Market Power Europe and the Externalization of Higher Education*

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Abstract
Higher education policy has long had important domestic, intergovernmental and values-based features. However, through the Bologna Process, the European Union (EU) has influenced these traditional features and helped to develop an external dimension to higher education policy in and beyond Europe. Despite these significant changes, scholarship on the EU has not yet interrogated directly the external dimensions of Bologna and the influence the EU wields through this process. This article employs Market Power Europe (MPE) as a conceptual framework to examine the Bologna Process and the EU’s role in these important changes. Focusing on the notion of externalization, the article reveals the importance of market factors, multiple means (externalization tools) and actors (beyond intergovernmental) through which the EU influences other actors in higher education policy. The findings contribute to the MPE conceptual framework and encourage further research into the causal mechanisms at play in the under-studied external dimensions of this policy area.

Keywords: Market Power Europe; Bologna Process; higher education; education policy; European; higher education area

Introduction
Higher education policy in Europe and the European Union (EU) has undergone considerable change over the last few decades. Most importantly, a pan-European reform system for higher education, known as the Bologna Process (BP), has expanded considerably and begun to develop an important external dimension since its inception in 1999. While the BP is not an EU-owned initiative, the Union has become deeply implicated in the process and its effects on non-EU states. So far-reaching have these reforms become that they led Tibor Navracsics – European Commissioner for Education, Culture, Youth and Sport – to declare that ‘Today, in Europe and across the globe, “Bologna” continues to signify a highly ambitious, successful example of pan-European cooperation – one where the European Commission is playing an active part’ (Navracsics, 2015). The EU’s desire for an increasing external dimension of education policy ‘across the globe’ is also witnessed in the 2016 Global Strategy, where education is noted multiple times as an important addition to the Union’s ‘more joined-up’ approach to external relations (EEAS, 2016).

As a process, Bologna now embodies ‘remarkable’ efforts at ‘cooperation to internationalize higher education, establishing an interlocking set of European tools and a

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common language for reforms: standards and guidelines for quality assurance, a common credit system and results integrated into a qualifications framework’ (Navracsics, 2015). The BP can be seen as a sustained effort – with the European Commission playing a central role – by the EU to internationalize education tools and reforms far beyond Europe and to increase co-operation with other non-EU regions and actors (European Commission/EACEA/Eurydice, 2015). This process has also been fundamentally linked to the market and economic imperatives of the EU’s 2000 Lisbon Strategy and knowledge-based economy. Such market-driven trends are reflected in the debate over aligning higher education structures, character and governance to fit a market-oriented paradigm (Lynch, 2006; Olssen and Peters, 2005; Slaughter and Rhoades, 2004).

However, this has not always been the case. Higher education (HE) policy in Europe and beyond has long had a chiefly domestic face, serving as a fundamental internal and national policy area that is crucially linked to and draws from local experience and priorities (Neave and van Vught, 1994; Van der Wende, 2001). Traditionally, the mission of higher education policy was firmly rooted in ‘low politics’ and reflected the need for domestic knowledge development and transmission, and not less importantly, to serve as a qualification and socialization agent for the political and economic elite of the nation state.

Prior to the BP, HE policy was also regarded as a policy area in which the members of the EU clearly reserved their legal competence and left little room for the European Commission in the establishment of the BP or the development of education policy more generally. As recently as the 2009 Lisbon Treaty, the authority of the Member States was clarified: education is not an exclusive or even shared competence of the EU. Rather, it is listed as a supporting competence, which, according to Article 6 TFEU, means that ‘the EU can only intervene to support, coordinate or complement the action of Member States. Consequently, it has no legislative power in these fields and may not interfere in the exercise of these competences reserved for Member States’ (EUR-Lex, 2016).

The largely domestic and intergovernmental features of HE policy developed in a context in which education was often seen as a higher-order public good (Tilak, 2008) that needed to be separable from market-related trends and factors. Indeed, even today, the importance of HE often tends to be explicitly linked to shared values or ideals – such as freedom of expression, tolerance, freedom of research, free movement of students and staff, student involvement and the co-creation of learning (Navracsics, 2015) – and its internationalization can be seen as having a values-based and moral weight that often ‘leads to peace and mutual understanding’ (Brandenburg and de Wit, 2011, p. 15).

