Internationalisation and Globalisation
in European Higher Education

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1. Introduction
Over the last decades, the international dimension has clearly gained importance in higher education. Higher education has been increasingly analysed at the international level, with an important role played by international and intergovernmental organisations such as the OECD and UNESCO. From the academic side, these analyses were supported by international comparative higher education research, carried out by research centers such as the Center for Higher Education Policy Studies (CHEPS) in the Netherlands. Secondly, the internationalisation of higher education has been increasingly addressed by national governmental policies, generally aiming to move beyond the existing schemes for academic mobility towards policies encouraging higher education institutions to internationalise their core functions. And thirdly, an awareness emerged that internationalisation should be addressed at an international level, leading to an increase of supra-national policy initiatives.

In Europe the various national policies resulted mostly in increased mobility of students and staff, as well as a growth of inter-institutional cooperation. The supranational initiatives led to a number of inter-governmental agreements (e.g. on the recognition of academic qualifications), but more importantly, for the first time in European history, they created a general European policy aimed at reforms at the level of higher education systems: the Bologna Declaration. This Declaration was signed in 1999, during the same year in which another, quite new, phenomenon emerged in higher education: the liberalisation of the international higher education markets, implying the objective to enable and stimulate the cross-border and free trade in educational services.

Both processes (the internationalisation of higher education and the liberalisation of the international higher education market, also called ‘globalisation’) are frequently discussed in higher education these days. It is good to keep in mind that the two processes refer to two different phenomena, which, I think should be clearly distinguished. In general terms, the concept of ‘globalisation’ relates to the process of increasing convergence and interdependence of economies and to the liberalisation of trade and markets, although it also extends into increasing interdependence on an intercontinental scale in other realms of life (cultural, social) as well (Friedman & Ramonet, 1999). From the political perspective, the globalisation literature claims that
the process of globalisation will turn nations states into powerless actors and that ultimately their role will vanish. The concept of ‘internationalisation’ appears to refer mainly to the process of increasing cooperation between nation states or to activities across state borders, and reflects a world order in which nation states still have a central role to play.

In higher education the term ‘internationalisation’ is used to identify certain internal changes in higher education institutions, especially the integration of an international dimension into the functions of teaching, research and societal service (Knight & De Wit, 1995). In addition, ‘internationalisation’ is usually interpreted as a process which can (at least partly) be shaped and influenced by higher education institutions themselves. ‘Globalisation’ on the other hand is mostly seen as an external macro socio-economic process which cannot be influenced at the level of higher education institutions. As Scott says: ‘Not all universities are (particularly) international, but all are subject to the same processes of globalisation’ (Scott, 1998, p. 122).

Over the last years both in terms of internationalisation and globalisation, major developments have swept over European higher education. Higher education in Europe has clearly and gradually internationalised. More recently, European higher education appears to be confronted with the threatening trend of globalisation.

In this paper I shall discuss both these processes. I shall analyse the two major international policy contexts that higher education institutions are confronted with nowadays, i.e. the general policy agendas and macro-level institutional arrangements that appear to be implied in on the one hand the context related to the Bologna Declaration and on the other the context associated with the General Agreement on Trade in Services (GATS). More specifically I shall ask the question whether the policy context of the so-called ‘Bologna Process’ is an adequate response to the challenges of globalisation.

2. The emergence of globalisation
Internationalisation has become a widespread and strategically important phenomenon in higher education (Teichler, 1999). It includes a broad range of activities, such as the mobility of students and staff, internationalisation of curricula and quality assurance, inter-institutional co-operation in education and research, and the establishment of international university consortia. Furthermore, a strong increase in the cross-border delivery of education, and a substantial export and import of higher education products and services have developed. This process is motivated by both demand and supply factors. The growing and diversifying demand for higher education in countries with an insufficient national higher education infrastructure, is perceived by established universities in western countries as opening up potential markets. Decreasing public (national) funding for higher education motivates institutions in various countries to actively explore and address these markets.

This is a process that is clearly further driven by what I just defined as the process of globalisation, i.e. the liberalisation of educational markets through the initiatives of the World Trade Organisation (WTO), in particular the General Agreement on Trade in Services (GATS). In the GATS negotiations, there is a consensus to consider primary and secondary education as public consumption goods, with predominantly public rather than individual benefits, and with important functions in the conservation and development of national society and culture. But for higher education things appear to look different. For higher education, the balance of public and individual benefits is often seen to be more on the individual side. And in the GATS negotiations higher education services are regarded by many to be able to be organised at a competitive and commercial base, implying an obligation to allow free market access at an international scale (Council for Trade in Services Secretariat, 1998). The GATS process came to a temporary standstill with the failure of the Seattle round of negotiations in 1999, but undoubtedly will take up speed again in years to come. Recent proposals from the US, New Zealand and Australia suggesting further opening-up of markets are already leading to intensive discussions prior to the next WTO meeting (Australian Delegation, 2001). Overtly, the US proposal is to
‘create conditions favourable to suppliers’ in the area of job-oriented ‘training services’ and educational testing services (United States Delegation, 2000).

