

Higher Education Privatization in a Steering Conceptual Context

Abstract: The main purpose of this paper is to establish the dimensions of the contextual and steering concepts opening privatization debate in higher education literature. The research questions of the overall PhD project entitled “Privatization and Organizational Evolution in Higher Education” are the directions and links for a coherent discourse which encapsulates the process of privatization together with its social, economic and political context. Steering concepts like *deregulation*, *liberalization*, *marketization* and *privatization* are discussed in relation to contextual concepts like *technologies*, *massification*, *individualization* and *globalization*.

1. Introduction

Privatization in higher education is not a new phenomenon for the Western Europe countries, by the contrary; its origins and history are quite old in the world’s largest systems of higher education of United States and Japan. Authors like Geiger, Levy or Altbach have become the classics of the issues of the private sector in higher education, their contributions challenging predictions made in the 1970s and early 1980s that the private sector will inexorably diminish further in size and significance. These predictions were invalidated in the present period of revolutionary change triggered by globalization and the enhancement of the market forces in higher education, particularly by the emergence of privatization in parts of the world where it was never extant a decade before (e.g. Central and South Eastern Europe or Africa).

In Europe there are two distinctive privatization patterns in higher education: there is a Western pattern with a long history and tradition, but a small share of enrollments, and a Central and Eastern European pattern, defined by the 'after the 1989' political and economic transition period, with exploding enrollments in the private sector. Until present, with the exception of considering the forms of ownership and control, there is no common definition of privatization in the European higher education. For clarifying the structure and meaning of our discourse in this paper, we will use as argumentation pillars the distinction between steering¹ concepts like deregulation, privatization and liberalization, and contextual, broader concepts like globalization and internationalization, which influence the steering strategies and instruments in the enlarged European context.

¹ Steering is defined as the influencing, adapting and controlling by government of specific decisions and actions in society according to certain objectives and by using certain tools or instruments (Maasen, 1996:61)

2. Research Questions

Privatization traditionally means transfer of control or ownership from the state or public sector to the private enterprises. This definition can be applied to the higher education sector privatization only to a very limited extent. For this reason, usually, connotations or different meanings of the term are used in relation to the emergence of fully private higher education institutions or 'like for profit' behaviors. The connotations or secondary meanings of privatization in higher education relates to higher education institutions setting up private companies; to structural co-operation with private partners; to outsourcing research, teaching or support services, etc. Defining what privatization means in the higher education field, arise as a first conceptual research question:

1. What are the meanings of privatization in higher education?

We are interested in exploring the meanings of privatization as it appears overtly in higher education literature, but also to dive in its hidden manifestations at the level of subdivisions of other topics like 'transnational education', 'non-official higher' education or 'academic differentiation'.

Previous studies (e.g. Darvas, P., 1996: 33) indicate that the socio-political environment is critical for innovators-providing stimuli, competition, and sources of support as well as constraints. Institutional leaders argued that these factors were important in their decisions to establish new programmes and/or institutions, either in response to stimuli in the external environment or for the shortcomings that they experienced within their own academic systems. Applying this characteristic to the private higher education phenomena, a third research question emerges:

2. What conditions shaped the emergence and development of the private higher education institutions?

The nature of these conditions might be economical, political or social, but a more detailed questioning of the emergence framework might clarify the factors and conditions in a longitudinal perspective. Studies of emerging organizations show that most of them grow opportunistically, rather than by following a pre-set plan, (Aldrich, 1999:119). The

development of private higher education in Central and South Eastern Europe seems to confirm this: it took place at a chaotic rate.

According to the rhythm and intensities of changes brought by the privatization process, governments have reacted differently, expressing their positions on a wide range of public policy actions, from proactive measures to reactive measures. In order to identify the main justifications and eventual ideologies, an enlightening question would be:

3. What were the roles of the governments in the privatization of higher education?

Legislative measures to regulate this chaos have been recently enforced, but dealing with private higher education in an organized manner still remains a problem at the educational system level. The issues of quality assurance in private higher education and accreditation practices came at the forefront triggered by the initial tendency of some private higher education institutions of granting diplomas that were not recognized by the national authorities. Many accreditation agencies occurred in the majority of the Central and South East European countries.

