

CHAPTER 22

Has our Reach Exceeded our Grasp? Taking a Second Look at Higher Education as a Global Enterprise

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INTRODUCTION

My purpose in this essay is to draw a distinction between being “global” and being “international”. I would like to begin, however, from a more personal perspective. For more than 40 years now I have spent a substantial portion of each year outside my own country. Like many academics, I have in my study a world map full of black and red pins testifying to the fact that professionally I have been busy going places I have never been before. This month I am in Switzerland; last month I was in Singapore; next month I will be in Australia — all places I have visited or worked in multiple times before.

When I first encountered Tom Friedman’s *The Lexus and the Olive Tree* (1999) with his definition of globalization, it seemed as if I had spent a lifetime getting ready for the world Friedman was describing. Then, when I began using *The Lexus and the Olive Tree* in my classes, I noted universities were largely absent as principal players in the drama Friedman was describing. In his new world of global connections, universities were like warehouses, full of interesting people who were fun to drop in on and have lunch with. But universities per se were not global players, not part of the growing network of connections that defined the rampant globalism that so fascinated Friedman.

By the time Friedman came to write *The World is Flat* (2005), he had clearly changed his mind. Universities and the education and research they provided

were essential — both as means and as ends in themselves. But by then, however, I was not so sure. Beneath Friedman's obvious skill at story telling and his inventive cleverisms — I am particularly fond of DOS Capital 2.0 from *The Lexus and the Olive Tree* — lay a remarkably robust definition of globalization. An enterprise or industry could be said to be global if its transactions were transparent, its products widely distributed without reference to national boundaries, and its prices set in fully convertible currencies. In global enterprises both time and space come to mean less and less. Here there is no hiding, no protections, no cultural sanctuaries — only the pursuit of high value commodities (think Lexus) that eventually overwhelms yesterday's olive groves. In a global world, technology is king. Product cycles become ever shorter. Labour becomes increasingly mobile. Consumers constantly broaden their searches for better products at better prices. Individual enterprises lose their competitiveness unless they become integral parts of an expanding set of networks.

Two decades into the global revolution, it is a list of attributes that can be said to apply to few, if any, of the world's leading universities. Most observers outside the academy would argue, correctly I believe, that universities, both in their operations and their governance, remain opaque, even obtuse, rather than transparent. Few transactions can be said to be instantaneous, while the time necessary to develop new educational programmes has probably lengthened rather than shortened. True, there is an international labour market for young scholars, principally post-docs, for Asian and Latin American Ph.D.s trained in Europe and the United States returning to their own countries or continents to begin their careers, and for very senior academics with international reputations. But these transnational patterns are of long standing, suggesting in this case that globalization had little if anything to do with their emergence.

Student markets have remained decidedly local. Even less global are the mechanisms by which prices are set for a university education. In most settings and most countries, even the European Union to a still considerable extent, governmental subsidies to both students and institutions reflecting local conditions and local political considerations determine what students pay and, in some cases still, how much students are paid. While some students shop internationally for better prices as well as better products — Canadian universities continue to seek US students by offering comparable educations and degrees with lower tuitions — most international flows of students reflect the kind of local economic and political circumstances that have historically resulted in outward migrations.

The result is an academic world that has become aggressively more international without in fact becoming much more global. Students travel more; faculty wander more broadly; and leaders of these international enterprises find themselves spending more time abroad attending the interests and soliciting the support of their increasingly international alumni. They proudly proclaim

their interest in recruiting ever more international students both for the revenue they bring and the boost such students give to claims that their universities are among the world's most prestigious. Scientific research is — and for more than three decades now has been — the principal exception. Colleagues distributed among a half dozen or more countries now routinely comprise major research teams that have made the Internet a major tool of global collaboration — indeed the Web owes much of its initial success to the demand by scientists for a ready means of transmitting data and communicating results.

But, as I have tried to suggest, most of what higher education does internationally is not global in a Friedmansque sense. To understand why, I want to consider higher education's current fascination with things international in terms of three broad dichotomies that lie at the heart of what it means to be global.

CUSTOMIZED VS. STANDARDIZED

Perhaps the most visible result of economic globalism is the standardization of products and hence production. In an era of globalization not only a rose is a rose, but a Toyota is a Toyota is a Toyota, whether it is assembled in the United States or South-east Asia or Europe from parts manufactured in an even larger array of countries. Products with the same names and the same brand identities look, feel, even smell the same worldwide. What is true of manufacturing is equally true of banking, fast foods, consulting and retailing. With remarkably little variation the templates are all the same.

This standardization of products is also leading to the standardization of training among multinational companies that understand that their workers, as well as their consumers, belong to a homogenous global community. Training yes, but not higher education. The services and products that research universities provide remain singular, unique and largely customized. Whereas global enterprises readily embrace the notion of interchange, each research university remains steadfast in the certainty that it and it alone has both the right and the ability to define what constitutes a successful educational outcome. In the United States a major battle is now brewing over whether governmental agencies can require either the public universities they pay for or the private universities they charter to accept, as valid courses, credits earned in another American college or university. In Europe, the Bologna Process is demonstrating just how tough it is to establish a system of standardized and hence fully convertible course credits, degrees and licences. There are also those champions of free trade who believe that educational products can be brought under the regulatory umbrella of the World Trade Organization, though their cause has attracted little attention and less support among the world's principal research universities.

