared aim was to make Europe ‘the most competitive and dynamic knowledge-based economy in the world’ by the year 2010 (as quoted in European Commission 2002: 29). The internet in particular was to be harnessed to meet this objective. The most important instrument for this purpose is the EU Commission’s *Sixth Research and Development Framework Programme* with its central strategic aim of strengthening the scientific and technological bases of the European industry and encouraging it to become more competitive at the international level (cf. *ibid.*, European Commission 2002–06). As will be shown below, the development of German universities has been completely subordinated to this aim. To cite but one example that is symptomatic for the situation: in the area of e-learning and e-content development in Germany, there is no approval of funds that would not at the same time be tied to the proviso of a subsequent commercialisation of the product (as opposed to making it freely available on the internet, for example). This marks a departure and a qualitative difference from the earlier funds granting practice, at least for the humanities, and the social, educational and cultural sciences.

About 3,000 educational and research institutions in 32 countries belong to the present generation of the European research network Géant, connected via roughly 30 national and regional education and research networks. The European research network is financed by the affiliated states and for about 40 per cent by the European Commission. On behalf of the national research networks, it is planned and co-ordinated by Dante, the

Delivery of Advanced Network Technology to Europe Ltd, a company with its headquarters in Cambridge, UK (cf. Dante 2003).

Supporting Dante as an associated organisation is the Trans-European Research and Education Networking Association (TERENA); it organises the collaboration between the national research networks during the development and testing of new technologies. Terena has an observer status at Dante and at the European Group for Policy Coordination of Academic and Research Networks (ENPG). Moreover, Terena is a member of the Internet Society (ISOC) as well as an associated member of the US University Corporation for Advanced Internet Development (UCAID) which, in turn, operates Internet2. One of the main tasks of Terena is the carrying out of strategic studies about the future development and utilisation of the net infrastructure. ENPG on the other hand, co-operates with the EU's Community Research and Development Information Service (CORDIS), the central co-ordination and information service for research financed by the European Union, as well as with the EU Commission's Information Society Website (IS).

It is unnecessary, of course, to memorise these facts in detail, but one should nevertheless be aware of the newly changed environment one is operating in as member of a university.

In Germany, the research network WiN was founded in 1985 by 11 universities, some industry representatives and the federal ministry for research and technology (BMFT). In 1989 there was a first backbone network, in 1995 a first broadband research network (B-WiN) and since the year 2000, there is the gigabit research network (G-WiN) with a national backbone and central access nodes, comparable to Abilene. G-WiN is co-ordinated by the Association for the Promotion of a German Research Network (DFN-Verein) with its headquarters in Berlin. This association 'links universities and research institutions and promotes the development and the testing of new applications within the Internet2 community in Germany' (DFN-Verein 2005). An estimated 500 institutions and more than 1.5 million users are affiliated to G-WiN, which is connected to Abilene as well as the networks in the Asia-Pacific area via Géant in Internet2. Contracts and peering agreements integrate G-WiN into the global internet (cf. *ibid.*).

At present, three 2.5 gbit/s data lines connect Géant with the central North-American networks Abilene, Esnet and Canarie<sup>7</sup>: cables at the bottom of the sea mark the beginning of the transatlantic Global Terabit Research Network (GTRN) – a partnership between the US-American Internet2, the Canadian Canarie and the European Géant. A 155 Mbit/s connection from London to Tokyo already exists. In the meantime, special powerful networks are being provided and co-ordinated by the respective national organisations in many countries: in Asia including Australia and New Zealand, in Central and South America (but barely in Africa).