But how can we account for and understand the significant changes in the means, actors and factors at play in HE in light of the BP process? While many scholars have researched the BP, the literature has generally focused on issues related to pedagogy, academic governance and public policy (Hahn and Damtew, 2013; Reinalda, 2011; Robertson, 2010; Witte, 2006). Despite the EU’s prominent role (and future plans via the Global Strategy) in this policy area, scholarly work on the EU has, rather surprisingly, not yet interrogated directly the external dimensions of the BP – especially as an important component of the EU’s external economic relations – and the influence the EU wields through this process.¹ To fill this gap, this article sets two objectives: first, to examine the extent to which HE policy has moved beyond its domestic and values-based moorings to

¹For a recent exception, see Highman (2017).
develop an external dimension that is more than simple policy-making via intergovernmental relations, and second, to scrutinize the means of externalization that allow the EU to influence non-European actors’ HE policies.

The article employs the conceptual framework of Market Power Europe (Damro, 2012) to understand the BP and the EU’s role in these important changes to HE policy in Europe and beyond. Because Market Power Europe (MPE) does not privilege norms and values as the basis for the EU’s identity, the conceptualization’s analytical flexibility allows for consideration of the role played by market-based factors in helping to drive the development of the BP and the extent to which the EU attempts to externalize HE policy. MPE is also particularly well-suited for addressing the article’s objectives because the BP’s ‘standards and guidelines’ can be analyzed as the types of policies and regulatory measures that the conceptualization would suggest the EU is expected to try to externalize. Likewise, as an analytical tool, MPE encourages consideration of the role of actors beyond Member States in the development of an external dimension for traditionally internal policy areas. In particular, the focus of the MPE conceptual framework on externalization helps to reveal the multiple means (externalization tools) and actors (beyond intergovernmental) through which the EU influences other actors.

The study is informed by a qualitative analysis of primary and secondary sources that date from the start of the BP, covering the period 1999–2016. The primary sources include various European Higher Education Area (EHEA) documents related to the growing external dimension of the BP. Data collection focused on explicit references to the ways in which externalization was shaped and the efforts undertaken to externalize the process to non-EHEA countries. However, in an effort to reveal additional tools that support the externalization of the BP, the research incorporates a variety of other EU official documents and reports from the same period.

The article proceeds in the following manner. The next section introduces the MPE conceptual framework and its core features, in particular the role of externalization in EU external relations. The article then examines the historical development of the BP’s external dimension, highlighting the role of the European Commission and the emerging linkages to market factors. The next section analyzes the growing role of market factors – particularly via the Lisbon Strategy – in the development of the BP and its shift from a socio/intellectual process to an economic-driven process. The penultimate section reveals the externalization taking place via actions or tools promoted directly by the EU. These externalization tools provide further evidence of the growing external dimension of HE policy as well as the central role of the Commission and market-related factors in shaping HE policy making. The article concludes with a summary of the findings and discusses the use of MPE as a conceptual framework for further research into the causal mechanisms at play in the under-studied external dimensions of this and other policy areas.

I. MPE: Core Features and Propositions

The study of the EU’s external relations has resulted in a proliferation of competing conceptualizations of the EU as a power. These ‘EU as a Power’ debates often focus on the EU’s particular characteristics and prioritize questions about what kind of power the EU is, what the EU says as a power and what the EU does as a power (Damro, 2012). Starting in 1972,
Duchène argued that the EU’s unique characteristics made it a different kind of actor for which military power had been supplanted by civilian power (Duchène, 1972). While the EU is now certainly understood as an influential global actor of some sort, debates continue over the basis of the EU’s power and the ways in which it exercises power. According to these debates, the identity and/or particular characteristics of the EU provide the basis for it to be a power, with perhaps the most prominent contribution being Normative Power Europe, which emphasizes the ideationally influential nature of the EU (Manners, 2002). This conceptualization of the EU would seem to fit well with the values-based mission of HE policy, but its focus on norms tends to downplay the potential significance of material and market-based factors, which may be central to the development of the BP and the extent to which the EU attempts to externalize HE policy.

