



**INTRODUCTION TO THE THEME
OF
TRANSNATIONAL EDUCATION**

by

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1. Background

The Portuguese Presidency defined as the main objective of the annual Conference of the Directors General of Higher Education and the Chairpersons of the Rectors' Conferences of the European Union to bring forward a discussion on the theme of transnational education, aiming at identifying forms of regulation for this type of higher education provision.

The theme fits the agenda for the follow-up of the Bologna Declaration, not only because the setting up of a *European area for higher education* raises questions that go far beyond the formal national education systems, since it implies competing in a global education market with traditional and new providers under multiple forms, but also because the issue of mobility, which is central to the Bologna process, has nowadays also to do with the mobility of institutions and of educational programmes and services, besides the mobility of people. Thus, many of the instruments to be developed within the Bologna process to deal with the "promotion of mobility by overcoming obstacles to the effective exercise of free movement"¹ may be of relevance for the regulation of transnational education and vice versa.

The Confederation accepted the challenge presented by the Portuguese Presidency and consequently decided to undertake a study on the process of accreditation, since this will certainly be an essential tool for dealing with transnational education. The results obtained by the specific task force that looked into the subject of accreditation are presented by Prof. Erichsen in a separate paper.

As for this presentation, it is merely intended as a first introduction to the complex theme of transnational education, based on a review of some recent reports and papers. The idea is to launch a debate around some key questions, such as: why is transnational education flourishing? in which forms is it developing? which main problems arise? how to deal with them?, with the aim to identify basic concepts and methodologies and try to define an action plan for the near future, which should culminate in the international seminar foreseen on the agenda of the Bologna process for the next year.

2. The explosion of new providers

Ted Marchese, Vice-president of the American Association for Higher Education, recently presented an extensive survey on what he calls "an explosive array of new competitors" in American higher education. Several trends emerge from Marchese's study ²:

- Many of the existing universities and colleges are developing remote-site strategies, provoking an explosion of **branch campus**;
- A growing percentage of institutions are offering **distance education** courses;
- Big conglomerates of universities are creating powerful **virtual universities** to act as brokers for their distance learning courses;
- **For-profit networks**, including universities, are attracting big investments from Wall Street for the provision of post-secondary education and training in a market considered to be "huge and ripe for the picking";
- **For-profit universities**, well capitalised and national/international in ambition, are rapidly expanding;
- A host of new providers "hope to be the **brokers** of choice for the flood of courseware hitting the Web";
- **Industry** groups combine to produce their own **education enterprises**, with the aim to lessen their dependence on exiting campus due to dissatisfaction with traditional higher education.

The trend of an increasing competition in higher education, as presented above for the U.S., is becoming global and has also reached Europe. In a report by Nikos Kokosalakis ³ on non-official higher education in the European Union relating to nine European countries, it is documented that in southern Europe there is a significant problem with the rapid expansion of non-official new providers: in Greece there are about 130 such institutions, enrolling 28 000 students; in Italy, 62 non-official institutions were identified and there are also a large number of franchising agreements and educational brokers; in Spain, more than one hundred institutions of the type are in operation. Other European countries included in the survey also show this phenomenon, although at a smaller scale: in the UK, about five percent of the students were attending

non-official higher education courses in 1992; in Ireland, the existence of eight "rogue

colleges" was reported and the development of private higher education has "led to growing public concern about the need for consumer protection"; in France, there are references to 42 non-recognised institutions offering higher education services and to 654 masters degrees and 282 MBAs in 1995 with no official recognition.

It can be added that in Portugal (not included in the survey) the private sector of higher education had an exponential growth, with 113 private institutions being in operation in 1998. There are also a few franchising agreements with Polytechnics concerning the Master degree. The recent announcement that the International Oxford University, based in the Bahamas, is to start offering one hundred degree programmes late this year using distance learning techniques raised big concerns of quality and consumer protection.

A pattern emerging from the survey is that the UK is by far the biggest exporter of higher education in Europe; Greece, Spain and Italy are, in turn, the main importers. The Open University of the UK is one of the main providers in the other European countries, and in general British universities are active in collaborative agreements and in providing MAs and MBAs in all countries of the study. Universities from the U.S. are also present in all countries of the study and are the principal providers from outside Europe.

There are also examples of corporations' collaborative ventures in Europe ⁴, to provide customised degrees and training, such as the *British Aerospace Virtual University*, the *Daimler-Benz Corporate University* or the *Lufthansa Business School*. International institutions, like the European University Centre for Management Studies with more than a dozen campuses all over Europe, are developing as well.

The flourishing of new providers in higher education has much to do with the balance of supply and demand, on both quantitative and qualitative terms.