Among the African countries, it has so far been mainly those bordering on the Mediterranean – from Morocco to Egypt (and probably including Libya soon) – that have participated in the development of a network infrastructure covering the Mediterranean up to and including Syria and Turkey. In addition, the EU Commission is striving to link up the Republic of South Africa with Géant (cf. Martin 2002). A further 18 Central and South American countries – from Argentina to Venezuela (including Cuba) – will become Europe's potential partners on the global education market through ALICE, the programme America Latina Interconectada Con Europa that has been co-financed by the EU. A further development programme, South-Eastern European Research and Education Networking (SEEREN), is geared towards the south-east

European region, including several EU membership candidates. There seems to be a lot of evidence, therefore, to support the EU's self-proclaimed world leadership in this area that it attributes to Géant's success and that puts Europe ahead of the USA – at least as far as the running of 'intraregional research networks' is concerned (cf. Dante 2003).

This could be part of the explanation why the EU Commission is very well inclined to agree to the USA's request, placed into the current GATS negotiations, for further market openings in the higher education sector. In other words, with regard to Europe's highly developed interconnectivity there is no need for her to shy away from competition on the global education market.

### **The campus between internationalisation and Mcdonaldisation**

University campuses are important areas for the development and application of the branched-out programmes that the EU Commission and national governments, in co-operation with companies and trusts, use to control the formation and development of the 'European knowledge society'. On the one hand, there is a double focus on *internationalisation* and *quality assurance*. Apart from being desirable and feasible (cf. EUA 2001: 3 *et seq.*, ESIB/EUA2002: 2 *et seq.*), these two objectives are also part of the standard rhetoric surrounding the present structural reforms of the German university system. On the other hand and more importantly, it is about generating profits on the hard-fought global education markets:

- In countries like Brazil, India, Columbia, Indonesia, South Korea and the Philippines, the share of tertiary-sector students pursuing their studies at private institutions is between 60 and 85 per cent; in India, for example, 75 per cent of all colleges are privately owned.
- In China alone, with its 1,274 private institutions and 4 million students (in 2000), 500 private institutions have emerged in the tertiary education sector between 1995 and 1999, many of them in co-operation with providers from OECD and/or EU countries.<sup>8</sup>

In these countries, the investment possibilities can only be called favourable. An ever-increasing share of the education market is dedicated to ICT, and this not only applies to the rocketing market of private educational institutions but to state-run public ones as well; particularly since, in the university sector most of all, the borders between 'public' and 'private' are becoming increasingly blurred and are destined to become even more obscure through international trade agreements like the General Agreement on Trade in Services (GATS) (cf. EUA 2001: 4).

All in all, two trends dominate the global education market at present: a fast growth in trade with educational services within the OECD as well as a substantial rise in exports of educational services from leading OECD countries into third countries, particularly threshold countries. The export rates for telecommunication equipment from OECD countries into OECD countries (1991–97: +116 per cent) and into non-OECD countries (+164 per cent) mirror this development – at least until the Asia crisis at the end of the 1990s and the year 2000's new economy slump at the international stock exchanges and financial markets (OECD 2003: 236, 238 *et seq.*).

To give just one example: One of the most competitive education exporters is Australia. Compared with the total number of students from abroad at Australian educational institutions, the number of those who have enrolled offshore (i.e. who live in their respective countries and frequent local subsidiaries) has risen from 24 per cent to 37 per cent between 1996 and 2001. Nine per cent of the Australian educational service providers' foreign students follow internet-based distance learning courses and the figures point upwards. More than half of all students from Singapore, Hong Kong and China using Australian educational institutions are enrolled offshore (cf. Patrinos 2000, Larsen *et al.* 2002).

The online service provider Universitas 21 Global with its headquarters in Singapore is exemplary for the Asian-Pacific developments. Its launch was announced in the spring of 2003 by global media and publishing giant Thomson Learning. U21 Global is a subsidiary of Universitas 21, a consortium of 17 universities (including Birmingham, Lund, Singapore, Melbourne and Freiburg) in 10 countries and the Thomson Corporation; the 50 million US\$ alliance wants to secure a substantial share in the global electronic education market. For U21 Global, now, Thomson Learning has assembled a consortium of 16 universities, among them the universities of New South Wales, Queensland, Melbourne, Hong Kong as well as the National University of Singapore. U21 Global will start operations, a Master of Business Administration (MBA) degree course, with 800 students to begin with. Already in 2004, the number of students was meant to rise to about 5,000, most of them from the Asia-Pacific region. Optimistic forecasts are part of the business and so U21 Global's CEO expects a rapid growth in demand for educational services in the Far East and particularly in the online segment. He estimates the market volume to be around 111 billion US\$ per year (Thomson Learning 2003).