A more recent contribution to these debates, that of the EU as Market Power Europe (MPE), has developed a conceptual framework that may be applied to a wide variety of EU external relations (Damro, 2012), including, like HE policy, traditionally internal policy areas with growing external dimensions. It should be noted from the outset that MPE is used in this article as a conceptual framework, not an explanatory theory. As a conceptual framework, MPE operates as an analytical tool to help make conceptual distinctions and organize ideas, thereby bringing structure and coherence to the empirical research (Damro, 2015, p. 1340). If, indeed, the EU can be conceptualized as MPE, it is important to explore the ways in which this conceptual framework sheds light on the under-studied external dimensions of HE policy. In particular, what does the MPE framework say about the means, actors and factors that help to drive the development of an external dimension in HE policy?

For MPE, the EU exercises power externally via ‘externalization’, which ‘occurs when the institutions and actors of the EU attempt to get other actors to adhere to a level of regulation similar to that in effect in the European single market or to behave in a way that generally satisfies or conforms to the EU’s market-related policies and regulatory measures’ (Damro, 2012, p. 690). This standard does not require other actors to take on board verbatim all the technical details of EU policies and regulatory measures. It does, however, capture a phenomenon through which the EU may exercise power – in education and other policy areas – in the international system. Through this externalization, the EU is able to pursue an external dimension in those areas previously seen as primarily internal policy areas. These areas of ‘low politics’, therefore, become part of the EU’s external relations.

The means through which the EU externalizes internal policy may be seen as either coercive or persuasive. However, given analytical pitfalls distinguishing between coercion and persuasion (Damro, 2012, p. 691), MPE focuses on evidence of the actual tools at use in externalization. These tools tend to include various types of positive and negative conditionality as well as international legal instruments and internal regulatory measures. Notably, the power of externalization can be directed through these tools at potentially all other types of state- and non-state actors, including HE institutions. But the MPE framework does not provide an exhaustive list identifying the types of tools at use in externalization. Within a policy area like HE, there may be additional tools at play through which the EU externalizes HE objectives. The subsequent analysis will attempt to reveal evidence of such tools that may be available to the EU and, thus, contribute new insights to the conceptual framework of MPE.

The development and actual use of the tools of externalization requires consideration of the policy-making procedures in the EU. But the MPE framework does not depend
on an exclusively intergovernmental understanding of EU policy making. Rather, a vari-
ety of actors within the EU are implicated in the externalization process, including EU
Member States and EU institutions – such as the European Commission, European Parlia-
ment, Council of Ministers, European Court of Justice (Damro, 2015, p. 1342). Most im-
portantly for the present study, and based on Commissioner Navracsics’ claim about the
Commission’s active role, the analysis will look for evidence of the European Commis-
sion playing an important role in the externalization of the BP and HE policy. While this
may be surprising – given the central role traditionally played by Member States in the BP
and HE policy – the analysis will be guided by the MPE framework to scrutinize intergovern-
mental assumptions and the Commission’s contributions to the external dimensions of this
policy area.

The MPE framework also directs the analysis to consider market-related factors when
investigating externalization. For MPE, the EU’s identity is based on three inter-related
and mutually reinforcing characteristics: the large and regulated internal market, the role
of institutional features (including decision-making rules and regulatory capacity) and do-
mestic interest contestation. On this basis, the framework suggests that the EU can be un-
derstood as a market, has developed policies as a market and engages in externalization
linked to market-based factors. It also suggests that other actors are encouraged to adopt
the EU’s ‘subjects’ of externalization, largely due to market-based factors, such as market
access (Damro, 2012, 2015). But what exactly are these subjects of externalization and
how can they be understood in the context of HE policy?

As suggested by the definition of externalization above, the original formulation of
MPE identified the ‘subjects’ of externalization as the EU’s economic and social mar-
ket-related policies and regulatory measures. These subjects of externalization – some
of which liberalize the market and some of which constrain market actors – can be
broadly interpreted to cover all types of internal EU legislation and instruments (Damro,
2015). They may also be thought of as a range of policies and measures the EU external-
izes, running from directly market-related to indirectly market-related. While directly
market-related policies – those largely addressing the four freedoms (goods, services, per-
sons and capital) – are seen as essential to the functioning of the market, indirectly mar-
ket-related policies are not always as clearly associated with the market. But, as Article 3
(3) TEU clarifies, the internal market can be understood as related to a variety of objec-
tives and subjects that (at least indirectly) inform EU approaches and policies on, inter alia,
human rights, sustainable development, environment, gender equality, protection
of the child and solidarity.