Usually, the consequences of the legislative action reside in the homogenization of institutional arrangements at the system level. But the higher education literature emphasizes some links between privatization and institutional diversity. If this connection is present and relevant in the same way across different national systems in different phases of the privatization process, could be found only by answering the question:

4. Did privatization contributed to the increase of diversity in higher education?

Ministries of education, especially in the Central and South Eastern European, are confronted with designing and making operational new procedures and standards for quality assurance. Legislation suffered successive reforms in the attempt to adapt to the rhythm of changes and regulate the new environments. An interesting effect after the establishment of the buffer bodies dealing with quality assurance and accreditation was the inclusion of the traditional public universities under the evaluation of these bodies that in most cases have regulatory powers over both public and private sectors of higher education.

Traditional public universities reacted in different ways to the challenge raised by the private competitors on the market of higher education. On the one hand, they faced the need to comply with common evaluation standards for both sectors, on the other hand they developed similar practices like the private universities in terms of introducing tuition fees and looking for additional sources of funding, beyond governmental allocations. In order to present the relationship between the public and private universities, two related research problems to be addressed are:

5. *How did react the public higher education institutions to the development of private providers of higher education?*

These research questions open the discussion concerning the necessary empirical support for our research, bringing methodological debate under attention. From the methodological point of view our approach takes into consideration both, a quantitatively oriented design of study of the 'demographic' change and additional qualitative work based on case studies on each of the countries included in our study.

As the history of private higher education institutions has different lengths and was shaped by different types of factors in the Western Europe pattern when compared with the Central and South Eastern Europe, we expect to develop two regionally distinct typologies of founders, institutions, policies and competitive organizational behaviors.

3. Steering and contextual concepts opening privatization debate

Privatization is only a wheel in the big cog of globalization. Referring to privatization in the nowadays society it is not possible without taking into account the social context of global transformations. All social, cultural, political and the economic sectors are affected by the trend of changes labeled 'globalization'. Social and cultural analysis of globalization are depicted by Scott (2003:213) to range from optimistic-and, perhaps, rather mechanistic-accounts of social change such as Manuel Castells' trilogy on the Network Society, The Information Age, (which tend to assume that technological determinism is the dominant driver of social and cultural change) to much, more somber accounts, such as that offered by Ulrich Beck in the Risk Society, which emphasize the fragmentation of social meaning and atomization of individual experience. To the somber part, Scott (2003:214) also associates the

gloomy scenarios offered by environmentalists, and even the violent protests against globalization.

In his analysis of the *network society*, Castells (2001:135) argues that markets did not create the global economy, but by the interaction between markets and governments and international financial institutions acting on behalf of markets-or of their notion of what markets ought to be. In this respect Castells (2001:137) indicates three policies that created the foundations of globalization: deregulation of domestic economic activity (starting with financial markets); liberalization of international trade and investment; and privatization of publicly controlled companies (often sold to foreign investors).

There are many definitions of globalization, depending on the social, economic or political perspective of the authors; still most of them have some elements in common, trying to encompass the new powerful and global tendencies of higher technology, knowledge society and world culture. Most of these elements were gathered by Held and McGrew (2000:3) in their attempt to provide a globalization definition: first it is mentioned *action at a distance* (whereby the actions of social agents in one locale can have significant consequences for distant others); second is *time-space compression* (referring to the way in which instantaneous electronic communication erodes the constraints of distance and time on social organization and interaction); third is *accelerating interdependence* (understood as the intensification of enmeshment among national economics and societies such that events in one country impact directly on others); and fourth is the idea of *a shrinking world* (the erosion of borders and geographical barriers to socio-economic activity).