Instead, what is being championed is an international competition for students and faculty in which the competing universities stress their individuality, uniqueness and nationality. Whether the student being recruited is from Thailand or China or the Czech Republic, making the sale inevitably requires the recruiting university to demonstrate why its style of university is best and why its particular national setting offers special opportunities not readily available elsewhere. It is a kind a selling in which truly global enterprises almost never engage.

HERE VS. THERE

Executives and directors of companies that have “gone global” often talk about theirs as a journey of three phases. First their companies were national or regional enterprises in which most of their customers as well as their workers were local, along with their production facilities and sales staffs. Then their companies went international which, for the most part, meant opening sales offices abroad and learning the art of exporting their domestically produced goods and services. Going global was the third stage in which the distinction between here and there was abandoned. Production began to take place everywhere as their hitherto foreign operations and branches became fully integrated subsidiaries of a multinational enterprise. While most of the company’s workforce remained tied to a now global set of localities, the leaders of the enterprise began to come from and go anywhere — Chinese executives could be found running European operations, Americans running production plants in Brazil, and Europeans leading the company from its US headquarters.

For the world’s research universities, however, the distinction between “here” and “there” is stronger than ever as the leaders of these institutions struggle to reconcile their interest in being global with their need to preserve the importance and vitality of their “home” campuses. Among these presidents, vice-chancellors and rectors, perhaps no one is more sensitive to this challenge than Johns Hopkins’ President Bill Brody, a friend of Tom Friedman’s, an articulate commentator on the what globalization is likely to mean to institutions like his and, at the same time, a stout defender and investor in Hopkins’ two Baltimore campuses. When you visit Baltimore, Brody’s challenge is readily understood. The medical campus is massive, dominating the skyline with a phalanx of buildings that bespeak power and money, as well as research and service. The arts and sciences, along with engineering and most of the universities undergraduate programmes, are located 10 miles across town on an expanded and newly renovated campus that is a jewel of Georgian architecture. The question Brody asks his colleagues with increasing poignancy is what has to happen on Hopkins’ Baltimore campuses to make people want to “come here from around the world” — or, to put the matter more

prosaically, how does Hopkins rationalize its historic investments in place and expensive physical facilities in an age of globalization?

Brody's question is probably *the* question the leaders of research universities everywhere are asking as each confronts the challenge of devising an international strategy that feeds their home campuses, providing them students, revenue and visibility. And indeed, most programmes of international education are designed to do just that. Among lesser institutions this need "to bring the cash home" is transparent. Programmes and campuses are established abroad to provide credentials that are fully recognized in the home institution's country of origin. The students pay less than students attending the home campus, costs of instruction are reduced through the use of local faculty, and the operating margins are sent back to the home institution to help defray the cost of operations there or to offset revenue losses occasioned by enrolment shortfalls or declining public appropriations or both. When students on foreign campuses later transfer to the home campus and choose to enrol for their post-graduate course work, the economic benefits to the home institution are further enhanced.

Australian higher education has probably been the most forthright in adopting this model. Shortfalls in public appropriations to universities across the system led to an expectation that upwards of 10% of their operating revenues would come from foreign students and/or foreign operations. As a result, Australian higher education has come to dominate the market for international education across much of Asia.

What is important to note about this model of international exchange is that it is more colonial than global, at least as Friedman has defined the term. The surpluses earned from foreign operations and from the recruitment of foreign students are sent home for support of and investment in the home campus. Unlike the modern multinational corporation which sees itself as a global network of sales and production facilities in which the centre is increasingly less important, the university that competes internationally is primarily a spoke and hub distribution system in which the home campus (the hub) remains at the centre of the operations connecting its international operations not to one another but to itself.

For a while, it seemed as if the world of research would be the globalized exception to this colonial model for broadly distributing educational services. CERN in Switzerland provided the model of how a well run and commonly financed research centre with facilities and services no individual campus could provide trumped the need of the home campuses to control the flow of personnel as well as capital. Perhaps the best-financed example of a nation trying to extend the lessons of CERN to gain first mover advantage was the decision by Singapore to have its universities team up with major research universities in the United States and Europe. Brody's Johns Hopkins was an early collaborator working with the National University of Singapore to

develop a host of research programmes centred in the medical and health sciences. The idea was that principal researchers from Hopkins would relocate to Singapore, bringing their scientific skills, grantsmanship and research teams with them. In the end, however, the National University of Singapore severed its arrangement with Hopkins principally because the latter's research scientists, though they often visited and often for extended periods of time, were unwilling to transfer their sense of place from Baltimore to Singapore. Despite the attractions of new labs and generous support, in the final analysis, "here in Baltimore" proved more important than "there in Singapore".

