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Trends in Bildung international (2002) 2, S. 1-16

urn:nbn:de:0111-opus-51061

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Education Transformation and GATS. New paradigms in government and administration¹

1. The context: "Globalized, postindustrial" society and transformation

"The third wave"

Transformation, as it is understood in this paper, is used in its two meanings: First, in a very broad sense as the current change in technology, economy, culture and ideology. The perception that we are in the midst of a greater societal transformation, of course, is common knowledge, and is grounded on a great variety of evidences. It is, though, extremely difficult to determine the direction and the next stages of this change. Characteristics like "globalizing", "post-industrial", "post-modern", "late modern", "post-materialistic" (Ronald Inglehart), "post-capitalist" (Peter F. Drucker), "information-", "knowledge-" or "service society", refer to alleged dominant features of this transformation and of the new society. They apparently refer to phenomena of various depth and width and they partly overlap but do not coincide, and are, above all, hypothetical approximations.

As for the depth of the change as a whole, there are different suggestions. Alvin Toffler's "wave" suggests a deep hiatus which stands in a row with the most basic transformations of society. Seen in this way we face the dawn of a third form of civilization which follows the first (agrarian) and the second (industrial) ones. Peter F. Drucker sees more frequent, less deep but nevertheless very dynamic "divides" and compares the present one with transformations like the Renaissance, the invention of book printing, the First Industrial Revolution etc.: "Every few hundred years in Western history there occurs a sharp transformation. We cross in ... a 'divide'. Within a few short decades, society rearranges itself - its world view, its basic values; its social and political structure; its arts; its key institutions." (Drucker, 1993, p.1).

Transformation countries in transition

In the context of this general "transformation", the societal changes in some groups of countries in recent decades – Spain, Portugal and Greece in the seventies, and most of the communist countries, South Africa, and, to a degree, some parts of Latin America, have a twofold character: First, they are a part of the 'great transformation', which I mentioned above and which affects the whole globe. In addition, they were (or still are) passing a common experience of "transformation" (or, as it is called recently more often: "transition") in a more narrow sense²: All these countries transformed substantially. Transformation in this narrow sense has at least four basic features³:

1 Contribution to the International Symposium "Transformation of Education in Comparative Perspective", organized by DIPF, University of Erfurt, and Bundeswehr University of Hamburg, Berlin, January 24 - 26, 2002.

2 Since the first phase of "transformation" as a steered process is finished in most of the countries in question, we could use the term "transition". But because "transition" is related with, and might be seen as a second phase of "transformation" we keep on using "transformation", being aware of the fact that even this term is not overly clear and unequivocal in the related literature.

3 Historically, for example the Japanese "Meiji-Restoration" from the 1860s would also fit into this pattern.

- it responds to a modernization impulse,⁴
- it is not the outcome of revolutions but of the collapse of extremely weakened regimes,
- it is a reflex of global power shifts,
- and lastly, it is a planned, purposeful process, initially a "revolution from above".

There are some typical groups of transformation countries: Some, though certainly not all, transformed from autocratic, dictatorial into pluralistic, parliamentary societies. Others transformed from one autocratic pattern to another one. One might say, however, that all transformation countries followed the general trend of economic liberalization, privatization, and a certain decentralization of governance. In some cases transformation ended up in fragmentation and even breaking off into several states. It goes without saying, economical transformation is most radical in the post-communist countries.

It is the common factors and philosophy underlying societal change in the transformation states, which links this process to the general transformation mentioned in the beginning of this paper. Coincidence or not: the fall of the former communist regimes came in a moment when the dominant capitalist philosophy in the West had switched from Keynes (as an interventionist model, some even used to call it "neo-socialism") to Thatcherism and Reaganism (a radical "neo-liberalism"). This new philosophy in its most radical form provided the dominant model for transformation in the post-communist countries – not necessarily in a linear way and certainly not in all sectors of society, but very much so in some respects, in the field of education, governance and management.

Deregulation, re-regulation and resistance

True, with the new paradigm of neo-liberalism, the main philosophy of administration regulation and management shifted away from direct control to indirect (market-) control, deregulation and participation, but by no means does this shift mean the end for control and regulation as such. First, a shift is not a complete replacement of one system by another, second, there is also much resistance, and even in the organizations concerned with steering that process, there are various interpretations and changes over time. Thus, for instance one expert explained at a WTO symposium: "Liberalization does not mean deregulation, on the contrary, further liberalization requires an appropriate regulatory framework to sustain it."⁵ This, however, is not a view shared by all. What seems to be true, however, is, that new distribution-patterns of regulation (participation rights and responsibilities) on their various levels come into existence. New, sometimes smaller, sometimes bigger power centers emerge. In some cases, a power vacuum is filled. Fragmentation on the one side is counterbalanced by integration on the other side. Parallel to decentralization and fragmentation on the one side, new centers emerge on the other side.

This process is proceeding in all levels and organizational strata of society. For example, MIT professor Thomas Malone (who stands in a general context of Etzioni-inspired "communitarism") predicts a "renaissance of the guilds", a development which he welcomes as countermovement against unwanted growing social inequality and other consequences of the present globalization.⁶ Critics of Malone refuse the term "guild" since it bears very specific, historical, connotations, but they seem to consent with him insofar as

4 In fact, referring to the present societal change, we could call transformation a "belated post-modernization", or, in paraphrasing A. Toeffler, the transition from a society based on the "chimney industry" to the society based on a "symbol industry".