Particularizing the above observations with regard to the higher education, as a social field, we can conclude that privatization developed in a broader context shaped by globalization along with multiple other processes. Privatization as a process in higher education cannot be understood separately from other related complex processes like internationalization, massification, and marketization. If internationalization assumes cooperation between nation states, globalization tends to ignore the national barriers, promoting 'borderless' competition on the international market between different types of providers.

The globalization of higher education manifests itself in many forms, and transnational education is seen as potentially the most significant (Scott, 1999, Van der Wende, 2002).

In the field of global higher education, the increasing levels of competition, within and between countries is seen as a relatively new development. The growth of transnational education is perceived as having implications for all countries. Currently, transnational education is seen as an “under-researched and often misunderstood area” (Adam S., 2003:5). This is also confirmed by the report on “The Recognition, Treatment, Experience and Implications of Transnational Education in Central and Eastern Europe 2002-2003” which states that “in practice, there is no common definition or approach to it”. Its different manifestations are alternatively regarded as a threat or as a benefit, by different higher education systems.

The purpose of the next section is to present the interplay of two conceptual triangles: on the one hand ‘massification, internationalization and globalization’ in Scott’s (1998) vision, combined with the ‘deregulation, liberalization and privatization’ in Dill (1997) perspective on markets in higher education and Van der Wende (2002) analysis of globalization in higher education. The topic of transnational education, treated as one of the forms of globalization in higher education will represent the link between the contextual and steering concepts. At the end of this section will be drawn a summary of the elements with relevance for privatization within main steering and contextual concept.

3.1 Steering concepts: deregulation, liberalization, marketization and privatization

The conceptualization of steering is related to the regulation generally understood as “the influencing of behavior”, in some cases meaning the “the intentional restriction of a subject’s choice of activity, by an entity not directly part to or involved in that activity” (Mitnick, 1980: p.5). In the literature referring to the policy models, there are two directions that will be referred to as follows: “the model of rational planning and control” and “the model of self regulation” as mentioned from the perspective of their capacity to stimulate innovations in the higher education field (Van Vught, 1994:89).

Within the rational planning and control model, Van Vught (1994) defined the rational decision according to Banfield (1959) as the kind of process adapted to practical difficulties, having some of the characteristics of a “normative ideal”, which cannot completely be realized in reality. Despite the many critics addressed to this model, the rational planning and control is mentioned among the fundamental models as “an approach to governmental regulation in

which much confidence is put in the capabilities of governmental actors and agencies to acquire comprehensive and true knowledge and to take the best decisions” (Van Vught, 1994: 91). This model was designed as a policy instrument with regard to the public sector regulation. Potential market failures were also among some rationales in defining this type of policy model.

The model of self-regulation policy is presented as diverging from the rational planning and control model. Among the basic assumptions of this model state the idea that “instead of the holistic self image of the regulating subject, comes the assertion that an atomistic self image offers important advantages”. The cybernetic perspective seems to be closer to this model, as it takes into account first certain “critical variables”. Such a system has the “capacity of homeostasis”, i.e. “the capacity to hold the critical variables at the level of the overall system within acceptable ranges” (Van Vught, 1994:92, for more information see Beer, 1975). The advantages of this model confer the state the advantages of an “arbiter” which keep the privilege to change the rules in this policy model.

The concepts of deregulation, liberalization and privatization are steering concepts in a double sense: as instruments of governance (the steering as coordination and influence) and as guiding concepts for our research. In the first sense, we refer to Maasen’s definition of steering with regard to governance: “*Governmental steering is defined as the influencing, adapting and controlling by government of specific decisions and actions in society according to certain objectives and by using certain tools or instruments*” (P. Maasen, 1996:61).

After the second half of the 1990’s a new reality in higher education emerged. The growing demand for higher education, particularly in transition countries was partially met by some cross-national providers (transnational education). This trend brought to the fore the notion of competition in higher education and some of the countries reconsidered their internationalization strategies, adapting to the new circumstances, in the light of two contrasting paradigms: “that of the traditional (and mainly European) cooperation, and that of the new international (or even global competition)” (Van der Wende, 2003:22).

