

# Globalization of Higher Education through E-Learning: Case Studies of Virtual Universities based on International Collaboration of Universities across National Borders

Kumiko Aoki

E-learning enables provision of higher education services beyond national boundaries. International trade in educational services is expected to be liberalized as the General Agreements in Trades in Services (GATS) negotiations will seek to promote these services. Providing higher educational services globally may appear possible with the prevalence of the Internet and the greater demand of higher education in many countries. However, it is still very difficult for any one institution to enter into the higher education markets of the various different countries. Thus, it is expected that many institutions will form alliances or consortiums to expand their student base globally. This paper discusses a few instances of such international collaboration to provide higher education services globally via the Internet.

## Keywords

E-learning, virtual universities, globalization of higher education, university consortium, WTO/GATS

## Introduction

As the world has become more interdependent, each country seems to have recognized the need to educate its youth to be able to more fully serve in that global environment. Globalization/internationalization is a buzz word in the education industry in Japan and many colleges and universities have started programs which focus on educating young people to be “international” or “global” citizens. Outside Japan, globalization/internationalization also has another meaning to the education industry; tapping the market beyond national boundaries.

Another buzz word is “e-learning”. New modes of educational services using the Internet are helping to globalize education. E-learning allows educational services to reach beyond national boundaries without establishing physical presence outside the country of its location. There is a growing demand for higher education in developing countries as education is seen as the key to economic prosperity. In developed countries, there is a growing demand for life-long learning and ‘up-skilling’ as individuals seek to maintain their economic advantages in highly competitive work environments.

Due to these demands of higher education in some

countries and shrinking higher education markets in other countries, international trade in higher education services is expected to be active in the next few years. In the framework of the General Agreements in Trades in Services (GATS) negotiations, four modes of trading services are defined: Mode 1 (Cross-border supply), Mode 2 (Consumption abroad), Mode 3 (Commercial presence), and Mode 4 (Presence of natural persons). Higher educational services are also included in the GATS negotiations. Applying those four modes of trading services in higher education: the Mode 1, cross-border supply refers to international e-learning in which neither the education provider nor the student moves; the Mode 2, consumption abroad, refers to traditional study abroad programs in which students travel abroad; the Mode 3, commercial presence, refers to the establishment of branch offices or offshore programs in another country; and the Mode 4, presence of natural persons, involves educators traveling to another country to supply educational services. Mode 2 and 4 are the traditional modes of international exchange of students and teachers while Mode 1 and 3 are considered to be the future modes of trade in educational services. Mode 1 trade will increase in the forms of transnational e-learning and Mode 3 trade may increase in the form of partnerships among institutions across borders.

Japan is one of the four countries that have submitted a negotiating proposal to express their basic position

with regards to educational services, emphasizing the importance of maintaining and improving the quality of education and protecting consumers from low quality educational services. In response to the inclusion of educational services in negotiations on GATS, in Japan, the Study group on International Quality Assurance of Universities, formed by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), recommended the Ministry to change its regulatory frameworks for transnational provision of higher education to recognize transnational higher education supplied both inwards to Japan and outwards from Japan and to establish a quality assurance system for both imported and exported transnational provision. Transnational higher education is not limited to those offshore campuses by foreign universities in Japan or those by Japanese universities abroad, but it includes transnational educational provision through e-learning (Ohmori 2004). Considering the traditional and conservative nature of Japanese higher education system, it will be a radical change to recognize transnational education.

With the various educational, social, economic, and cultural systems in different countries, it would be rare for a single institution to have all the skills, disciplines, resources and channels to enter into a foreign market on its own. It is more likely for the institution in question to form partnerships with other public and private institutions in the host country to enter into the foreign educational market. Partnerships can also be utilized as a way for universities in less developed countries to offer various high-quality educations, thus hopefully preventing brain-drain in those countries. Considering economies of scale and deregulation of international education systems, it is expected that more multilateral partnerships will be formed in the future, creating a plethora of international consortia of universities. Some consortia will conceivably be non-profit and others will be for-profit. The main advantages of such consortia are pooled resources and greater market outreach.

There are already some such international consortia in existence. The best known examples are U21global, Global University Alliance (GUA), and Cardean University. All of these consortia were designed to gather resources of individual institutions, to draw in private sector partners and to market a variety of educational services through a portal environment. Each of these consortia is briefly discussed below.

## U21global

U21global is the joint venture between Universitas 21 and Thomson Learning, a subsidiary of the multinational publishing house Thomson Corporation. Universitas 21, whose name coming from the Latin word for university and the 21 century we are now in, were established by three Australian universities in 1997 to expand student and faculty exchanges. Its membership expanded to include 18 universities in 1999 from ten countries in North America, Europe, Asia, and Australia. In 1999, Universitas 21 decided to pursue commercial interests by incorporating itself. That was the first instance of a commercial consortium of universities across national borders.