5 From a speech by B.K. Zutchi - made at the World Trade Organization Symposium on Issues Confronting the World Trade System in WTO Headquarters, Geneva, 6-7 July 2001. Another speaker, Julian Arkell, International Trade and Services Policy (Spain), pointed out that the interaction between regulation and liberalization was the central issue of GATS.

6 Comp: "What do we really want? A Manifesto for the organizations of the 21st century". The MIT 21st Century Manifesto Working Group 1999: <http://mitsloan.mit.edu/facstaff/index.html>.

they see tendencies of emerging new forms of organized interest groups, especially in the service sector, as counterweight against the disintegration of existing structures of social communication and social security.⁷ Also the corporate sector changes and increasingly moves into fields, from which other actors (the state, churches, other organizations) seem to retreat or already retreated. An increasing number of large companies seek to find a role in the emerging "civil society" which exceeds their mere economical function. The motives of this policy vary: "Lastly the issue is, globally as well as locally, social peace: an atmosphere of mutual trust, which has not its end in itself, but is a necessary precondition of making business. After years of defending against claims from the side of the state and of other public agencies, companies increasingly show willingness to take over responsibility for society" (Ramthun, 2001, p. 32).

Though such a commitment of "corporate citizenship" in many respects can be welcomed, it is not without risks, especially when left to the corporations alone: The existing model of corporations which now extend their activities into society, did not go through the same democratization processes as did the political structures in the past two centuries, regulating the structural and the personal patterns of rights and obligations in civil societies. What is more, the present process of liberalization transforms an increasing number of traditional collective activities (organizations, bureaucracies and enterprises) into "corporations", that is, "*juristic*" or "*artificial persons*" (legal entities) without subjecting them to the general, historically developed, rules applying for *persons* in the framework of society, but rather exempting them from the existing respective frameworks of interpersonal rules. We should be alert if this does not mean a general decrease of the role of personal rights and obligations in society.⁸

2. GATS: Liberalization and deregulation of the service sector

Basic features

In 1994 a group of 124 countries signed the GATS – General Agreement on Trade and Services.⁹ It extended the existing GATT – General Agreement on Tariffs and Trade into the field of services, and integrated it into the structures of the newly founded World Trade Organization WTO.

GATS bans any discrimination of foreign suppliers of services. True, the single countries may wholly or in parts, for a given time, or generally, exempt those services which they define as being carried out as public services under autonomous national control. However, once a liberalizing commitment is made, it is extremely difficult, if not impossible, to take it back.

Already from the very beginning, in some countries¹⁰ and from some groups fierce opposition against GATS was articulated, which then came to a first climax at Seattle. This opposition is partly based on highly emotional and unarticulated fears of various societal and environmental problems which are ascribed to 'globalization'. Partly academic opposition and opposition of civic movements (forming in many cases new networks) is concerned with a systematic criticism. 'Globalization' in this context is a very vague term and

7 For example: Hoffmann, Michaela & Methfessel, Klaus: Gemeinsam mehr Sicherheit. In: Wirtschaftswoche, 20. 5. 2001, p. 22-25). Their formulation: Bildung neuer, kollektiver „Dienstleistungsagenturen als Gegengewichten zur Auflösung bestehender sozialer Sicherungsstrukturen und globalisierender Vereinzelung.“

8 N. Chomsky points at this aspect in the context of his criticizing some globalization tendencies, comp. Chomsky, 2000.

9 In December 2000 the figure rose to more than 140 signature states.

10 There was nearly no reaction for example in Germany.

covers nearly anything. It also reflects the international geo-political and ideological power struggle.¹¹

Criticism

Analysts criticizing GATS, from the very beginning voiced general concern about a liberalization in areas of society, which developed historically, and, as it is assumed, for good reasons, as public services. Already in the very first critical statements education (next to the health services) was referred to as a sensitive topic. Fear was voiced by critics who were mostly affiliated to teacher unions, that it would be, in an atmosphere of unprotected international competition, exposed to an uncontrolled liberalization pressure. This could result, for example, in mass migrations of "cheap labor" from poor to rich countries. In this context it was also argued that regulations concerning the qualification of teachers could be watered down (presuming that the respective own teachers hold the higher standards). Another category of concern pointed at unclear definitions and terms, which could one day be used to force deregulation in fields which initially were not meant for. As far as education is concerned, there seems to be a very unclear and flexible dividing line to the sector of "information services".

Apart from unclear definitions, there is more substantial criticism: Scott Sinclair from the Canadian Center for Policy Alternatives concludes, that GATS in its original version would subject practically all government activities in the field of services to the supervision of WTO. Each measure which could result – in fact or supposedly – in favoring local suppliers over foreign ones, could be seen as "discriminating". Thus "GATS is an enemy of public services, which are seen by the global players as a so far unexploited market."¹²

Another point of concern refers to the low level of transparency of initial definitions, the contents and the final goals of the agreements. Most of the negotiations took place behind closed doors. As an example might be mentioned that the EU negotiated collectively for the European member states, and in most member states there was no broad parliamentary or generally public discussion, and even many politicians of these states (or, as for that, for instance the teacher unions) were surprised to learn about the negotiations afterwards.¹³

WTO representatives refuse fundamental criticism and scenarios of an uncontrolled playground for global players and they stress that nobody plans a forced market liberalization or even a general marginalization of governments. It is argued that single countries have full control to what degree they want to liberalize, and generally there is free choice between three levels of selective, partial and a maximal participation in the GATS agreement parcel.