In practice, there are a number of barriers to the association of the higher education institutions, both of the traditional academic universities and of new for profit providers, which is necessary for the creation of this framework. Different types of interests diverge both

at national and international levels, on the one side, and at the level of sectors, on the other side. Also, in addition to the national and international communities, regional identities like the Central and South Eastern Europe take shape and define their interests using Bologna process and GATS objectives as main policy instruments.

For an illustration of the governmental use of deregulation, liberalization and privatization as steering instruments in the promotion of markets as a policy for the provision of higher education, we will refer in this section to Dill's (1997) perspective on markets in higher education and Van der Wende (2002) analysis of globalization in higher education. The common universe of this discourse is schematized in Figure 1 that presents the relationship between deregulation and privatization seen as instruments for liberalizing the market in a global context.

In her analysis of the policy implications of the higher education and trade agreements, Knight emphasizes the same link between liberalization, privatization and marketization. Trade liberalization has the potential to change profoundly the nature and provision of higher education and the role the government plays in that provision. The critics of the General Agreement on Trade in Services (GATS)² focus on the threat to the role of government, the 'public good' and the quality of education. The supporters of GATS highlights the benefits that more trade can bring in terms of innovations through new providers and delivery modes, greater student access and increased economic game (Knight, 2003:81).

Deregulation and privatization are indicated by Dill (1997:176) as two types of freeing or liberalizing of higher education markets. Deregulation is also defined as a process whereby the influence of government has declined relative to the autonomy of institutions and the role of the market (Van der Wende, 2002). Although Dill does not delimitate clearly the two concepts, treating privatization as a type of deregulation, the discussion upon these concepts is a good introduction for the clarification of the role of market and marketization in higher education at the core of our debate. Market is generally seen as *a means of organizing the exchange of goods and services based upon price*.

² The General Agreement on Trade in Services (GATS) is administered by the World Trade Organization. Education is one of the 12 services sectors covered by the agreement. The purpose of GATS is to promote freer trade in services progressively and systematically by removing many of the existing barriers (Knight, 2003:81)

As a particular example of market regulation is the debate on the importance of commercialization of higher education. In this respect should be considered the current World Trade Organization round of negotiations on the liberalization of trade in services under the General Agreement of Trade in Services (GATS). These negotiations triggered various reactions on the part of the education sector.

The first type of deregulation discussed by Dill, using Huisman 1996 definition, is the relaxation of existing regulations in the public sector governing higher education finances, personnel and curriculum, essentially devolving control over these decisions to institutions themselves.

The second type of deregulation is privatization, which itself takes three forms (Dill, 1997:176): 1) de-monopolization, in which a government relaxes and eliminates laws and regulations which are restricting private colleges and universities from competing with public institutions; (2) de-nationalization, or permitting previously state-controlled academic institutions to become independent; and (3) “contracting out”, in which services previously provided in the state sector such as food services, grounds keeping, or information technology support are placed out on tender to private enterprises.

Within the second type of deregulation, along the dimension of de-nationalization or allowing previously state-controlled academic institutions to become independent, we notice one of the premises for the development of transnational education³, which makes the object of the General Agreement of Trade in Services (GATS) regulation. The General Agreement on Trade in Services is the multilateral trade agreement organized by the World Trade Organisation (WTO) designed to liberalize the global economy. The objective of removing obstacles to free trade in higher education was already included in the 1994 round of GATS negotiations but has assumed a much more prominent and highly disputed position in the current round.