It is a well-known fact that German providers have long been represented with university subsidiaries, like the RWTH Aachen in Bangkok and Munich Polytechnic in Singapore, on the quickly growing Asian market.

Only behind closed doors it is being speculated about the impulses for German universities that could come from the establishment of those subsidiaries: the close co-ordination of courses on the market, the break-even principle, i.e. course fees, choosing the students – this means the opportunity to try something out off-shore that German university boards at home are still being prevented from by law.

(Heinemann 2003)

While the German Federal Minister for Research and Education still speaks up for tuition-free first grade studies, this situation has meanwhile changed. Since the Federal Constitutional Court's decision from January 2005 the German federal states are allowed to raise tuition fees at their universities.

### **ETS and Thomson – note on a neighbouring market segment**

Only one of the five educational sectors named at the beginning, namely the segment 'other education services', is still awaiting further liberalisation in the WTO-GATS negotiations. Accordingly, economies that are strong education exporters, and the leading Anglo-Saxon countries in particular, are pressing for an opening of the market. Among other topics, educational testing is on the agenda. If the international exchange of students

continues as planned this would seem to require language and qualification tests and entrance exams. If, at the same time, the universities that are being re-equipped for competition were able to choose their students themselves and would gratefully fall back on external service providers, then educational testing would become an even bigger business than it is today. Indeed, there would then be not only a 'rapidly expanding market for the [test providing] institutes', but also for the implementation of global standards, although the USA and other GATS proponents continue to assure that 'by opening the market for testing services, they would not want to question the right to the national setting of standards' (GEW 2003: 32 *et seq.*).

Thomson Learning is a division of consultancy firm and electronic publishing giant Thomson Corporation (NYSE: TOC) with its headquarters in Toronto. A segment of Thomson Learning, again, is Thomson Prometric with its headquarters in Baltimore, Maryland. In January 2000, Thomson Corp. bought up Sylvan Prometric for 775 million US\$, a division of the US educational service provider Sylvan Learning Systems that, amongst other things, runs charter schools (cf. ACI 2000). Since 1992, however, there have been close business ties between Thomson Learning and the Educational Testing Service (ETS) with its international headquarters in Princeton, New Jersey, and its European headquarters in Utrecht, Netherlands. Jointly, Thomson Prometric and ETS run the well-known brands Test of English as a Foreign Language (TOEFL), Graduate Record Examinations (GRE), Graduate Management Admission Test (GMAT), The Praxis Series (for teacher training) and others. In April 2002, both of them announced the reorganisation of their computer-based testing (CBT) operations that led to the closure of 84 testing centres worldwide – in locations as diverse as Abidjan (Ivory Coast) and Zurich; it was declared that the possibility of using hybrid testing models, computers and/or pen and paper, was in the students' interest (cf. Thomson Prometric 2002).

Founded in 1947, ETS is the largest educational testing service provider worldwide. 12 million of its self-developed tests are carried out in 181 countries every year and it would really be worth taking a closer look at the philosophy and the idea of the man behind those tests. ETS sees itself as a 'nonprofit company' at the service of customers 'in education, government and business'. Kurt Landgraf, a former leading manager of the pharmaceutical company DuPont and an avid supporter of US President George W. Bush's educational policies, has been ETS's president and CEO since August 2000. He has good connections to the US congress that occasionally gives him the opportunity to expound on his thoughts on the future of education, on the reform of teacher training and the importance of education testing in particular (Landgraf 2001, 2002).