Sinclair, like others, does not take comfort from the WTO argument of free choice for the governments. First of all, he sees a spiral-like, screw conveyor mechanism built into GATS, which inevitably forces those, who once entered this path, to go further step by step, up to the point of no return and of loss of own control over this process: "The GATS uses a hybrid approach to the coverage of sectors and measures, combining features of both a 'top-down' agreement (which covers all sectors and measures unless they are explicitly excluded) and a 'bottom-up' agreement (which covers only sectors and measures

11 This might be illustrated by the judgement Hubert Védrine, French minister of foreign affairs, gave, namely, that for him, globalization with its "ultraliberalism", its "hostility to the state", in short, its "anarchism" is a hardly disguised claim for hegemony from the side of the United States, against which France should hold up its "différence". Quoted from: Klaus Harpprecht: Mammon, Dämon, Hegemon" in: Die Zeit, 17. 5. 2001, p. 13.

12 Sinclair, Scott: GATS: How the WTO's new "services" negotiations threaten democracy. Canadian Center for Policy Alternatives, 2000. Summary in: <http://www.wtoaction.org/research4.phtml>

13 It seems to be only a detail but nevertheless interesting in this context, that the EU information main page ("a guide to GATS") in the internet so far did not even include into its list of service sectors neither education nor health services, these areas can be found only after further search.

that are specifically identified)." And: "It covers most public services: Services 'provided in the exercise of governmental authority' are excluded from the agreement. However, these are defined so narrowly that the exclusion has very limited practical value. All governmental services provided on a commercial basis are subject to GATS provisions. Similarly, governmental services supplied in competition with any other suppliers are also subject to the GATS. This exclusion does not appear to protect most aspects of public education, social services, Medicare and other services provided through a mix of public and private delivery and funding" (Sinclair, 2000, p.4).

Certainly, there are also reasons for concern over possible indirect pressure. In the WTO context itself, it is argued that partial liberalization is risky and not very effective, because it can result lastly in higher follow-up costs than initially expected (Michalopoulos, 1999, p. 23). More important perhaps: Countries with selective or partial participation can be excluded as suppliers from the respective fields in other countries, and, perhaps still more important: most today's programs of financial help in joint programs of WTO, World Bank, OECD and other international organizations, are imbedded into the respective structures of the international agreements, and countries not fully integrated into these structures, are always in danger to be excluded from help programs.

The network of liberalization

There is a strong institutional and logical network of mutual supportiveness. Apart from GATS, liberalization and deregulation are based on a global „regulatory reform“, propagated and monitored since 1995 by OECD. This program transposes the arguments of changed conditions of governmental and managerial regulation into worldwide programs of deregulation and new management. Its aim is "... to move governments from a culture of ‚control‘ to a culture of ‚client service‘" (OECD Report...1997, p. 9). Partly the connection with the above mentioned WTO agreements is explicitly referred to in the program (OECD Report...1997, p. 34-35), aiming at eliminating "unnecessary" limitations of trade and monopolization. Even if it was not mentioned explicitly, however, it is clear that regulatory reform can be seen (and be used) as a logical completion to GATS because it establishes internationally the same principles in different spheres of society, that is, it creates a common set of basic rules, that is a new code (a common "language") of bureaucracy and management behavior. Seen in this way and in respect to a interwoven network of complementary strategies on various levels aiming at complementary goals, WTO arguments against criticism, pointing at the alleged autonomous, sovereign position governments are in, become less convincing.

Another, more detailed program, which could gain in the long run some importance on education and science, and which is equally managed by WTO, is the agreement on international intellectual property rights (Trade-Related Aspects of Intellectual Property Rights – TRIPS) from 1994. Worst case scenarios could be, that in the near future more and more skill standards, certificates and even curricula could be patented and become a market item under the control of international corporations. In cases of a clear prove of intellectual property this certainly is substantiated, but in the mentioned fields such a property claim is sometimes hard to prove – unless it is bought as a brand name. Then global players could follow the (so far exotic) example of a Japanese patent holder for "curry rice" – a food processing company, which apparently uses this patent so far only against competitors on the Japanese market. It could, however, as patent holder, so to say as the "inventor", have good prospects to push through its claims for lending its patent worldwide, among other even in India, where curry rice originates from historically and unprotectedly.¹⁴

14 Gerard Greenfield: "The Globalization Menu: Curry Rice, Bacardi Rum and Things to Come" 1999. In: www.wtoaction.org/greenfield.phtml. True, the Curry Rice sold in Japan and now registered as a brand name, uses a specific recipe. The name is, however, extremely general – and this is the difference with

Apparently, WTO's arguments of full control over sovereignty is not completely convincing, especially not in the light of the described networks of mutually supportive liberalization measures. One is, therefore, not necessarily a fan of conspiracy theory, if one puts the mentioned structural aspects of GATS and its structural links with other international actors, and, as for that, the slogans (and the inherent ideas) of decentralization, deregulation, and so on, into a common relationship.

Implications on education: structural and functional changes

Seen in this context, what, possibly, could be the implications of GATS on education in general? Education as a structure of institutions, providers, responsibilities, with seemingly clear borderlines between levels (pre-primary, primary, secondary, tertiary), sectors (private – public) and forms of learning (full-time, extra mural, distant), as it emerged in the context of modern nation building, apparently is taken too readily for granted in a too retrospective way. This makes it more difficult to see how forms and functions change and how this change relates to the mentioned network of deregulation and liberalization.