³ Transnational education is defined as “all types of higher education study programmes, or sets of courses of study, or educational services in which the learners are located in a country different from the one where the institution providing or sponsoring the services is based. Such programmes may belong to the education system of a State different from the State in which it operates, or may operate independently of any national education system”. (UNESCO/Council of Europe Code of Good Practice in the Provision of Transnational Education, 1999)

The GATS describes five sectors of education: primary, secondary, higher, adult education and training and other education services. Education is one of the least committed sectors under the GATS, but in the current round of negotiations communications concerning the further liberalization of trade were submitted by Australia, Japan, New Zealand and the United States, and requests for the opening of national markets have been made by and of developed and developing countries (Adam S., 2003:12). A common feature of all these ‘promoter’ countries is that all have a highly developed private sector and are usually quoted as exporters of transnational education. On the other side of the debate, advocating against the liberalization of trade in education services stays Europe, through the voices of associations of institutions (e.g. the Joint Declaration of EUA, CHEA, ACE and AUCC), academics (Education International), and students (ESIB). As a significant development in this direction, Adam (2003:13) indicates that the lobby by the public sector within the European Union was a factor in the decision made by the European Commission not to make any additional commitments under the GATS in respect of education and health or to make any requests in these areas for other countries.

Dill’s observation with regard to examining the dynamics of a particular sector such as higher education is that it is important “to recognize that there is not a single market, but rather multiple and interrelated markets such as the market of programs, the market for research or the market for academic professionals” (Dill, 1997:168). In this perspective, *“privatization is one of the main strategies for introducing market mechanisms into higher education.”* Different countries made different options with respect to this strategy.

In Figure 1 is presented the schematized form of the overall discourse based on the relationship between the steering concepts (deregulation, privatization and liberalization) and the contextual concepts (globalization, internationalization and massification). The two conceptual types are bordering the debate on state and market discussed in the first part.

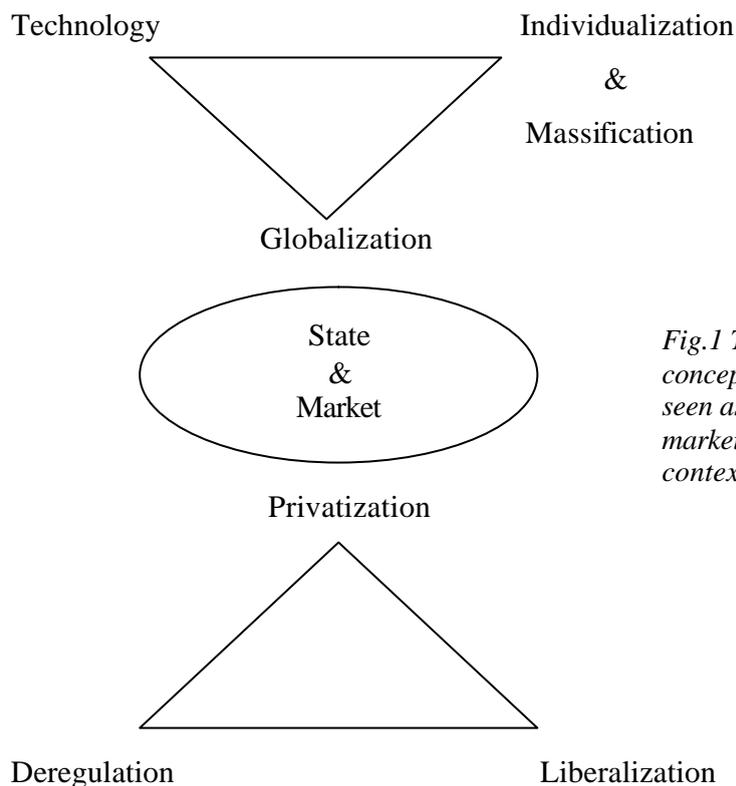


Fig.1 The relationship between contextual concepts, steering concepts and privatization seen as instruments for liberalizing the market in higher education in a global context

The interrelation of ‘deregulation, liberalization and privatization’ as steering concepts was emphasized also by Van der Wende (2002:40) as key issues for the analysis of globalization in higher education:

- 1) the flows of people and services across borders, and the role of information and communication technology in this process;
- 2) the changing role of the nation state in relation to trends towards deregulation, liberalization and privatization.