Part of ETS as 'supporting companies' are the profit-making Chauncey Group International (development and running of programmes and certifications in vocational training), ETS Technologies (development and promotion of technology for online learning) as well as, until recently, ETS K-12 Works (testing services in US primary and secondary schools). Chauncey, on the other hand, merged with two other companies (Experior Assessments, iLearning) in March 2003 to form Capstar, which now puts its joint expertise at the service of 'corporations, government agencies, academic institutions and licensure and certification organizations', so that the customer 'now will be able to work with a single company that can assess training needs, develop and deliver the training electronically, assess the effectiveness of the training, and provide certification and licensure examinations' (Chauncey 2003). ETS boss Landgraf figures as CEO of the new company – right at the centre of the global education market, where it is most

profitable. This is just one example from the Thomson empire with its widely branched-out connections which makes this company one of the biggest among the slim dozen of big players on the world education market (cf. Stokes 2001: 2, Sommerich 2002).<sup>9</sup>

### **World education market – entrance Germany**

The common use of the English language promotes and strengthens the competitive advantage of the strong education exporters: USA, Great Britain, Australia, Canada and New Zealand. At present, these countries strive for further liberalisation of the global education market in the WTO's GATS negotiations. They are faced, however, with a growing number of political associations and bodies from EU countries and regions, the Third World and from the Anglo-American countries themselves, who warn against cultural deformation, the loss of cultural and linguistic diversity and against a 'McDonaldisation' of educational institutions. 'Think trade negotiations, and bananas, beef or steel might come to mind. But probably not education', a US observer commented recently. 'Yet today, with education emerging as one of the world's most vibrant and growing businesses, a number of countries are putting the classroom on the agenda of the World Trade Organization' (Fuller 2003: 15).

In 2003, the WTO received applications from the USA, Australia and New Zealand for further liberalisations of trade in education services within the framework of GATS. Amongst the trade restrictions that should be lifted in the opinion of these countries are, for example, restrictions on the electronic transmission of course materials; local, economical tests to ascertain the need for external education service suppliers; services that require a local partner; the refusal to grant private service providers permission to enter into or discontinue business relations with local and external partners at any time; protection agreements for local employees who are seen as the cause for less profitability. Those far-reaching deregulation attempts could transform even the education systems of rich countries into supermarket chains with special offers and bargain bins. In view of this situation, the European University Association (the association of European universities and university rectors' conferences) has warned for quite some time against a further trade liberalisation in the post-secondary education sector, among other things in joint statements with US-American and Canadian university associations as well as ESIB, the union of European students (cf. AUCC *et al.* 2001, ESIB/EUA 2002).

The development of the German university landscape shows, however, that further liberalisation will go ahead *with or without* a further expansion of the GATS agreement: Federal Education and Research Minister Bulmahn has hailed the last few years as the beginning of a new era. In a short space of time, course offers from German universities had been developed worldwide, from China to South America. The opening of the German University in Cairo (GUC) on 4 October 2003 'could be seen as a symbol for the new dimension in international university co-operation' (BMBF 2003b). Internet portals like Gate Germany, Campus Germany and HiPotentials that aim to promote Germany as an educational and research location have come to bear fruit, both in Germany itself and abroad. The World Education Market (WEM) 2002, one of the bigger recent trade fairs for the global education market, saw the participation of Otto-Friedrich-Universität Bamberg, FernUniversität-Gesamthochschule Hagen, Westfälische Wilhelms-Universität Münster, Rheinisch-Westfälische Technische Hochschule Aachen, Technische Universität Carolo Wilhelmina zu Braunschweig, Technische Universität Dresden, as well as

Technische Universität München. Although WEM was held for the last time in Lisbon in 2003, the organisers from media and publishing giant Reed Elsevier are planning future trade fairs for the faster growing education market in Asia. Campus Germany, too, have already travelled there for a promotional tour.