It is evident: large market segments could be opened by liberalizing the access to this sector, and, quite certainly, some world-wide operating companies are waiting at the starting line, some others already started to run. The latter is true especially for US- (and partly Australian and British) companies which, based on longstanding experiences in developing testing services (a domain of the US-Americans)¹⁵, evaluation procedures, international general education certificates, international or at least easily comparable vocational 'skill certificates' (the latter recently becoming a domain of the Australians), international further and higher education qualifications and world-wide reputed profession-specific qualifications (for instance in legal professions, in architecture, in accountancy - a domain of the British), are prepared best for entering the new markets.

Apart from this, mainly in the US, new companies are formed only in order to enter the education market and to make profit. This is true for instance for a new model of higher education institutions run by companies, which often are listed on the stock exchange. Philip Altbach, the renowned researcher on trends in higher education calls them - irrespective of their quality - "pseudouniversities" (Altbach, 2001, p.2). Others, existing companies, that so far were not (or not directly) engaged in education business such as IBM or the Elsevier publishing company, developed into multifaceted media enterprises, which also intrude the education market directly.

The "school system" with its once clear dividing lines between pre-primary, primary, secondary schools, between public and private institutions, between national and international certificates, with full-time (on the spot) learning and distant learning - this system will probably change substantially and the traditional sector of government controlled schooling carried out in traditional forms and in traditional institutions will shrink and a fully or semi-"privatized" flexible structure of educational activities and forms will grow. It is this sector which will be exposed and influenced by GATS and its consequences. True, so far not all (probably at present even the minority) of "privatized" education activities are carried out by profit-making companies. But this might change in the future, and, apart from this, also the non-profit organizations and activities propel the general economization (commodification) of education.

"Economization" as an aspect of "liberalization" is complemented by transforming former non-corporate organizations into corporations either by changing their character via introducing corporate management models and other mixed forms of corporatization, or by outsourcing or selling them. Originally this process started in general service sectors of

cases like copy right protected regional names like "Cognac" or "Rum", which are quite questionable in themselves.

15 Compare for example: Lowe, John: International Examinations, National Systems and the Global Market. In: Compare, 29(1999) No. 3, p. 315 - 330.

public administration but extended also to the field of education and research. The word "corporatization" thus sometimes is used in its double meaning of introducing corporate management and accountancy principles into public educational and research institutions and also in respect to setting up (or re-founding existing) institutions within a new legal framework – presently mainly universities – which, for example, in Germany are called "Körperschafts-" or "Stiftungsuniversitäten", in Japan "Independent Administrative Institutions". In Germany and in Japan, for example, there are plans to incorporate representatives from the industry into the boards of those universities, which is another measure to bring them "nearer to the market". These trends change the character of public institutions substantially and provide them increasingly with a character of private enterprises – and as such they have moved into a status, in which they can become much more vulnerable against external, also unwanted or not foreseen, liberalization pressure in the sense of GATS principles, no matter what national exemptions in former agreements say, because these formulations do not relate to the new form of "corporate" enterprises.

Another aspect of this kind of "privatization" is to be seen in the growth of the private schooling sector. True, it is becoming increasingly difficult to distinguish between the above mentioned trends of educational sectors, that is private schooling in a narrow sense of the term on the one hand, and mixed management or outsourcing on the other hand, but it was found that there is a "growing trend for governments to leave the management of schools to the private sector. On average, 13.5% of primary and secondary students [in OECD countries] are now enrolled in private education institutions, 10.6% in schools that are still predominantly government financed but privately managed. In Belgium, 58% of primary and secondary students attend privately managed but government-funded schools, while in the Netherlands this ratio rises to 76%. In Australia, Korea and Spain more than 20% of pupils attend private schools.¹⁶

Ideology: "Trust" and "friendship"

The described strategies of decentralization and privatization are accompanied by ideological campaigns in which terms like "trust" and "friendship" play a central role. An article in the German economic journal *Wirtschaftswoche* for instance, identified a new relationship between economy and school: "Economy enters the classroom. Whereas in former times entrepreneurs in teachings appeared only as exploiters or destroyers of environment, it seems that a new friendship develops between education institutions and companies."¹⁷

The development of such "friendships" as a counterweight to former one-sided distancing from anything economical in the process of general education as it was typical for the West German school, certainly might be welcomed. On the other hand the term "friendship" more often than not, stand for "privatization" of costs, and schools (parents) must seek the "friendship" with sponsors. This is not necessarily a problem as far as the public administration guarantees that schools which have no such "friends" will receive compensation and a general level (hopefully as high as possible) can be guaranteed.

In poor countries, however, this "friendship" strategy might endanger the core of the general education system itself: The third World Congress of the Education International in July 2001 came to the conclusion that for instance in Equador only 40% of all children go to school regularly. The reason for this is to be found in a common impoverishment, and a rise in inscription fees to schools of up to 30 US \$ (which is a monthly teacher salary). The fact that in many countries most public enterprises in the field of energy, telecommunication, water, and so on, were (or are in process of being to be) sold out during the last years, brought some money for the moment, but ripped many poorer countries of constant sources of income, and thus added to the impoverishment of the public sector. With re-

16 <http://www.oecd.org/media/publish/pb01-23a.htm>.