The demand for post-secondary education has been growing continuously, not only from traditional students but also from the emergence of new publics seeking higher education. The increasing connection and juxtaposition of education and training has, in fact, raised the needs for continuing and lifelong education and for more flexible and dynamic forms of delivery: demand-led and client-driven approaches are needed, "where learners can shop for education from diverse sources and in ways they themselves plan" ⁵. The need for specialisation and the "saturation of graduates" have in addition contributed to the rapid increase in the demand for postgraduation studies.

From the supply side, the official higher education systems are not always adequate to meet the needs of the expanding education markets, often falling short of

what is needed³. In many countries, the provision of official higher education is insufficient and subject to strongly selective recruitment of students. Traditional institutions are frequently organised in supply-led and heavily institutionalised ways, lacking the flexibility to respond in time to the new needs in contents and methodologies. The decline of public funding also contributes to widen the gap between demand and the official supply.

The conditions are therefore ripe for the emergence of alternative providers outside the official higher education, who are quickly grasping the opportunities for a potentially lucrative market. These new providers target the new and left-behind areas which were neglected or poorly served by the traditional institutions, often filling niches and making use of flexible approaches to adapt to clients' needs.

The new information and communication technologies facilitated different and more decentralised ways of organising education, providing easier access to courseware. Many new providers are therefore technology-driven, characterised by high capital investments but low-cost operations.

It must be noticed that alternative providers in a particular country, aiming at filling the gap between demand and supply, may be institutions which are part of the official higher education system in another country. For example, the development of a "enterprise culture" associated with a drop in public funding has led the British universities to market educational services abroad, by offering franchised programmes and recruiting students from abroad. This justifies the strong presence of British universities in southern Europe, as mentioned earlier.

3. Basic concepts and definitions

The situation concerning transnational education is very dynamic and fluid, and different terms are sometimes used to mean similar - but not always equivalent — concepts, so it is convenient to clarify some basic definitions. Some good references for a terminology can be found in the *UNESCO/Council of Europe Code of Good Practice in the Provision of Transnational Education*^{6,7} and in a study on "institutions, programmes and qualifications outside of the educational system of the host country"⁸, produced by the Swedish National Agency for Higher Education.

A first distinction must be made between two somewhat overlapping concepts:

Non-official higher education — higher education activities operating in parallel to and outside the official higher education system of the host country;

Transnational education — higher education activities (study programmes, or sets of courses of study, or educational services, including those of distance education) in which the learners are located in a host country different from the one where the awarding institution is based; such programmes may belong to the education systems of a State different from the host country or may operate outside of any national education system.

Transnational education implies, therefore, crossing the borders of national higher education systems and usually falls into the category of non-official higher education in the host country. However, non-official higher education may also include private institutions which are not transnational.

Transnational education is often considered in relation with the franchising of institutions and programmes, but it can also take other forms of delivery. The different **institutional arrangements** may be systematised as follows:

Franchising: the process whereby a higher education institution (*franchiser*) from a certain country grants another institution (*franchisee*) in another country the right to provide the franchiser's programmes/qualifications in the franchisee's host country, irrespective of the students' provenience (from the first, the second or any other country):

- in many cases, the franchisee only provides the first part of the educational programme, which can be recognised as partial credits towards a qualification at the franchiser in the context of a "programme articulation";
- the franchisee is not always recognised in the host country, even if the franchiser's programmes/qualifications delivered in its home country are recognised in the host country.

Branch campus: campus established by a higher education institution from one country in another country (the host country) to offer its own educational programmes/qualifications, irrespective of the students' provenience:

- the arrangement is similar to franchising, but the franchisee is a campus of the franchiser;
- the notes on franchising apply here as well.

Programme articulation: inter-institutional arrangements whereby two or more institutions agree to define jointly a study programme in terms of study credits and credit transfers, so that students pursuing their studies in one institution have their

credits recognised by the other and accepted for transfer in order to continue their studies ("twinning programmes", "articulation agreements", ...).

International institution: institution offering "international" programmes/ qualifications that are not part of a specific educational system:

- may have branch campuses in several countries;
- seldom recognised in host countries;
- may be accredited by a national accrediting body in the U.S., or have articulation agreements with American or British universities.

Off-shore institution: autonomous institutions established in a host country but belonging, in terms of its organisation and contents, to the educational system of another country without having a campus in the country to which it belongs:

- seldom recognised in the host country;
- some are accredited by regional or national accrediting commissions in the U.S.;
- some may have articulation agreements with other educational institutions in the country to which they belong.