Thomson Learning is responsible for supplying U21global with textbooks, library services, and technological and administrative support, as well as recruiting faculty to create content and teach courses. The member institutions' involvement is limited to providing quality assurance and funding which is reported to be at least \$500,000 (Young 2001) with minimal involvement of their faculty. Diplomas are issued by the consortium, not by a member institution, bearing the names and logos of the member universities. Each member university is still allowed to offer its own online learning courses using its name and logo.

Because of this limited involvement in the development of the courses and in the assessment of the courses by faculty from member universities, faculty unions in five countries have protested their institutions' participation in U21global. There was also an incident of students in Australia protesting the plan, claiming the universities were interested in profits rather than providing resources and charging that the reputations of the institutions involved would be jeopardized. Two founding member institutions, the University of Toronto and the University of Michigan withdrew from the consortium in 2001 for concerns over the consortium's use of their names and logos (Maslen 2001).

U21global began offering trial sessions of a component of its online MBA program in November 2002, and launched its first full program in July 2003. Based in Singapore, U21global targets mainly at Asian and Latin American markets and doesn't offer its programs in the U.S. and Europe. Courses are being offered in English as well as Mandarin and will be offered in Spanish in 2006. Tuitions vary across the world depending on the



Figure 1 U21global's Home Page

GDP of the country of a student. U21global created its own accreditation body, U21pedagogica, to accredit all U21 degrees. U21pedagogica consists of academics from universities in the consortium to evaluate U21global's online curriculum following the same procedure used to evaluate traditional curriculum in the member universities. Eventually U21pedagogica intends to evaluate other online institutions, adding quality assurance services to its business.

### Global University Alliance (GUA)

GUA is a consortium of six (originally nine) fully accredited international universities from four continents; New Zealand, Australia, England, and the U.S., and an online education company, NextEd, based in Hong Kong. NextEd is a systems integrator engaged in providing technological infrastructure to post-secondary education, primarily in Asia. It started as the provider of its global server and integrated technology platform to the alliance, but later it also assumed operational management of the alliance. Each member university

became a shareholder of GUA.

GUA was launched in October 2000, offering "off-the-shelf" online courses on vocational education already available in member institutions and targeting professionals in mid-career. In June 2001 it began offering online courses in business and information technology specially developed for GUA by groups of universities. It now offers online graduate and professional courses in Asia, utilizing the latest interactive web-and-data-based technologies for students to access online content and interact with peers and academics.

Like U21global, GUA's major target is students in Asia. There are study centers in Korea and Singapore, where students in the two countries can study locally without traveling to a member university. GUA acts as a portal for a wide variety of postgraduate degrees and short courses offered by its member institutions, committing itself to building a strong brand under which all its programs from the consortium can be offered. A student has to apply for admission to one of the member universities and earn a degree from the home university, but will be able to take courses from any participat-



Figure 2 GUA's Home Page

ing universities.

### Cardean University

Cardean University is an online venture created in 1999 by the U.S. firm Unext, an American Internet education company founded in 1997, in association with University of Chicago, Columbia University Business School, Carnegie Mellon University, Stanford University and the London School of Economics and Political Science. The name, Cardean, come from Cardea, the virgin goddess of doorways in Roman mythology, as it evokes the image of opportunity (Blumenstyk 1999). Its original idea was founded in 1997 by Andrew Rosenfield, a senior lecturer in law at the University of Chicago Law School and Gary Becker, a professor of economics and a trustee of the university. The idea was developed under the umbrella of Knowledge Universe, which is a holding company in California interested in education and training companies and is owned by Michael Milken and two other close relatives of Mr. Milken.

With more than 400 full-time employees at the beginning, Unext planned to develop a series of business-related courses and initially sell those courses to multinational corporations such as General Motors and AOL Time Warner, who want to train their employees worldwide via the Internet, and eventually to the public. In

2001, it started selling their courses to universities in addition to corporations and individuals. However, the economic downturn of dotcoms also hit Cardean, laying off more than 50% of its workforce in 2001.

Unlike U21global in which faculty members of its member institutions have minimal involvements in developing courses, Cardean involved faculty members in producing its courses on business-related topics and paid their institutions for the services they offered. Universities, then, would decide the way to compensate the faculty members involved. Intellectual property rights of all the course contents created for Cardean go to the institutions, not to any particular faculty member who are involved in the development of the course content. Individual faculty members who help develop the courses do not have contracts with Unext, but make arrangements with their institutions about compensation for their involvement in the course development (Carr 2001). The actual courses are taught by a pool of full-time instructors Cardean hires.