17 Christoph Prössl: Massive Probleme. In: *Wirtschaftswoche*, No. 38, 13. 9. 2001, p. 34.

spect to this situation in Ecuador, the World Bank initiated a 45 million US\$ program under the name "Networks of Friendship" which means that parents and local communities should take over responsibility for the schools. The project money is given only for the initial phase of transformation and later on parents and local authorities must finance teaching, teacher salaries and facilities on their own.¹⁸

3. Basic data on deregulatory transformation of education in Poland, Czech Republic and Hungary¹⁹

Pre-transformational centralization

Prior to 1989-90 the school systems of Poland, the Czech Republic and Hungary were highly centralized. In the early 50ies on all levels of central, regional, and local administration the soviet system of merging sectoral - and thus also educational – administration with public administration, which in itself was under direct party control, established a centralized system of planning and of hierarchical competencies and dependencies. True, formally one can find some decentralizing trends in all these countries already prior to 1989, thus for example in Czechoslovakia in 1960 a middle level of regional administration was introduced also in education, and in 1968 federalization of the state took place (with two ministries of education from that year on). The political "normalization" after the end of Prague Spring, however, subjected the country to a renewed strictly central control of the party. Also Poland experienced very different phases of extremely stiff control under martial law on the one side and elements of self-governing democracy in the context of Solidarność activities on the other hand.

Decentralizing tendencies developed, in contrast to both before mentioned countries, somewhat more continuously in Hungary, and they were also much more far-reaching than in both Poland and Czechoslovakia. Also in Hungary, decentralization became a political issue in the 1960ies when the lower levels of administration – in the field of education especially in the framework of the 20 districts – were strengthened. In the 1970ies vocational education was decentralized, and in 1985 pedagogical administration and supervision were separated from public state administration. At the same time gradually the autonomy of schools was strengthened. The 1985 regulation even had a provision to enable private and corporate run schools, and in 1989 there were 10 church run schools in Hungary (Gutsche, 1997, p. 428).

In general, however, "decentralization" in the communist era was not meant to lead to substantial autonomy of the local or regional actors and subsystems. It must be, however, also said that due to the high priority, education was given in the communist states, this sector generally could dispose over a relatively generous funding and a stable support. Thus in all three countries in question it was the aim of the central education policy planning authorities to avoid, respectively to counteract, regional inequalities with educational facilities

As for the present systems, it is necessary to take into consideration that these systems are very strongly subjected to change, especially the general reform of regional and local administration. This, indirectly or directly, influences school administration strongly, and it has changed several times within the last decade, respectively is just in a phase of a new consolidation (as is for instance in Poland after the reforms of 1999 or in the Czech Republic after re-introducing regions): "Due to the fluid and sensitive political balance that exists in Central Europe, reform concepts about local government undergo relatively fre-

18 Karl-Heinz Heinemann: Zwischen Ideologie und Existenz. In: Erziehung und Wissenschaft – Allgemeine Deutsche Lehrerzeitung. 53 (2001) No. 9, p. 26.

19 As for the administrative structure on the regional level, compare the listing in the appendix.

quent changes (Horváth, Péteri, 2000, . 32).²⁰ The following overview should therefore not be seen as an accurate and exhaustive description, but rather as a general sketch of trends. Last but not least: Vocational schools pose a very specific set of problems during transformation and are not taken into special consideration here.

Traditions

One also should take into consideration that the countries in discussion had deep rooted own pre-communist historical traditions of stressing differently more or less central, regional, local and institutional powers. For instance in Hungary, the return to past values focuses on the autonomous tradition of protestant "Collegia" and reform-pedagogical movements (comp. Gutsche, 1997, p. 424).

In Czech history there can be found a strong instability as far as the regional level of administration is concerned. Under Habsburg rule regions (kraj) lost their power, and instead administration was based on the crown-lands and the Vienna centralism. After 1918 regions (župa) were reintroduced, only in order to be again abolished in favor of a new structure of lands in 1929. Even that reform was felt not to be the final solution, and protracted discussions followed, interrupted only by the more pressing events of German occupation and communists coming to power. However, it was the latter, who reintroduced regions (kraj) in 1960 and federalization in 1968. Though these regions were once again abolished immediately after 1990, they were again introduced by law in December 1997. Against this background of relative instability of structures, it is perhaps understandable, that, although there is a long historical tradition of democratic participation in school affairs from the side of the local community and interested groups, the school system as such was traditionally strongly centralized in the Czech lands. The change took place in the institutions: There was a nearly complete replacing of the school principals: For the two years between 1990 and 1992 a figure between 75% and 90% of new appointments is given (Hendrichová and others. 2001, p. 44).

In Polish history, a long-standing concern for the task of regional self-governance and a certain tradition of a weak central state authority, expressed itself in the opposition to overly centralization. During the time of Solidarność models of a quite radical basic-democratic school management had developed²¹, they, however became victims of the following Polish variance of "normalization", and even after 1989 they were not seen as direct models for the new understanding of deregulated management – although the shift to local responsibility was welcomed as "back to normal". Even before and outside Solidarność there had been in the Polish educational discussion a special interest in a policy of opening the school towards the local community. Thus, during the whole of the seventies, concepts of "open school" (szkoła otwarta) or "community school" (szkoła gminna) came to be discussed²² - though, it is true, the support of the official communist administration saw them rather as a means of increasing its ideological-educational control than for emancipation of local self-government.

New local self-government and schools as legal subjects

In all three countries following the reform of public administration, that is, the emergence of freely elected self-governing bodies, schools were transferred into the maintenance of the local municipalities, in Poland and in Hungary this referred not only to primary, but

20 In the source reference to: T.M. Horváth (ed.): Local Government in Central and Eastern Europe. Budapest: LGI Books 2000.

21 Compare: von Kopp, Botho: Die Sozialistische Schule zwischen Lernen und Erziehen. Köln, Wien: Böhlau, 1983. see the draft of the statutes of Pedagogical School Councils: p. 193 - 203.