With regard to the first characteristic, it is argued that trans-national flows of peoples and services across borders (as part of internationalization) are counterbalanced by a new trend named “moving education, not learners”. This trend is a result of the rapidly increasing demand for higher education.

The mismatch between demand and supply at the national level has given rise to the development and substantial growth of education as an export commodity and in particular to what has been termed transnational education. In principle this means that is not the learner

but the institution that is mobile. Sometimes this occurs physically through branch or overseas campuses, moreover through co-operation agreements with local providers (franchising), and increasingly through the provision of education via the Internet (Van der Wende, 2002: 41).

Particularly in Central and South Eastern European countries, the increased role of private higher education provision has been mainly the result of widespread and explicit commitment to the virtues of the free market, after a long period of dominance by centralized state planning (Teixeira and Amaral, 2001:361, 370). But countries like Portugal and The Netherlands have also committed to the promotion of markets mechanisms in their national higher education systems.

The second characteristic, concerning the role of the nation state on the dimensions of liberalization, deregulation and privatization is particularly important when national boundaries and governments are regarded as obstacles to transnational provision.

Van der Wende (2002:44) also points the importance of the further liberalization of international trade in educational services in the context of the existence of a global economy, as outlined by Castells. Liberalization is discussed in relation to the processes of deregulation and privatization. She indicates that the situation with regard to privatization also varies considerably across countries. Some countries (e.g. United States, Japan, Malaysia) were using privatization as a steering instrument meant to liberalize their educational systems, acting pro-actively for the increase of the private sector, while other countries (Central and South East European) were reacting to the occurrence of privatization as an unforeseen process that had to be regulated through other steering mechanisms like prescription or enabling.

3.2 Contextual concepts: technologies, massification, individualization and globalization

Castells characterized the 21st century as the beginning of the society of new technologies, described as “the social structure characteristic of the Information Age, as identified by empirical, cross cultural investigation” (Castells, 2000:5). In Castells’ perspective, the concept of Information Age refers to the time of turning to a technological paradigm based on microelectronics and information/communication technologies (ICT). The technological paradigm (Castell’s 2000:12) in this framework implies that “we are only at the beginning of this technological revolution”, and science and technology are among the core activities.

In his trilogy “The Information Age: Economy, Society and Culture” (2000), the ‘network society’ is seen as a matrix of relationships with no systematic dominance. Among the key transformations, is mentioned the individualization of labor with implications on the socialization processes (Castells, 2000:12). His perspective on individualism is convergent with Beck’s (1992) conceptualization of modern society changes.

Referring to the role of technologies in relation to globalization, Marginson (2002:288) emphasize the time-space compression: “globalization is the shrinkage of distance and time in communications and travel, leading to increasingly extensive and intense global relations”. Complementing the topic of technologies, comparative studies that go beyond nation states and national markets in studying globalization and higher education are providing relevant insights in Marginson’s perspective.

In his article dedicated to globalization in higher education, Scott (1998) was indicating particular types of relationships between massification, internationalization and globalization. First he comments on a synergy or tension between internationalization and massification, questioning the higher education institutions important choices between different alternatives: “do higher education systems and institutions have to choose between internationalist and populist missions, or can they be creatively combined?” Second, Scott emphasizes the contrast between internationalization and globalization through another fundamental question “Are they simply different words to describe the same process or are they different processes radically opposed?” (Scott, 1998:108)

The change from elite universities to mass higher education is indicated in the United States, during the 1960’s. Many continental European systems began a similar transformation at about the same time but less self-consciously. Scott (1998:113) summarizes the meanings of massification in higher education under four broad headings. In the content of each of these headings we noticed a possible connection with privatization as one of the consequences of the massification process.