It appears that there is a growing international competition in higher education and an enhanced economic rationale for internationalisation, as compared to the political, cultural and academic rationales, which were the main driving forces for internationalisation until recently (Kälvermark & Van der Wende, 1997). The economic potential of the international higher education markets has attracted new types of higher education providers (e.g. corporate universities, virtual universities, online-providers, etc.), operating on a purely commercial basis, leading to again more competition.

The significance and reach of these developments can be illustrated by some data on the three leading countries in this area: the US, the UK, and Australia. Education and training services rank among the US top five in services exports, accounting for 4% of the total services revenue in 1999 and over US$ 14 billion of export receipts in 2000. In the UK they account for approximately 4% of services revenues. The UK’s share in the global market for international students is 16% at present. The government’s aim is to increase this to 25%. In Australia the sector ranks fifth in general exports (US$ 3,2 billion). In the year 2000 150,000 foreign students enrolled in Australian universities.

It cannot be denied that globalisation trends are entering the higher education field. The GATS paragraphs on free and cross-border trade in educational services push to increasing competition, creating tensions in fields like the recognition of degrees and quality assurance. And although nation states still play a strong role in higher education (most obviously because most institutions in Europe are to a large extent still state funded), higher education institutions will have to address these globalisation trends.

At the national policy level, deregulation and the increase of institutional autonomy in many countries are assumed to enable institutions to become more responsive to their environment, including international challenges. Deregulation coincides in many cases with a decrease in per capita national public funding of higher education, which increasingly leads to mixed funding arrangements and institutional entrepreneurialism. Higher education institutions that take the
globalisation trends seriously focus their entrepreneurial activities, amongst other things, increasingly on generating institutional income from international sources, e.g. cross-border marketing of courses and study programs, and international co-operation in research. Globalisation has emerged as a policy context in national higher education systems and higher education institutions are developing strategies to respond to it.

According to the critics of globalisation, these developments do not come without problems. It is sometimes argued that the globalisation trends (and in particular the influence of the WTO) will be detrimental to higher education in small nations and languages areas. It will exacerbate dramatic inequalities among the world's universities, with a dominant role of the world-class universities in western industrialised countries. Smaller and poorer countries will have little autonomy or competitive potential in the globalised world (Altbach, 2001). However, one should realise that the WTO’s influence in a particular country depends on the commitments that its own government makes to the various agreements. Furthermore, the size of a country is not the main issue in a free market environment (the Netherlands is for instance one of the main foreign investors in the USA).

But obviously, the developing countries are the most vulnerable indeed, because of general trade inequalities and access-to-market problems, which are also strongly reflected in the higher education area. Nevertheless, there are examples of countries (e.g. Malaysia) which have deliberately invited, under clear regulations, foreign higher education institutions to move into their country in order to enlarge the higher education provision, which the country itself is not able to develop. Other countries are facing non-invited providers and are trying to respond to that with adequate regulation, e.g. South Africa and Israel (McBurnie & Ziguras, 2001).

Another critical argument regarding the globalisation trends regards their potential negative impact on traditional academic values. These values are feared to be endangered because of the heavier emphasis in higher education on for-profit activities and market forces. Higher education increasingly might be seen as just another interest of industry, progressively with characteristics of the corporate world,
and, hence, a risk of loosing values like pursuit of scholarship, curiosity-driven
research, social criticism and the preparation for civic life (Newman, 2000).

It cannot be denied that the globalisation trends imply an opening up of higher
education markets and therefore a whole array of opportunities, both for existing
institutions and for new providers. Perhaps, there is a certain danger that a number
of these actors will focus only on short-term profits and the maximisation of revenues,
at the expense of the more fundamental academic values. However, it is conceivable
that universities respond to these changing circumstances while preserving the
traditional academic values that have characterised them in the past. Universities may
very well see the challenge of combining the opportunities of globalisation with the
traditional values of scholarship and academic learning. There is no need for
pessimism or cynicism as long as higher education institutions are willing to face their
new environments with their academic background in mind.