22 Compare: I.R. Wompel: Schule und gesellschaftliche Umwelt. Das Konzept der offenen Schule in Polen. in: O. Anweiler (Hrsg.): Erziehungs- und Sozialisationsprobleme in der Sowjetunion, der DDR und Polen. Hannover, 1978, p. 212 - 228.

also to post-primary schools, in the Czech Republic secondary schools were after the abolition of regions (kraj) in 1990 run by the ministry of education respectively its regional bureaus and they will in future be run by the recently new introduced regions. Both in Hungary and in Poland each level of administration (in Poland the central, the regional and the local, in Hungary the central and the local levels) can run schools of any type, although apart from nearly all primary schools, also the majority of the post-primary schools are run by local authorities.

In Poland, in 1994 in the context of a pilot program, communities with more than 100 000 inhabitants were asked to take over responsibility for all the post-primary schools working within their territory. In a next step 46 larger and middle-sized cities respectively new districts (powiat) took over the whole sector of secondary and pre-tertiary facilities. At that time, one third of all Polish post-primary schools were in municipal ownership. The outcome was a quite fragmented picture of competencies: "By the following year, the education system had evolved into an administrative mosaic" (Bialecki and others, 2001, p. 71). Starting with the year 1999, and in the wake of reforms of education and of public administration in the same year, the school administration system became more unified. Among others, the levels of pedagogical supervision and those of public administration are completely separated. The local authorities - municipalities and districts (powiat) - guarantee a basic financing and thus functioning of the schools. General pedagogical supervision is placed on the regional level (województwo). The respective regional education section, the so called Kuratorium, exerts the general supervision in pedagogical questions but does not interfere into the management of the local level, and it mainly engages in matters of teacher initial and further training, although it can run schools on their own.

When in Hungary after 1990, the public administration reform replaced the former regional authorities by 20 districts of elected self-governing bodies and subsequently transferred all primary and secondary schools into the management of the local authorities, this step can be seen as a consequent continuation of former tendencies of decentralization. As in Poland, schools may be run by districts (but usually aren't). The regional level (the districts) since then play a marginal role in the direct administrative supervision of schools (comp. Balázs and others, 2001, p. 53).

Schools are self-governing entities and hold a high degree of autonomy in all three countries. This common feature developed under strong influence of the English (comp. Gutsche, 1997, p. 424), or perhaps better: the Anglo-Saxon model, and in a broader context of the "corporatization" pattern. This means that in all three countries schools gained the status of special economic and legal entities. In the Czech Republic this refers primarily only to the upper secondary level schools, however, any Basic School (containing the primary and the secondary-I levels) that wishes to, can apply for this status too. So far apparently only very few Basic Schools did so – probably because the requirements for time and management skills are very high and the immediate rewards for the school are not so clearly visible. The latter are problems which are mentioned generally in all three countries and which to a degree are substantiated as far as schools are left alone in coping with these new tasks (comp. Szymański, 1999).

The status of special economic entities means that the schools can use the money they receive from the public budget very freely, and they are also free to start own economic activities. The philosophy behind this is, that 'money follows the pupil' (comp. Bialecki, 2000, p. 77-78). However, there is also a real danger that schools become underfinanced if not enough money follows the pupils. This can have several reasons, First, as was mentioned already, to secure an optimal financing requires great managerial skills and most principals are not prepared for this task. Second, as show the examples from all countries, transitional problems of gaps and uncertainties between old and new regulations occur. Third, and this applies to Hungary and Poland, where (at least in the financing structure of the 1990ies) the regional/local authorities were the purchasers of the

funds and their autonomy did not force them to transfer to the schools certain sums out from the total sum they are in charge of (comp. Bialecki and others, 2001 and Balázs and others, 2001). Whereas in Czech Republic schools receive the funds based on the number of students and type of school directly and following schemes which are updated each year, they seem to be better off in this respect. On the other hand, since local and regional authorities are responsible for the running costs, for example of the buildings, also in this country regional or local underfinancing can directly threaten the functioning of the school. Thus for instance the new heads of the regional governments in the Czech republic complained recently that because of some contradictions in the new legislation on financing the regions, they would not have the money "to guarantee the heating of the school buildings in the coming winter time".²³ The new legal status, true, does (and even is scheduled to) stimulate independent activities of the schools themselves. But probably not all schools have the possibilities to become enterprises, and, taking just as one example, lending a school property in the center of Prague or Budapest certainly brings in a lot more money than it would in a location in the countryside (if there is interest in renting such a facility anyway).

Decentralizing and introducing autonomy also meant from the very beginning of transformation the support for private schooling. It was not only intended that these schools should break the monopoly of state schooling (what they did), but also that they would stimulate educational innovation and become the spearheads of development. This expectation was not met really by the actual development. As for Poland it was noted that the private sector by 1996 was still a "peripheral matter" (Szymański, 1999, p. 142), and around 1995-96 private schooling in Czech Republic even lost the enthusiastic support of such market liberalists as former Czech Prime minister Václav Klaus. Private schools, true, created some (old-) new alternatives for special interest groups and restituted once taken away property to the churches, but as a whole they did not develop into a segment of permanent challenge and "motor of change" for the educational system as a whole.

*Levels of financing: Initial sources, their distribution and decision making:
Contradictions of decentralization and of autonomy*

OECD, in a comparison of 25 countries, related different structures of financing all sectors of education to the structures of initial sources, final purchasers and, last but not least, decision-making. It found out that in 3 countries the initial sources of public educational funds are generated exclusively at the central government level, in 12 countries at two levels, and in 10 countries at all three levels – central, regional, local (Education at a Glance 2000, p. 104). Within this pattern, however, not surprisingly, "the division of responsibility for funding primary/secondary/postsecondary non-tertiary education varies much more between OECD countries, than it does at the tertiary level" (Education at a Glance 2000, p. 107).