The first heading is presenting the relationship between mass higher education systems and society and economy, broadly meaning that the old links between higher education and elites occupations inevitably and inexorably are diluted in mass systems. Private institutions

developed their programmes especially in the fields that are not connected with the elite occupations, like medicine or architecture (private universities offering training in law or medicine are an exception, they are present in countries like Romania and Bulgaria), due to the lower rate of return compared with the high investment required by these type of programmes.

The second heading concerns the shape and structure of mass higher education systems, and here the focus is on the creation of new sectors comprising new types of institutions. The creation of the private sector in higher education can be seen as a part of this process, particularly in Central and South East European countries.

The third heading concerns the institutions themselves taking over multiple missions and being managed in a new kind of way. From this point of view, privatization seen as a possible introduction of new administrative and financial managerial practices can be included also as a part of this heading.

The fourth heading concerns the process itself. Components of this process like the increased diversity of the student body (different ages, different standards of achievement, variable abilities), a much larger student population that should be taught more efficiently, the diversification of careers and curricula are all considered good reasons for the enforcement of quality systems. This diversification of student body is also connected with private institutions which represented a second chance for a higher education degree for older and adult students, or for the students whose lower academic performances hindered their access to the higher education systems regulated by "numerus clausus", or for the students with a strong religious orientation wishing to study in denominational higher education institutions.

The tension between massification and internationalization is a point slightly over-passed by Scott as he mentions that mass higher education systems do not inhibit the growth of international exchanges. Internationalization reflected a world dominated by nation-states. The recruitment of international students, staff exchanges and partnership between universities in different countries are all conditioned to a significant extent by this geopolitical context. In his perspective, globalization is a very different phenomenon. It reflects not only the process of global competitiveness between, for example, the great market blocks of the United States, the European Union and the east-Asian nations.

Scott's conclusion concerning possible complementarities between privatization and massification is supported by Teixeira and Amaral (2001:363) with regard to the Central and Eastern Europe, where the two concepts are linked by to the political belief that the private dimension in higher education has come to appear as a cheap and effective tool for promoting massification and further growth in higher education. Particularly after the involvement of the World Bank in the higher education reforms of the Central and Eastern Europe's countries, private higher education has come to be considered an integral and necessary component of the reforms programs.

With regard to the difference between globalization and internationalization, Van der Wende mentions that the process of globalization is first of all perceived as an external process upon which individual actors and institutions can exercise little influence. Internationalization is seen more as a steerable policy process. Globalization is associated with international competition, while internationalization is assuming an increasing co-operation between countries, systems, institutions and individuals (Van der Wende, 1999, 2002:50).

Transnational education appears as a direct product of the internationalization of higher education. In its turn, the latter reflects a world order dominated by nation-states, universities being regarded as national cultural symbols. However, one may consider the more recent globalizing trends, which go far beyond the traditional international links and assert a new world in which national boundaries become increasingly obsolete due to the new, more powerful and global tendencies of higher technology, knowledge society and a potential world culture of globalization. While international academic relations are linked to the traditional world order of the nation-states, transnational higher education is in fact the new product of the academic globalization (Vlasceanu and Wilson, 2000).

A clear illustration of the connection between globalization and internationalization is the treatment of higher education under the GATS 'modes of supply'. The purpose of GATS is to promote freer trade in services progressively and systematically by removing many of the existing barriers (Knight, 2003:81).

If we consider internationalization in terms of co-operation between institutions in different countries, student and academic staff flows mobility across borders, internationalization of curricula and European Credit Transfer System (ECTS); and globalization in terms of

competition assumed by transnational education and use of the new information technologies, the picture presented in Table 2, connects through an international agreement like GATS the contextual terms of our discourse in this section: internationalization and globalization.