### **Preliminary conclusions**

So what are the conclusions we can come to at present as far as the internet and the global education market are concerned? There seems to be a largely agreed, global technological and infrastructural basis that is being dominated by the US administration. In addition, however, there are partly overlapping *and* contradictory economic and political interests and strategies, at times in the same associations or in the same ministries (cf. Bulmahn 2002, BMBF 2003a, 2003b), with the contradictory part mostly on the side of non-governmental organisations, of course. One strategy is aimed at lifting all remaining international trade barriers, another one at the preservation of national development opportunities and regional diversity (cf. AUCC *et al.* 2001, AER 2002), a third one particularly endeavours the protection of *public* education (cf. European Education Forum 2004), a fourth one stresses the needs of the poorer countries (cf. Hartmann 2003, WEED *et al.* 2003) that have not had much of a say so far in the debate outlined above.

To a certain extent, the Union des Industries de la Communauté européenne (UNICE), ‘the Voice of Business in Europe’, also supports the strategy of diversity protection.<sup>10</sup> Therefore, this strategy does not offer enough distinct criteria in the search for allies against the triumphal procession of neoliberalism in higher education. The EU Constitution, in the end, included a kind of exception clause for the treatment of education (cf. AER 2004); we will see how much of a help this will be. It will probably not make defenders of the idea of public education or globalisation critics that oppose the sellout of the public sector in general – the Fórum Social Mundial, ATTAC or WEED<sup>11</sup> – sink back into their easy chairs.

The most powerful strategy variants, at least at the time, are both aiming at the worldwide commercialisation and privatisation of the education and research sectors. Not without a reason does Per Nyborg, Chairman of the Commission for Higher Education and Research of the European Council, point out the frictions that arise because the Bologna process (cf. 2003) is being pursued parallel to the ongoing GATS negotiations: ‘Can the Bologna process based on co-operation and GATS based on competition co-exist in the sector of higher education?’ (Nyborg 2002: 1). Nevertheless, in view of the number of protagonists and the diversity of their interests they will probably have to, in one way or another.

Certain previously rather arcane matters like *copyright* and *intellectual property rights* have become the most explosive topics on the campus (cf. Noble 1998, 2002, Bok 2003: 79–98). One possible scenario would be that ‘in the future, there will only be the user who – individually, in a personalised way, independent of location and according to demand and possibilities – utilises communication technology’ (Quandel 2001: 23). And who, let’s not forget, in a manner that is equally individual, personalised, independent of location and according to demand and possibilities, will be asked to pay up. On the other hand, the necessarily worldwide battle about the preservation of public education, public research and free access to knowledge and information has only just started.

- (1) Digital assembly: Content like music, films or texts is being prepared for sale on the Internet: It is being digitalised, compressed (MP3, MPEG) and encoded.
- (2) Shop window on the Net. The encoded data are placed on a server, ready to be downloaded.
- (3) Key for money: The user buys a key for single, multiple or unlimited use of the content.
- (4) Anytime, anywhere: With the key, the user can listen to the music or watch the film on various mobile or stationery devices. The key is linked to the person, not the device.

(*Die Zeit*, 10, 27 February 2003)

With regard to the role of education policy and research in the globalisation process, my findings imply one thing in particular, namely that the globalisation of *and* through education policy and research are two movements that today can only be separated analytically. As a matter of fact, they seem to converge at present – much more rapidly than the academe’s insistence on self-reliance would have us think and much more rapidly, too, than the reproach of a lack in practice-orientation would have us believe (an accusation that is being raised with particular vigour in Germany at the moment). This convergence might be less of an evil than it is a clear and new challenge; not only insofar as education research self-reflexively asks for its historical place but also to the extent that it does not want to have the constitution of its subjects and research questions taken out of its hand.