As for contrasting source and final purchasers, four general patterns were identified. The Czech Republic belongs to the group of 7 countries, in which the central government is both the main initial source of funds and the main final spender on education. Hungary and Poland belonged to the second group of 5 countries, where "central government is the main initial source but funds are transferred to regional or local authorities" (Education at a Glance 2000, p. 107).²⁴ Thus, none of the three countries here in question belonged to the groups in which generation and consumption of educational funds were found exclusively on the regional/local levels.

23 Hejtmani: Školy nebudou mít na topení. In: Lidové noviny, 2. 7. 2001. This refers to the upper secondary schools, now run by the new regions.

24 One might, however, ask, if it is not misleading, to include federal states like, for example California in the US, the states and territories in Australia, or Nordrhein-Westfalen in Germany in one group of "regions" together with regional units in a more common understanding of the word, that is such as the vojvodship in Poland or the counties in Hungary.

A further focus asked for the relationship between centralization of public school funding and centralization of educational decision making on the level of lower secondary education. Decision making was related to personnel management, planning and structures, and organization of instruction. First, it was found that "funding levels correspond most strongly to decisions about allocation of resources" (Education at a Glance 2000, p. 110), although there are variations, and, interestingly, Czech Republic and Hungary (Poland was not included into this more detailed comparison) belonged – together with the Netherlands, New Zealand and to a lesser extent the US, to a group of countries, where "decisions about allocation of resources tend to be made at a much lower level than that at which educational funds originate" (Education at a Glance 2000, p. 108). Second, and this seems to be most important, was the findings that "overall, the level at which educational funds are provided does not correspond strongly to the level at which most educational decisions are made", that is, they "... do not show a strong relationship with decision-making about personnel management, the organization of instruction, and planning and school structures. Clearly, the level at which funds are provided for education does not determine the level at which educational decisions are made" (Education at a Glance 2000, p. 110).

Even if this is the case, however, the level of "autonomy" of schools is highly dependent on the financial share they receive actually, because this defines their possibilities of *alternative* decision making. This again directly and indirectly depends on the share, to which the regional and local levels receive their funds from the central level, respectively, to which they are entitled to raise their own funds.

Thus, to a certain degree, the level of decentralization can be understood from the level of distributing the financial means to the regions and the local authorities, because without appropriate means these are not really independent in their decision-making.

Table: Local/regional spendings a): as % of GNP, b): as % of spendings of central government.

⇔ year ↓ country	1990-93		1994		1995		1996		1997		1998	
	a)	b)	a)	b)	a)	b)	a)	b)	a)	b)	a)	b)
Poland	5,9	-	7,1	19,0	6,5	19,1	8,2	24,6	8,6	26,8	8,6	-
Estonia	7,1	-	11,9	33,1	11,7	31,4	11,3	29,8	10,5	28,1	11,9	30,6
Latvia	12,5	-	10,3	26,0	10,8	26,2	11,7	26,2	9,4	24,2	9,4	25,2
Lithuania	13,1	-	11,2	32,7	11,1	31,8	9,0	28,7	7,6	22,9	-	-
Slovakia	4,8	-	4,3	11,8	3,7	11,0	4,0	12,0	4,1	12,2	3,8	13,9
Slovenia	4,4	-	5,4	11,5	4,6	10,1	4,9	10,8	4,8	10,5	4,9	9,2
Czech Rep.	9,3	-	8,0	20,5	7,9	20,8	7,1	18,8	6,8	16,6	-	-
Hungary	17,4	-	16,8	26,7	14,1	26,6	13,3	27,2	12,0	25,5	13,0	24,7

Source: Davey, 2001, p. 31-32.

The above figures suggest – always taking into account that the real situation of competencies and distribution of finances is much more complex and depends also on the structure of competencies and duties of the regions and localities – two conclusions: First, there are great differences between the structures of central and local spendings among the transformation countries, and second, surprisingly, the share of local/regional finances seems to have *decreased* in most countries. This would mean, bluntly said, that the level of centralization increased instead of decreasing. This, in a time, when a sufficient level of resources can be distributed, is not necessarily a problem, but it definitely becomes a problem in times of substantial financial limitations.

As can be read from the table in appendix 2, the level of spending as a share of the GDP, and the level of real spending either stagnated or decreased (the latter dramatically in the Czech Republic) in all three countries in question. Since they had not yet economically recovered from transformation during the 1990ies, a constant share of GDP does not necessarily mean an increase in real terms (comp. appendix). Thus, there is no wonder, that both, Czech Republic and Hungary (Poland was not included into this comparison) range

at the very end of a list of annual statutory teachers' salaries in 25 OECD countries, far behind the next worse "candidate", Mexico, which itself was far below the average of all countries (Education at a Glance, 2000, p. 209-213).²⁵

4. Conclusions and perspectives

What is the impact of GATS on the education systems of the transformation countries here in discussion? It goes without saying, and this was my argument in the first two sections of the paper, that there is a general context and a lot of indirect connections be it informally as a network of ideas and philosophies be it formally as a network of institutions and organizations and their related initiatives. All together influence education transformation in Central and Eastern Europe. But this, probably, is not a one-way drive, and the transformation countries, by virtue of the radicalism of their change of educational administration and the very short time in which they made the journey from the north pole of dictatorial centralism to the south pole of a far reaching decentralization and deregulation, could become active agents of change in the international context. Apart from this, they can serve as good magnifying glasses, through which some details of the present great societal change, its risks and chances, can be seen clearer than elsewhere.