Like U21global, Cardean has the right to use member institutions' names and logos while Cardean offers degrees instead of each individual member institution. Each member institution will have limited rights to use the courses they help to produce and the technologies to deliver them, as well as royalties for the courses which would amount to a minimum of \$20 million over five to eight years. Each university will receive five

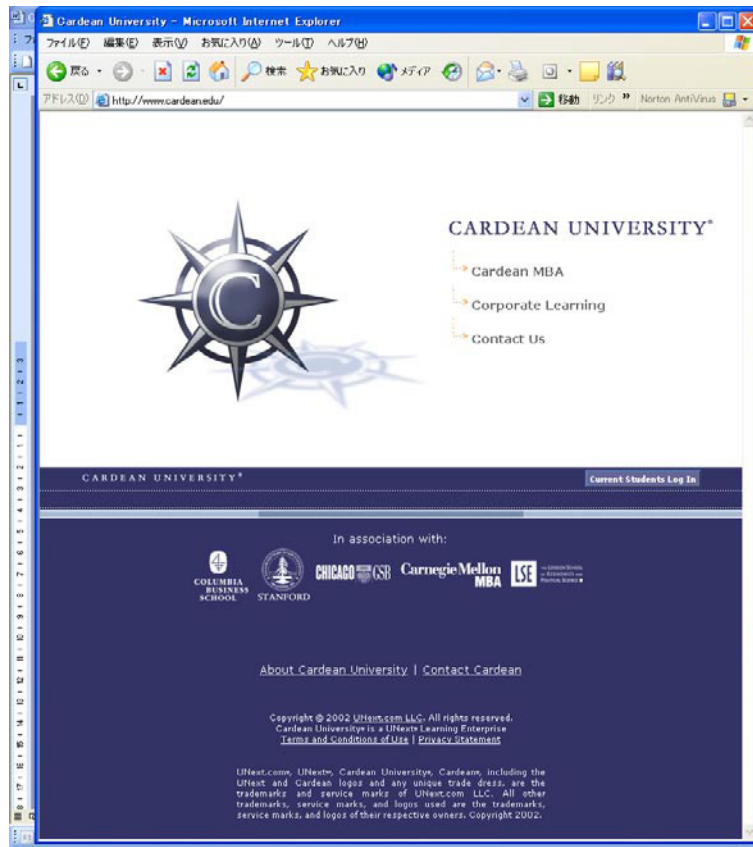


Figure 3 Cardean University's Home Page

percent of Unext's revenues in cash or stock options (Carr 2000). Created during the heyday of dot-com fever, member institutions hoped to capitalize on Cardean University when it goes public.

In 2000, Cardean University gained accreditation from the Illinois Board of Higher Education and the Accrediting Commission of the Distance Education and Training Council which only accredits institutions that offer programs primarily through distance education. It offered its first courses taught by adjunct professors hired directly by Unext instead of faculty members at the member institutions (Carr, 2000).

Cardean offers graduate programs in business administration, information management, information technology, and business law. All the courses feature small class sizes and problem-based curriculum (Shinn 2004). They are much shorter in duration than those offered by traditional institutions, being formed every three weeks. Each course requires approximately two hours of work on the part of the student and is available in suites of three to five related courses. It now offers executive courses as well as an online MBA program, featuring short video clips, self-assessment, email and discussion groups. A master's degree course takes about six weeks to complete and is based on a problem-

based approach utilizing real-world business scenarios (Carr 2000).

According to the Cardean's Website, "it has taught thousands of students from more than 90 countries, and there are more than 1,000 students enrolled in the Cardean M.B.A. program." The Times Higher Education Supplement (Phillips 2003) reported "a modest 10,000 or so students have passed through the virtual doors of Cardean University" as of February 2003. According to BusinessWeek Online 2003 Distance Learning MBA, there are 905 students currently enrolled in the Carden MBA program, 85% of which are in North America. The program is offered through Web pages, chat rooms, online forms, and e-mail, with courses in accounting, e-commerce, finance, leadership and strategy.

## Conclusion

The above four international consortia of universities for e-learning demonstrates four different models of such consortia in terms of: 1) whether they are in partnership with a commercial company or not; 2) who is the ultimate degree granting authority; 3) whether new courses are developed by the consortium; 4) to what extent faculty members of the member institutions are

involved in the course development; 5) who possess the intellectual property rights to the course contents offered by the consortium; 6) what kinds of degrees they offer; and 7) who are the target students.