REAL VS. VIRTUAL

Not by coincidence, the initial burst of enthusiasm for the globalization of higher education accompanied the dot.com revolution of the 1990s. The lure was the Web with its promise of anytime, anywhere communication and hence learning. Major universities everywhere were caught up in the contagion. In the United States, Columbia University and New York University each launched major distance learning initiatives using the Web as the delivery vehicle — initiatives in which each institution invested 40 million or more of its own capital.

At the same time, groups of universities banded together to offer cooperative educational programmes, creating in the process enterprises that on paper at least had all the characteristics of truly global enterprises: standardized products, degrees and credentials that were to be recognized worldwide, and provider networks instead of single institution-branding. All of this activity was made possible by an interconnecting technology that was becoming ubiquitous throughout the world. The best branded and financed of these networks involved some of the world's very best universities. Often the networks grew out of collaborations of business schools worldwide.

It didn't work. The products didn't catch on. There was open speculation as to the real worth of these Internet programmes despite their associations with strong brands. The technology proved both limiting and awkward, the prices out of line with the real value of the products being offered.

In the end, too few would-be students really believed a virtual experience would convey the same benefits as a real one. What students everywhere wanted was face time, contact and personal exchange. Despite their penchant for consuming standardized products in other domains, when it came to their own educations, they wanted what most students traditionally have wanted — a personal, at times even intimate, experience.

Perhaps it is too soon to declare the experiment a failure. While the first movers have largely abandoned their efforts, there remains both interest in and limited capital for a less grandiose set of educational products. Most have

assumed that the earlier failures were the product of promising too much and delivering too little. My guess, however, is that something more was involved. What the first predictors of an emerging global market for higher education assumed was that education, like other service industries was about to be remade by the forces of globalization. To date, they have been proven wrong.

In the meantime, however, the safer prediction is to say higher education is a different kind of product — not ready to be standardized, still associated with particular places and specific traditions, and largely immune to the pressures for consolidation and amalgamation that have transformed the global providers of other service products.

Taken together these three dichotomies — customized instead of standardized, here instead of there, and real instead of virtual — provide an interesting approximation of the preconditions that would have to be met for a truly global market for higher education to emerge.

- **Standardized educational products.** The goals, standards, and common definitions the European Union is striving mightily to achieve through the Bologna Process would necessarily become worldwide benchmarks. The three-year baccalaureate would become *the* standard degree expected everywhere along with a full set of professional and advanced degrees. More than that, course content, and probably teaching modalities as well, would be similarly homogenized and made interchangeable much as manufacturing products today are interchangeable. Perhaps that process is already underway in preparation for the next round of WTO/GATT talks. Karen Hughes of the US State Department recently circulated to interested parties an announcement of the scope of the March 2007 Berlin meetings that discussed the definitions of educational services.
- In late 2006, the ISO Technical Management Board (TMB) established a new technical committee (ISO/TC 232 Educational Services) to work on the development of standards in the field of educational services. The proposal to ISO, submitted by Germany noted that there is a need to create a suitable framework for preparing standards in the field of educational services. It is our understanding that the technical committee will consider standards proposals relating to other areas of non-public education that share the common concern of encouraging cooperation in quality assurance, whereby particular emphasis is placed on the exchange of models and methods and the establishment of common criteria and principles. Core elements are ensuring the quality and effectiveness of the education or training and improvement of knowledge transfer whilst also enhancing the transparency and comparability of the range of educational services provided.

It is possible to read this note as pertaining only to vocational education, though the chair of the US Delegation reported that many of the participants simply assumed that the international definition of educational services would apply equally to all of post-secondary education.

- **A fundamental lessening of the importance attached to physical place and the uniqueness of campus brands across higher education worldwide.** Global enterprises are essentially multinational networks of producers and service providers. The kind of cooperative networks that have been tried in virtual education, linking otherwise competing providers in a host of countries and/or regions, would become a principal, perhaps even a dominant, mode of organizing the provision of standardized educational services. Campuses would become less important both as symbols of excellence and specific places of research and scholarship. What happened in one part of the network would become interchangeable with identically designed and delivered programmes in other parts of the network.

A successful revolution making electronically distributed and asynchronous education (e-learning) readily available worldwide. Despite the promises of the technologists, e-learning has a long way to go. For the most part it remains clunky, linear, too often little more than electronically distributed workbooks. What would be required would be a constantly growing catalogue of electronic offerings that had the same impact MRIs have had on the medical profession and that video games have had on the entertainment business. It is hard to imagine any process that achieves the first two of my necessary conditions — standardized products and truly global networks of universities — that does not depend directly on the ready availability of a growing catalogue of state of the art electronic learning products.

From where I sit, these are three conditions that are not likely to be met anytime soon. More importantly, meeting those conditions would not likely result in universities that are either more interesting or more efficient or necessarily more productive. More likely they would become increasingly dull places that were not much fun to visit let alone to work at. How much better it would be if research universities remained idiosyncratically independent and aggressively international even if much of that activity remained colonial in intent and execution. That is a future that does not exceed our grasp.

REFERENCES

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