Other arrangements: other examples of institutional arrangements for transnational education may be:

- **large corporations**, which organise their own higher education institutions or study programmes offering qualifications not belonging to any national system of higher education;
- **distance learning:** institutions offering distance education (there is a growing number of such institutions, whose programmes/qualifications may or may not belong to the higher education system of a particular country).

It is possible for a particular institution to fit the description of more than one type of institutional arrangement. Also, new modalities or arrangements may emerge as the demand for higher education keeps growing.

4. Problems arising from transnational education

Transnational education can be seen in a positive way, as representing an important contribution to improve access to higher education in countries where the demand far exceeds the available supply from the official higher education system. It can

also contribute to the diversification of the ways in which educational and professional training programmes are delivered, widening learning opportunities for new publics emerging from the development of lifelong learning attitudes. Transnational education is also seen as a means to further develop the internationalisation of higher education and to promote intercultural cooperation ⁹.

There is a growing tension, however, between the national educational systems and the process of internationalisation of higher education ^{3,9}, mainly due to the alarming growth of transnational education and the emerging problems of transparency and regulation. The appearance of "degree mills" and cases of dubious legality in the awarding of degrees does not help to reduce the tensions. Also, "there are quite openly expressed fears in the established integrated universities that new entrants (...) will 'cream-skim' them, *i.e.*, offer only high-demand low-cost courses with solid margins of profit (...) , diminishing their ability to cross-subsidise low-demand or high-cost areas the retention of which is a legitimate public interest" ¹⁰ .

Nevertheless, transnational education in general should not be identified with fraudulent activities or bogus titles. Much of its provision works in parallel to the formal systems and in some cases it can be of comparable or even higher quality. The trouble is that in an increasingly diversified system, the necessary mechanisms to guarantee adequate regulation and transparency are lacking.

There are, indeed, serious implications from the fast and unchecked growth of transnational education. Kokosalakis ³ underlines that all the national reports from the nine countries involved in his study point to the "crucial problems (raised by non-official higher education) for the whole area of certification, recognition, parity of titles, transparency, quality control and assurance and above all the legal framework which legitimises these issues across the EU". The difficulties are augmented by the fact that transnational education often falls outside the official framework for higher education and, as a consequence, stays outside the formal supervision of academic standards.

In synthesis, the most problematic issues emerging from the expansion of transnational education are ⁹:

- **regulation:** "the various legislative, cultural, linguistic consequences of partnerships or other education arrangements";
- **quality assurance:** "the assurance of quality and standards of both the study programmes provided and degrees awarded through collaborative partnerships";

- **recognition:** "the recognition of qualifications awarded through such transnational collaborative partnerships".

There is a basic concern behind these considerations — the need for consumer protection. As said before, malpractice may occur and there are "degree mills" in operation, so people may be awarded titles without formal or substantive value. The aggressive marketing of institutions and programmes is not always helpful and may even be misleading or deceitful. The problem also concerns other stakeholders, like official academic institutions or employers, who may be misled into accepting non-recognised or false qualifications. Certification plays an important role in this context.

5. Basis for solutions

To devise ways and solutions to deal with the problems raised by transnational education, the crucial and interdependent issues of regulation, quality assurance and recognition must be addressed, as seen.

Regulation

The questions should not, however, be seen only in the context of the legal and formal structures of regulation of higher education in each country, because borderlines are different and what is an official qualification in one country may be non-official in another. Indeed, "the crux of the problem arises within the transnational framework of regulation and recognition of higher education in the EU" ³ and any regulatory measures must take into consideration the national, the EU and the international law. To this effect, it is worth remembering that the General Agreement on Trade in Services (GATS) establishes equal treatment related to the movement of professional and educational services across national borders. In the relations between the EU Member States, the same question arises from the implementation of Directives relating to the internal market and to mobility.

An interesting point to note is that the countries with open regulatory frameworks, like Austria, the Netherlands or Norway, seem to have less problems with transnational education, because such open systems tend to absorb non-official higher education as it comes and, by officialising it, some control is acquired.

Quality assurance

Non-official higher education raises problems of transparency and quality control as it is outside the official system and therefore is not subject to the national mechanisms of quality assurance in the host country.

When looking at transnational education from the supplier side, two different situations may occur which are of relevance to quality assurance:

- the programmes/qualifications offered in the host country are integrated in the official system of the awarding institution's country;
- the programmes/qualifications do not belong to any official system.