3. Cooperation or competition?

The emergence of globalisation is reflected in a change in the paradigms of
internationalisation, which has been described by Haug (1999) and Van der Wende
(2001) as a shift from co-operation to competition. Indeed, international competition
between higher education systems and institutions is increasingly observed and
discussed. In Europe, comparisons with US higher education appear to be an issue of
growing concern. More generally, a strong threat is felt from the Anglo-Saxon higher
education systems and their strong position in the world-wide higher education
market. With the advantage of English as the lingua franca, flexible degree structures,
strong traditions in distance learning, off-shore delivery strategies, (differential) fee
systems providing incentives to institutions to actively market themselves (also
overseas), and governments that actively support such international marketing
strategies, they have an undeniably strong foothold in the world-wide market. Several
Anglo-Saxon countries have chosen an explicit (and sometimes even aggressive)
competitive approach to internationalisation of higher education.

In contrast, most continental Europe an countries seem to pursue a more co-
operative approach in this area. Although various countries are developing a certain
market orientation in higher education, in general continental Europe tends to stay away from an actual market and trade perspective on higher education (cf. Prague Communiqué, 2001). The continental European position reflects its dominant political and value-based perspective. In many continental European countries free access to higher education is seen as a (social-)democratic attainment. A view on higher education as a commodity that can be traded on a (world) market is perceived to be in conflict with this. As a consequence, a motivation or rationale to compete internationally is judged to be undesirable and is largely absent, both at national and institutional levels. Moreover, in cases where higher education funding is nearly completely provided by the state, where often no fees are charged to students and limited autonomy is granted to institutions, few incentives and no real options for competing internationally may exist.

Yet the threat of competition from the external Anglo-Saxon world is felt in Europe and was in fact one of the rationales for the Bologna Declaration. Since 1999, more than 30 countries signed this declaration with the objective to redefine the higher education structures of Europe. One of the main aims of the Bologna declaration is to enhance the international competitiveness of European higher education, through an increase of the transparency of European higher education, in particular the comparability of higher education degrees and qualifications by introducing a two-cycle, undergraduate-graduate system.

Obviously, the realisation of such convergence of systems will require more co-operation between countries. And although international competition may be a rationale, in line with continental European traditions, the Bologna Declaration stays away from a market or trade perspective and calls its ultimate result a ‘European higher education space’. However, the question can be raised whether the policy context of the Bologna Declaration can be expected to provide an adequate response to the challenges of globalisation and the consequent increasing competition in higher education.

4. The Bologna rhetoric and the challenges of globalisation
Is the policy context proposed in the Bologna process an adequate response to the challenges set by globalisation, or more concretely by the ‘WTO agenda’? In order to try to answer this question, let us first focus at the relevant actors in higher education systems.

These relevant actors unquestionably include state agents: governments as such, ministers of education, ministers of international trade, etc. However, the role of higher education institutions should not be underestimated. They are the providers (in WTO parlance) of higher education, while state governmental agents ‘only’ set the conditions for them to operate. It is higher education institutions that should be perceived as the potential ‘global players’ in the international higher education market. The observation that the USA, the UK and Australia are the three largest exporters of higher education is only a statistical fact, as statistics in the international arena tend to be aggregated by country. It neither implies that all higher education institutions in these countries are big exporters of higher education, nor that large exporting higher education providers could not exist outside these three countries. When analysing the Bologna response to the emerging trends of globalisation, individual higher education institution must be included in our analysis.

On the other hand, the game of global higher education is not played only at this level. As indicated before, state governments are still the main providers of funding for most higher education institutions in most countries. And state governments still largely set the rules of play for higher education institutions.

The assumption underlying the Bologna process is that national state governments retain the responsibility for higher education as before. The group organising the Bologna process is a complex set of governmental agencies, including the Commission of the EU, and with revolving chairmanship. Challenges to the traditional arrangements with governments dominating higher education systems are not mentioned in the Bologna Declaration. On the contrary, in the Prague communiqué it is stated that: ‘higher education is perceived as a public good and governments are the agents in society that are responsible for providing public goods’. In a good number of countries, the Bologna Declaration statements are the actual basis of higher education policy: only
or predominantly public higher education institutions, no tuition fees, etc. Strange enough at the same time, in their national higher education policies, several of these national governments have moved beyond this public service rhetoric since almost two decades. In ever more countries, ever more (quasi-)market arrangements have been introduced in public higher education.

In the discourse of higher education as a public good, harmonious relations between a paternalistic government and higher education institutions as loyal state agencies are presumed (Bleiklie, 1998). According to this view, within national higher education systems, the basic rule of behaviour is co-operation. That this is rhetoric rather than a good explanation of behaviour in higher education systems has been borne out by studies of reforms since decades (Cerych & Sabatier, 1986; Van Vught & Westerheijden, 1991 and several others). Yet the rhetoric lives on. This rhetoric is perhaps even stronger at the international level, because at this level diplomatic rules of conduct prevail. In diplomatic language, the pressure to use co-operative phrases is particularly strong, especially among states that are trying hard to define their common future in the European Union. Accordingly, it is understandable that in the policy context of the Bologna process co-operation is the main rule of (written) behaviour. Moreover, internationalisation seen from the perspective of an economic rationale until recently was rather a marginal issue.