Education policy and education research are equally moving towards the centre of events now, where national and international economic competition, commercial and trade policy are happening. Traditionally, these kinds of topics were hardly among the subjects of education research. Today, however, education policy and education research are part of the worldwide battle for and against the liberalisation of educational markets, in the current round of GATS negotiations as well as the OECD’s PISA studies (including the way they are received nationally), or in the debate over the extent of national autonomy in education matters (as it is currently being discussed in the EU member countries within the context of the EU Constitution). In Germany, the anticipated federal reform was thwarted at the beginning of 2005 by the question of competencies in education policy; the dividing line, however, does not run simply between a Federal Government that wants to secure more scope for action and the 16 federal state governments that fear the loss of their cultural sovereignty guaranteed to them by the Basic Constitutional Law. The debate is rather about the main point of controversy, about liberalisation and globalisation in an educational sector that has become part of international economic policy and competition regulations.

How closely education policy and education research are intertwined today is demonstrated by the World Bank’s online discussions, for example. One of them – the sixty-first the World Bank has carried out and neatly archived since June 2001 – is currently concerned with the question ‘Does contracting out education services improve delivery?’ (cf. World Bank 2005). Whereas the OECD has been quite successful so far in keeping up the impression that education research is independent of economic policy and competition regimes, the World Bank, also with the air of a fairly neutral observer, in reality is a propagator of what they presume to be an historical trend: the worldwide privatisation or rather abolishment of public educational institutions. GATS/ WTO, the

World Bank, the OECD, the EU Commission – Hegel’s motto ‘what is rational is real, and what is real is rational’ seems to be their common motto today. Education research, however, still can raise questions.

## Notes

- 1 I take *property operations* to refer to actions aimed at any kind of economic utilisation for which proprietors’ rights must be asserted: contract conclusions, purchase and sale, hiring and leasing, bequeathing and taking and giving out of mortgages or credits.
- 2 This figure is often circulated by propagators of the global education market, cf. World Bank’s Harry A. Patrinos (2000), Cisco Systems (2002), World Bank’s Ron Perkinson (2003) in his speech at the World Education Market, or Germany’s Federal Minister for Education and Research, Edelgard Bulmahn (BMBF 2003), at the conference ‘Exportartikel Bildung’ (*education as an export article*).
- 3 Figures quoted from Patrinos 2000, Larsen and Vincent-Lancrin 2003, Perkinson 2003.
- 4 According to WTO classification, foreign students’ expenditures for course fees and cost of living are classified as education service exports from the country where the students are enrolled in educational institutions; they count as imports for the students’ country of origin, however; cf. Larsen, Martin and Morris 2002, 4.
- 5 cf. Internet2 as of January 2005; for the beginnings cf. CNN 1998.
- 6 But also through the fact that downloading the *The Matrix* DVD, for instance, takes more than 74.7 hours via ISDN, whereas it only takes 0.011 hour in the ‘Internet of the future’ – UCAID president Douglas Van Houweling’s example, 2001/2003, slide 20.
- 7 Energy Sciences Network, the US Department of Energy’s highspeed network; Canadian Network for the Advancement of Research, Industry, and Education.
- 8 Figures from Patrinos 2000, Larsen and Vincent-Lancrin 2003, Perkinson 2003.
- 9 For further business associations between ETS and Thomson, cf. Chauncey 2000, 2001, Thomson Learning 2003, for both also AIRS 2003.
- 10 ‘Life-long learning requires co-operation and partnership between all stakeholders and is a shared responsibility between individuals, companies and governments. Life-long learning means building a solid basis for continuous learning throughout an individual’s working life, underpinned by effective strategies and flexible systems and arrangements. Strategies and systems vary from one member state to another, depending on the different traditions and legal contexts in place. This diversity needs to be respected’ (UNICE 2000, 2).
- 11 ATTAC: Association pour la Taxation des Transactions financières pour l’Aide aux Citoyens, originally an initiative for the implementation of the Tobin tax on speculative profits from financial transactions; WEED: World Economy, Ecology and Development, a critical voice in north-south and ecology politics, for GATS, cf. WEED *et al.* 2003.

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