The first situation may lessen the problems, because the awarding institution is then subject to the quality assurance system in its country and the franchised/exported programmes are most probably recognised in the original country. The circumstances, however, are not always completely clear and problems may occur for a number of different reasons: the awarding institution, even if it is public in its own country, becomes a private institution, financially dependent on the students fees, in the host country; the partner institution may be a small or recently established organisation lacking university tradition; the franchising agreement may not guarantee a sufficient control of the awarding institution on the supervision of teaching and examinations, the quality of staff and resources or the protection of students.

Anyway, the awarding institution has the main responsibility for the quality of the qualifications provided, which raises a problem of image for the institution itself and for its national higher education system if standards are not kept in the franchised programmes. This, by itself, constitutes a mechanism of some safeguard of standards, because the national system (Rectors' Conference, national agency for quality assurance, Government) is interested in not having its image tarnished and is therefore likely to take precautionary measures.

It is understandable, in this context, that the main higher education exporting countries, in an attempt to address the issues on the quality of transnational education — as seen from the provider's perspective — have produced codes of good practice that include recommendations for the awarding institutions aiming at ensuring the quality of education provided and the standards of the qualifications awarded. Particularly meaningful examples of such codes are:

- in the **UK**: *Code of Practice for Overseas Collaborative Provision in Higher Education*, Higher Education Quality Council (1996); *Quality Assurance Code of Practice: Collaborative Provisions*, Quality Assurance Agency.

- in the **US**: *Principles of Good Practice for Educational Programs for Non-U.S. Nationals*, shared among the regional institutional accrediting bodies of the U.S.
- in **Australia**: *Code of Ethical Practice in the Offshore Provision of Education and Educational Services by Australian Higher Education Institutions*, Australian Vice-Chancellors Committee.

The second situation, when the awarding institution does not belong to any official system, escapes regulation from the supplier's side and is more fluid and prone to create problems. Some providers are however conscious of the image problem and seek forms of legitimation for their courses, sometimes through alliances with well established universities. International accreditation by private agencies in thematic areas is another possibility for buying a label of quality . In a more global approach, the Global Alliance for Transnational Education (GATE) devised a code of good practice for transnational education and a process of certification for those institutions that submit themselves to certification procedures and adhere to the established principles. However, criticisms are known on this type of approach.

From the demand side, *i.e.*, in the perspective of the receiving countries, different forms of reaction may be identified to try to solve the problems of transnational education, from simply outlawing transnational programmes to the integration of such programmes in the official system of higher education through a recognition procedure.

The radical approach of a tight control on the operation of transnational education does not seem to be convenient, because it will probably be in conflict with European Union or international laws and, anyway, would only postpone and not solve the problems. A recent example concerns Greece, where non-official higher education is precluded by the constitution but, following action by the European Court of Justice, a presidential decree will soon change the legislation governing private universities, degree parity, academic qualifications and professional rights, bringing it into line with the rest of the EU ¹¹ .

A more practical and efficient approach may be to institute appropriate practices to gain some control of the provision of transnational education in the host country, namely by creating mechanisms and/or incentives for its submission to the quality assurance procedures applying to official higher education.

The problems on quality assurance emerging from transnational education are of individual concern to most European countries, but there is also a European dimension to it. In fact, besides being a common concern, by highlighting these problems one focuses on areas where intervention could be foreseen, such as the promotion of

policies of common recognition and parity of titles and the transparency of their production and regulation, which, after all, are prerequisites for promoting mobility of people within Europe. The European Network for Quality Assurance in Higher Education, launched a short time ago, is expected to play an essential role in monitoring and in exchanging information and good practices related to the provision of transnational education. It must be stressed, however, that the network is not — and should not be — intended as a European agency for accreditation.

Recognition

The recognition of institutions and of programmes, for academic and/or for professional purposes, is a very complex subject involving conflicting interests at several levels, viz. between the protection of traditional diplomas and professions and the needs in relation to mobility and the market. The theme will be thoroughly dealt with in the next presentation, on accreditation, so only two particular points will be raised here.

A wide normative and methodological framework to deal in general terms with the recognition of qualifications awarded under transnational collaborative arrangements is already provided by the Lisbon Recognition Convention ¹², particularly in what concerns the mobility of students. However, the Convention applies to qualifications issued under a higher education system recognised by a signatory State of the Convention and does not deal with the specific recognition issues deriving from transnational education. In this context, the work being conducted by the Working Group on Transnational Education, operating within the ENIC framework under the auspices of UNESCO(CEPES) and the Council of Europe, which is dealing with "the issues of quality and assessment of franchised higher education programmes/institutions (in order to) propose guidelines for the recognition of qualifications granted by these institutions" ⁶, is of great importance.