Table 1: The GATS modes of Supply applied to Education as a Service

<p>Mode 1: Cross-Border Supply</p>	<p>The service is supplied from the territory of one GATS member into the territory of another; e.g. Virtual universities, Distance education, Educational Software, Franchises</p>
<p>Mode 2: Consumption Abroad</p>	<p>The service is supply in the territory of one GATS member to be consumer of any other member. e.g. Study abroad, Student mobility schemes <u>and</u> where the student undertakes the (first or second cycle) award at a foreign institution.</p>
<p>Mode 3: Commercial Presence</p>	<p>The service is supplied by one GATS member through commercial presence in the territory of another member. e.g. Branch campuses, language/technical training company presence.</p>
<p>Mode 4: Movement of Persons</p>	<p>The supply of a service by one GATS member, through the presence of natural persons of a member in the territory of any other member. e.g. Professors and teachers temporarily working abroad.</p>

Source: Adam, 2003:47

The dimensions of internationalization in Table 1 are related to: “study abroad”, “student mobility schemes”, “professors and teachers temporary working abroad”, while the dimensions of globalization are related to transnational education particularly through “virtual universities”, “distance education”, “branch campuses”, “franchises”.

Similar links between globalization, internationalization and privatization are mentioned by Knight (2003:82) while examining the changes and challenges related to the promotion of trade in education services:

- The emergence of new for-profit education providers;
- The growth of alternate electronic delivery modes both domestically and internationally;
- The response to the labor market;
- The increase in international academic mobility of students, professors and programmes;
- The limited budget capacity (or political will) of government to meet the increasing domestic demand for higher education.

The above dimensions indicate once again that the discourse about globalization involves the notions of privatization, transnational education, internationalization and liberalization. Based on the literature, it is appropriate at this point to conclude that the connections between the steering concepts and contextual concepts are omnipresent in the public policies debates.

Moreover, the link with privatization under the GATS terminology is present not only at the “commercial presence” level, but indirectly, through the treatment of transnational education providers under the same legislation as national private providers of higher education in many of the countries surveyed by Adam in Central and Eastern Europe in 2003. Sometimes transnational providers are regarded in the legislative practice as part of the private sector in some countries like Bulgaria, Cyprus, Czech Republic and Estonia; while in theory they are also indicated as competitors for the private sectors. Adam (2003:53) for instance, states that the main factors responsible for the expansion of imported transnational education were: unmet student demand; inflexible or outdated curricula provided by ‘home institutions’; and the still developing nature of the national private sectors.

In order to underline the link between massification, internationalization and globalization in this section, a possible conclusion is that massification has provided the ‘raw material’ for an increased demand for higher education and a diversity of student body all over the world. This relationship is reflected also in the increase of the student and academic staff mobility flows, on the one side, and in the emergence of transnational education and programmes mobility as an expression of globalization, on the other side.

4. Conclusion

This section concludes with a summary of the main connections between privatization and the contextual concepts. These relationships are alternatively summarized in terms of ‘deregulation, liberalization and marketization’, and ‘massification, internationalization and globalization’, on the other side:

- Privatization is a particular type of deregulation. The influence of government has changed relative to the autonomy of institutions and the role of the market;
- The General Agreement on Trade in Services is the multilateral trade agreement organized by the World Trade Organization designed to liberalize the global economy, removing obstacles to free trade. It has relevant consequences for the treatment of higher education

as a service on the global market. Privatization is also a form of introducing higher education as a service on the market. In consequence, privatization can be seen as a form of liberalization;

- Privatization is a way of liberalizing market in higher education, while marketization is the process of introducing elements or conditions of market in higher education. From this point of view, privatization can be seen as a particular type of marketization;
- A higher demand for higher education, unsatisfied by the public sector, coupled with an increased diversification of the student body facilitated the emergence of private higher education. Privatization is a possible consequence of massification in higher education;
- Co-operation between countries, systems, institutions and individuals has considerable influence upon the occurrence of privatization. In terms of copying foreign models or isomorphic practices among countries, one can notice common practices among private providers which tend to become more international.
- The mismatch between demand and supply at the national level has given rise to the development and substantial growth of education as an export commodity and in particular to what has been termed transnational education, offered by both public and private providers.
- Globalization is associated with international competition while privatization is a way of promoting competition in higher education. From this perspective, privatization is a possible driver of globalization.

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