Higher education institutions and governments therefore could easily afford to be co-operative. Now that internationalisation, spurred by the emergence of globalisation, is becoming of substantial strategic (and financial) importance, the stakes are up and the actors may want to rethink their behaviour.

Another aspect of the rhetoric of harmonious behaviour in higher education systems is disclosed by the wisecrack that co-operation is best organised by finding a common enemy. To the extent that the Bologna process aims to make European higher education more attractive to students from outside Europe, co-operation within Europe is a viable option: the USA would then be seen as the reference point in a world-wide competition in which Europe can gain if it stands together. To the extent, however, that it aims to enlarge student mobility within Europe, countries’ higher
education systems are exploiting the same pool of (highly talented) students, which by its very nature implies competitive relationships.

Reality in European higher education, I argue, is less based on co-operation than is suggested by the rhetoric of the Bologna process. It rather shows the coming into existence of competitive market behaviour. Market behaviour derives from the structure of the system rather than from its rhetoric. In any higher education system a number of higher education providers offer degrees, certificates etc. to a clientele of students. In many European higher education systems the number of higher education institutions is limited, so that for the suppliers rules of oligopoly would prevail. However, in the public higher education systems of the post-World War II western world (welfare state) governmental planning ensured that higher education institutions hardly had to compete with one another. Each higher education institution was to a large extent a regional monopolist: it would attract most students for most mass programs from its own region. For specialised studies, governments often planned for a single provider for the whole country or for large regions. Both options resulted in little competition among the providers of higher education. Moreover, student numbers were growing at fast rates in most western countries in the second half of the 20th century. These conditions of growing demand, often related to growing state budgets for higher education (at least until the 1980s), also meant that there was not much reason for higher education institutions to engage in competitive behaviour.

But in the late 20th century, the market structure of higher education systems changed. For various reasons in the early 1980s in several countries governmental budgets reached their limits and student numbers stopped growing as quickly as before. This change in situation alone already implies that suppliers on such a market are more in a competitive relationship to one another. In addition, many European governments changed their steering philosophies from comprehensive central planning to one that emphasised market-like relationships with higher education institutions competing for limited governmental funding (Van Vught, 1997, Mace, 2000). The result was an increase of competitive behaviour in higher education.
systems. By the end of the 20th century in many European higher education systems, the harmonious co-operative arrangements had changed into competitive markets.

And now we face the emergence of globalisation. As indicated before, the process of globalisation is driven by the initiatives of the WTO and especially by the GATS negotiations. Several nations (largely outside Europe) are pushing for the international liberalisation of the higher education markets, demanding free market access, also in Europe. It has to be expected that the European higher education systems cannot prevent this increasing process of global competition from having a major impact on their dynamics. External providers (especially from the USA) will try to exploit the European demand for attractive courses and qualifications; virtual universities will increase their offerings; new providers will enter the market. The globalisation game has begun and will only increase in scale and intensity. Competitive characteristics have slowly emerged in European higher education since the 1980’s. The globalisation process will make them even more dominant.

5. Conclusion

While competitive characteristics are becoming more dominant in higher education, the Bologna process appears to remain mainly focused on co-operation. The policy context implied in the Bologna process assumes that national governments can still largely set the behavioural rules for higher education institutions and that these institutions will not respond to broad international opportunities while the growth in their national markets is coming to a halt. But, as can be observed from the behaviour of a growing number of higher education providers, the opportunities of globalisation appear to be very attractive, certainly for higher education institutions that have gained the autonomy that allows them to exploit these opportunities. Higher education institutions increasingly respond to their new environmental conditions in which competition rather than co-operation appears to be the name of the game. Therefore, the Bologna process is no adequate response to the challenges of globalisation. Its policy context lacks a view on competitive behaviour at the level of higher education institutions and focuses too narrowly on co-operation between national governments.
Higher education institutions in Europe should of course accept and use the benefits of the Bologna process. The convergence of the European curriculum structures and the further comparability of degrees and qualifications are important aspects of the ‘new European higher education’. But the European higher education institutions should also look beyond the Bologna process.

Like in several countries outside continental Europe, European higher education institutions should not shy away from competition. They should try to carve out their specific market niches, trying to develop and market their own definitions of reputation and prestige, addressing their own stakeholders and using their own international consortia. In addition, the European higher education institutions face a challenge that they can only address together: the challenge to build up a truly European higher education profile in a competitive world market. The next step to take in the ‘histoire inachevée’ of a European culture may therefore well be up to the European universities (Fernández-Armesto, 2002).
References