The Working Group prepared a draft for a *Code of Good Practice in the Provision of Transnational Education* ⁷ which is under appreciation by the Committee of the Lisbon Recognition Convention. The code aims at providing a normative framework designed to present the perspectives of both sending and receiving countries. The code provides a set of principles, in the form of statements with a normative value, with the objective to be a source of reference to the quality assurance and evaluation of programmes, to contribute to consumer protection for students, employers and other stakeholders and to facilitate the recognition of qualifications.

The second point relates to the transparency of certification, which can be greatly enhanced by the systematic use of the Diploma Supplement developed as a joint

initiative of the European Commission, the Council of Europe and UNESCO/CEPES. The Confederation, with support from the European Commission, is undertaking a project to promote the implementation of the diploma supplement in all Member States of the EU and the EEA. If issuing the diploma supplement becomes a rule, it can hardly be avoided by non-official higher education institutions and the extra information provided may be of help to assess the value of the qualifications.

6. Some basis for action

Transnational education brings to the field of higher education a situation of fluidity and competition that completely changes its landscape. It represents a matter of concern for each EU Member State individually and for the Union as a whole. The national and European dimensions of the problem must be kept in mind when devising any measures intended to reinforce the beneficial aspects of transnational education in terms of learning opportunities, and to solve or reduce the tensions related to quality and standards of the qualifications awarded.

A first very basic question to be addressed is the one of clarification and transparency. A better understanding of the normative basis of transnational education, of its practices and of its effects is essential as a means to make it acceptable for both the receiving and the sending systems. Transparency in the regulatory mechanisms, in the formulation of transnational arrangements, in its monitoring and assessment and in the recognition and certification of qualifications is a fundamental prerequisite to ease the tensions.

To make these objectives operational, some possible courses for action can be foreseen and introduced in the debate, as follows.

Study on transnational education in Europe: to undertake a study with the aim to map developments in Europe concerning the situation and trends in the franchising of education, the typology of non-official education, the regulatory mechanisms in place or under consideration, the problems arising and examples of good practice in dealing with them. The study should be developed with the support of the Rectors' Conferences and in close cooperation with the European Network for Quality Assurance, to assess the repercussions for quality assurance, and with the NARIC/ENIC Network to link to the questions relating to the recognition of qualifications, access and information to students and stakeholders. Some conclusions must be drawn on ways to harmonise rules and to encourage good practices. The support from the European Commission is essential for

the study, which should include all the signatory countries of the Bologna Declaration. As part of this study, or as an independent report, the implications of GATS and of EU Directives on the provision of transnational education should be explicitly addressed.

Monitoring of quality assurance in transnational education: apart from the proposed study, the European Network for Quality Assurance could follow closely the ways in which the national systems of quality assurance deal with the assessment of non-official higher education, aiming at the dissemination of examples of good practice. It would also be worthwhile to follow the discussions taking place in other organisations on the establishment of codes or guides of good practice that could be of help to the national systems.

National legal framework of regulation: the legal framework for the regulation of higher education seems to need serious consideration in each country, in order to develop a more comprehensive, diverse and elaborate approach, keeping in mind that the open regulatory systems demonstrate better adaptation to the new and non-official forms of higher education provision.

The role of the NARIC/ENIC Network: the experience of NARICs/ENICs on the recognition of official qualifications under the Lisbon Recognition Convention is of great importance to tackle the more difficult issue of the recognition of non-official qualifications. The Convention, although restricted in a strict legal sense to the recognition of official qualifications, provides a procedural and methodological framework that can be of value for transnational education, as is clearly shown in the code of good practice under preparation within the NARIC/ENIC network. NARICs/ENICs should therefore be encouraged to proceed with their work on the discussion and dissemination of good practice.

Promotion and implementation of the Diploma Supplement: as mentioned earlier, it is important to generalise the use of the diploma supplement as a means to introduce greater transparency into the certification of qualifications and provide better information for consumer protection and for recognition procedures.

A final point must be made on the fact that wild competitiveness and the marketisation of higher education raise serious conflicts with the traditional university ethos of scholarship and the pursuit of knowledge for its own sake. Alternative providers do not necessarily produce new knowledge, they are more concerned with transmitting existing knowledge and they "may be trading on one of the most destructive myths of our time, the idea that intellectual powers, deep understanding, and valuable skills can be

'transmitted' via 'delivery systems' " ¹³ as pointed out by the President of the Association of American Colleges and Universities.

It is essential that the traditional research university keeps its dedication to disinterested study, of which it is proud, and to the creation of a proper environment for students' socialisation and character building, in a judicious balance with serving the needs coming from society's new and wider expectations. Above all, the modern university, like the ancient Greek Academies, must value very high in its mission the question of what sorts of citizens it wants its graduates to become.

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