To be very clear: The breaking of monopolies, overprotection, overregulation, subjugation under a stiff bureaucracy, all this is certainly to be welcomed. However, it is not yet clear at all, which direction liberalization, a very complex process in itself, will take. One of the most radical "dissidents" of US capitalism, Noam Chomsky, makes an especially interesting point: He believes that in reality we do not face a basic competition between "liberalism" and "protectionism", but a process in which political and economic power structures use their hegemonic position - and hidden behind the rhetoric of deregulation and liberalization - use a 'selective liberalization' in order to open up markets so far closed to them, only in order to close them after having 'divided the pie'. In other words: the core of the whole present process of "liberalization" in this scenario would end up in the contrary of any liberalization and deregulation (Chomsky, 2000).²⁶

Perhaps this is an overly pessimistic view. But there are at least three points in respect to the Central and Eastern European transformation countries and education transformation I should like to mention:

- The respective countries in transition are politically, economically, and ideologically weakened and especially vulnerable against undue, unwanted or uncontrolled liberalization pressure especially when confronted with an increasing marketizing of education.
- "Decentralization" and "Deregulation" are fine goals. But in a context of serious underfinancing "deregulation" easily can "transform" into a new form of exploitation, that is, into structures of neglect and irresponsibility from the side of the centers and their elites for the needs and rights of the peripheries.
- Education, even if a lot more "economized" and "marketized" in the future, will probably not become a really decisive economic player. Its economic value for the large global group companies probably is but a welcomed side-effect of their expansion. The real "value" of the education sector lies in its importance as a highly powerful producer of ideology and symbols – the more so as we are entering the "knowledge and information" society. This poses on education a high responsibility for reflecting permanently on its own mission.

25 Measured as well as a percentage of GDP, and as in equivalent US dollars converted using PPPs, that is, a price index comparison which to a high degree avoids the distortions of a comparison based on currency exchange rates.

26 Especially chapters I and III. Chomsky quotes an article from Foreign Affairs 1989-90: "America and the World" by Shafiqul Islam, a member of the Council on Foreign Affairs, who points at the fact that – notwithstanding the rhetorics of laissez-faire – the strongest move towards protectionism since the 1930ies happened during the Reagan era.

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Appendix 1.

Some basic indicators on financial and structural change in the education systems in Czech Republic, Hungary and Poland

	1990	1992	1994
Education expenditure in % of total public expenditures			
Czech Republic	-	14,3	10,9
Hungary	9,6	10,2	10,9
Poland	11,2	9,1	9,4
Real spending on education (1990 = 100)			
Czech Republic	100	93	76
Hungary	100	106	107
Poland	100	92	99
Pre-school enrollment (1989 = 100)			
Czech Republic	89,3	82,8	86,2
Hungary	99,7	100,5	101,0
Poland	93,2	76,9	75,2
General secondary enrollment rates (% of age group)			
Czech Republic	16,0	16,3	11,9
Hungary	19,3	20,0	20,5
Poland	21,0	24,5	27,5
Technical secondary enrollments 4-5year programs (% of age group)			
Czech Republic	24,2	27,5	38,3
Hungary	26,4	27,2	28,7
Poland	-	35,2	38,3
Vocational secondary enrollment 1-3-year programs (% of age group)			
Czech Republic	43,7	37,7	38,4
Hungary	34,8	30,9	27,1
Poland	34,8	32,0	29,5

(Source: Laporte, Ringold, 1997, p. 37-40)

Appendix 2.

Administrative structures in Czech Republic, Hungary and Poland

Czech Republic: 13 regions (kraje, singular - kraj) and 1 capital city* (hlavni mesto); Brnensky, Budejovicky, Jihlavsky, Karlovarsky, Kralovehradecky, Liberecky, Olomoucky, Ostravsky, Pardubicky, Plzensky, Praha*, Stredocesky, Ustecky, Zlinsky

Hungary: 19 counties (megyek, singular - megye), 20 urban counties* (singular - megyei varos), and 1 capital city** (fovaros); Bacs-Kiskun, Baranya, Bekes, Bekescsaba*, Borsod-Abauj-Zemplen, Budapest**, Csongrad, Debrecen*, Dunaujvaros*, Eger*, Fejer, Gyor*, Gyor-Moson-Sopron, Hajdu-Bihar, Heves, Hodmezovasarhely*, Jasz-Nagykun-Szolnok, Kaposvar*, Kecskemet*, Komarom-Esztergom, Miskolc*, Nagykanizsa*, Nograd, Nyiregyhaza*, Pecs*, Pest, Somogy, Sopron*, Szabolcs-Szatmar-Bereg, Szeged*, Szekesfehervar*, Szolnok*, Szombathely*, Tatabanya*, Tolna, Vas, Veszprem, Veszprem*, Zala, Zalaegerszeg*

Poland: 16 provinces (województwa, singular - wojewodztwo); Dolnoslaskie, Kujawsko-Pomorskie, Lodzkie, Lubelskie, Lubuskie, Malopolskie, Mazowieckie, Opolskie, Podkarpackie, Podlaskie, Pomorskie, Slaskie, Swietokrzyskie, Warminsko-Mazurskie, Wielkopolskie, Zachodniopomorskie

(source: www.cia.gov/cia/publications/factbook/index.html)