

# Chapter 5

## A Review of Transnational Higher Education

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### ABSTRACT

*The internationalization of higher education is as old as the university itself. Recently, however, there has been a growing interest in transnational higher education, a specific form of internationalization that considers education as a product which can be packaged and sold abroad. The purpose of this chapter is to review the phenomenon of transnational higher education. More specifically, it aims to 1) define transnational higher education, situating it within globalization and the internationalization of higher education, 2) enumerate the various perspectives on transnational higher education, and 3) provide guidelines for the appropriate conduct of transnational higher education.*

### INTRODUCTION

Adam Smith (1776), often considered the father of modern economics, claimed that humans have an intrinsic propensity to “truck, barter, and exchange one thing for another” (p. 17)—that is to say, to trade. This propensity to trade is so basic, he continued, that it probably developed in concert with the ability to speak. As summarized by Bernstein (2008),

*[w]hile other animals, particularly primates, groom and share food with each other, systematic exchanges of goods and services, particularly over great distances, have not been observed in any species besides *Homo Sapiens*. (p. 8).*

Trade among humans has occurred for thousands of years. Documents from present-day Turkey allude to a 19th century BCE Assyrian merchant colony near Capadoccia (Stearns & Langer, 2001). International trade—defined here as the voluntary exchange of products (goods or services) which occurs between two countries—has likewise existed for millennia. Evidence “of the exchange of shells, arrowheads, and other goods over long distances...goes back well before any written record” (Pomeranz

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& Topik, 2013, p. 3). Perhaps the most famous manifestation of this international trade is the Silk Road, which was established during the Han Dynasty (206 BCE to 220 CE) to facilitate the exchange of spices and other exotic goods from the Far East in Europe.

Today, international trade accounts for more than 25% of the gross world product, according to the World Trade Organization, whose members imported and exported US\$17.3 trillion in merchandise in 2012 (WTO, 2014). More than 50,000 merchant ships ply the oceans with bulk cargo (Hellenic Shipping News, 2013). And many small countries which lack resources of their own—Singapore, for example—punch well above their weight because of international trade (Ministry of Trade and Industry Singapore, 2014). Channelling both Bernstein (2008) and Pomeranz & Topik (2013), international trade and the history of the world economy go hand in hand.

It ought not to be surprising, therefore, that higher education has also come to be traded internationally. Full fee-paying foreign students play an important role in higher education, triggered to a large degree by countries such as the U.S.A., the United Kingdom, and Australia, all of which deregulated and restructured their economies in the 1980s (Chadee and Naidoo, 2009). But in recent decades other forms of this ‘transnationalization’ have come to the fore. Between 2006 and 2009, for example, the number of foreign branch campuses increased by 43% to 162 (Altbach, 2010; Morgan, 2010).

Transnationalization has now been incorporated into not only the lexicon of higher education, but also its mission. Indeed, according to Campbell et al. (2000), “at the university of today, a new force has supplanted Latin texts, classical scholarship and nobility of thought and deed. It is, quite simply, the philosophy that universities offer a product which can be exported to a global marketplace” (p. 1). In practical terms, this philosophy has translated into various international and often commercial manifestations of the university, including franchise agreements, online degrees, and, more recently, foreign branch campuses. As suggested by Wilson & Vlăsceanu (2000),

*these new developments in higher education share certain common characteristics and similarities, mainly in terms of the ways they cross the borders of national higher education systems. It is for this reason that they are usually identified by the generic phrase of transnational [higher] education (p. 75).*

Transnational higher education is particularly pronounced in business schools. Indeed, according to Altbach (2010), the most popular transnationalized programs are in business, due to the low start-up costs and to the significant worldwide demand for these programs. Some of these programs, “(MBA programs for example) are clearly larger and potentially more profitable than others” (Wood et al., 2005, p. 2). Business schools have seemingly also embraced—more than other faculties in higher education—the marketization, neo-liberalism, and globalization with which transnational higher education is most often associated. English has doubtless become the *lingua franca* of business schools, especially as more and more students choose to study at foreign business schools. Business schools are also said to live and die by the league tables which, in recent years, have become more and more global in nature. And this global competition also extends to the recruitment of students, which now includes fairs, road shows, and other courting rituals which occur from Singapore to São Paulo.

The purpose of this chapter, therefore, is to review the phenomenon of transnational higher education. More specifically, it aims to: 1. define transnational higher education, situating it within both globalization and the internationalization of higher education, 2. enumerate the various perspectives on transnational higher education, and 3. provide guidelines for the appropriate conduct of transnational higher education.

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