The first factor is the involvement of private companies. U21global, Global University Alliance and Cardean University were all created in partnership with a private company. In the case of U21global, an already existing international university consortium, Universitas21, sought partnerships with private companies and ended up with Thomson Learning to create U21global. In the case of Cardean University, Unext initiated the creation of the virtual university and sought the partnership with prestigious universities in the U.S. and the U.K. If recognized as a viable business model, more private companies such as publishers and media companies will enter into higher education provision services. In partnership with traditional universities, those commercial companies can leverage partner universities' brand recognition and reputations to establish new entities for transnational education. In return, universities can leverage partner companies' marketing expertise, technological forte and cash flow.

As for the second factor, the degree granting authority, there are two scenarios: the consortium will grant a degree independently of its member institutions; and each member institution will ultimately grant a degree to a student who has taken courses offered by the consortium. U21global and Cardean University are the former, and GUA is the latter. The question of accreditation may become an issue in the former case as the consortium has to seek an accreditation from an adequate accreditation body. In the case of U21global, it created its own accreditation body, U21pedagogica, to accredit its courses, while Cardean University has sought accreditation from a U.S. accreditation body, the Accrediting Commission of the Distance Education and Training Council.

As for the third through the fifth factors, U21global and Cardean developed their courses from scratch mainly through the initiatives of their private stakeholders, Thomson Learning and Unext respectively. In dealing with courses, Thomson Learning hired its own professional staff to develop and teach their online courses while Unext paid member institutions to have them use their faculty members to develop course contents. Thus, in the case of U21global, intellectual property rights of course contents belong to Thomson Learning, while in the case of Cardean, the intellectual

property rights belong to member institutions who have been involved in the development of the courses. As GUA does not develop new courses, the intellectual property rights of the courses are of the institution who offers the courses.

Finally, all those consortia mentioned here offer practical or professional degrees related to business, commonly MBA. An early consortium, Fathom, led by Columbia University, failed to capture enough students to sustain their operation because of its high-brow liberal art contents. Most surviving e-learning institutions offer practical degrees for professionals rather than liberal arts degrees for life-long learners. Above mentioned e-learning consortia target mostly Asian countries, where the demand for higher education may not have been fully met by their domestic educational suppliers. It is expected that an increasing number of international educational suppliers will target those countries.

It is still too early to predict which model succeeds best. However, it is expected to see more of these kind of international consortia in the next few years as the demand for higher education increases globally and global higher educational markets are liberalized.

## References

- Blumenstyk, G. (June 18, 1999). A company pays top universities to use their names and their professors. *The Chronicle of Higher Education*.
- Carr, S. (May 12, 2000). Closely watched Unext rolls out its first courses. *The Chronicle of Higher Education*.
- Carr, S. (May 4, 2001). Rich in cash and prestige, Unext struggles in its search for sales. *The Chronicle of Higher Education*.
- Maslen, G. (May 25, 2001). Leery about use of their names, Michigan and Tronto opt out of Universitas 21. *The Chronicle of Higher Education*.
- Ohmori, F. (September, 2004). Japan's policy changes to recognize transnational higher education: Adaptation of the national system to globalization? *The Observatory on Borderless Higher Education Report*.
- Phillips, S. (February 7, 2003). E-outfits go the distance. *The Times Higher Education Supplement*.
- Shinn, S. (March/April, 2004). Private business. *BizEd*. pp.44-51.
- Young, J. R. (September 21, 2001). Universitas 21 moves forward with plans for online university. *The Chronicle of Higher Education*.



あおき くみこ  
青木 久美子

南山大学外国語学部英米科卒。ウイスコンシン大学でコミュニケーション修士号・ハワイ大学で情報コミュニケーション学博士号取得。ロチェスター工科大学情報技術科準教授、ボストン大学コミュニケーション学部準教授を経て、現在、独立行政法人メディア教育開発センター助教授。メディアを使った国際交流と大学の国際化、および学習スタイルの研究に従事。

## Eラーニングによる大学の国際化： 国境を越えた大学間連携によるバーチャル大学の事例研究

青木久美子

Eラーニングは国境を越えて他国に高等教育を提供することを容易にする。WTO/GATSの交渉において高等教育の提供が貿易自由化の対象となるにあたって、高等教育が一層国際化されることが予想される。インターネット等情報技術（IT）の普及により、また、各国における高等教育の需要の高まりにより、eラーニングによる高等教育の国際的な提供は現実になりつつある。しかしながら、社会的・経済的・文化的な差異から、一大学が単独で海外市場に進出することは大変むずかしい。それ故、海外進出において、各国では他国の大学と協定やコンソーシアムを組んで国際市場進出に乗り出す大学が増えてきている。ここでは、そういった国境を越えた大学の同盟やコンソーシアムによる高等教育の国際的な提供、特に、インターネット上で高等教育の学位授与を行っているバーチャル大学の事例を紹介する。

### キーワード

eラーニング、バーチャル大学、高等教育の国際展開、大学コンソーシアム、WTO/GTS