Within the MPE conceptual framework, higher education policy can be investigated as
an indirectly market-related subject of externalization. More specifically, this subject of
externalization can be seen as ‘an interlocking set of European tools and a common lan-
guage for reforms: standards and guidelines’ (Navracsics, 2015). The subjects are not,
therefore, necessarily or exclusively found in EU Regulations and Directives. Rather, they
may be based in policy tools and objectives associated with the BP. In HE policy, these
tools and objectives may be seen in EU Recommendations and other policy instruments
that include, for example, Life-long Learning, European Research Area, European Higher

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2 These indirectly market-related policies may also be thought of as governing co-operation in flanking areas outside the four freedoms.
Education Area, the European Network of Information Centres in the European Region and the National Academic Recognition Information Centres in the European Union (ENIC-NARIC), Erasmus+ framework, and the European Association for Quality Assurance in higher education (ENQA).

In addition, as noted above, because successful externalization may result in other actors behaving in a way that only generally satisfies or conforms to the EU’s indirectly market-related policies and regulatory measures, the subjects may include internationally and bilaterally developed rules (Barbé et al., 2009) and internationally agreed objectives (Scott, 2014) that are mirrored in, but not necessarily identical to, the EU’s internal rules. This is an important feature of the MPE framework because it allows coverage of BP rules and objectives that the EU attempts to externalize even if they have not been developed exclusively by the EU.

Based on MPE features and assumptions, this article analyzes the dynamics underpinning European HE policy and the BP. As a conceptual framework, MPE helps to identify the externalization of the BP and frames its logic in a wider economic context. For MPE, the size and incentives of the internal market and a variety of actors are implicated in the EU’s attempts to externalize. The actors and factors will be traced through empirical analysis of the development of the BP and the EU’s role in the process as well as by scrutinizing the means (externalization tools) through which the EU attempts to externalize the indirectly market-related subjects of HE policy and the BP.

II. The External Dimension and Supranational Nature of the Bologna Process

This section links the BP with the EU and analyzes evidence to reveal the EU’s preference for developing and externalizing the BP outside the Union and its Member States. The examination traces the historical development of the BP and its external dimension, highlighting the role of the European Commission and the emerging linkages to market-based factors.

While higher education institutions (HEI) and systems (HES) have long followed unique traditions, current international trends suggest a process of convergence is occurring, as HEIs and HESs conform to global professional standards, economic forces and common quality assurance guidelines imposed by international bodies (Middlehurst and Teixeira, 2012, p. 5). In this regard, the BP can be seen as a significant contributor to this trend and an important venue for shaping and making processes of international HE policy.

The BP was a voluntary commitment in 1999, originally taken by 29 European countries, both members and non-members of the EU. Not conceived as an EU initiative, the BP began with the 1998 Sorbonne Declaration as an incremental process led by Germany, Italy, France and the United Kingdom. The process was launched under the auspices of the Council of Europe, with organizational support from the United Nations Educational, Scientific and Cultural Organization (UNESCO), to foster harmonization among different national HESs in Europe. The 1999 Bologna Declaration and the process that followed are all part of a non-binding reform, initially aimed at strengthening co-operation and co-ordination among different European HESs. As this co-operation and co-ordination includes non-EU states, we begin to see the emergence of a process through which the EU will be able to externalize standards and guidelines to states that are not EU members.
However, while the Bologna Declaration was signed by 31 representatives from 29 countries (including 14 non-EU states), the EU did not sign the document and no formal role was initially given to the European Commission. Since the early 2000s, the European Commission has been a partner with the Bologna Process countries.

The BP has aimed to create the European Higher Education Area (EHEA), established in 2010: a region in which all national HESs are built upon a mutual architecture, enabling students and staff to be easily mobile in order to enhance their employability (BFUG, 2009a; BFUG, 2009b; EHEA, 2015). The process thus reflects the pan-European search for answers to common problems in the field of HE, such as mutual recognition of degrees and qualifications, low employability rates of graduates and mobility barriers caused by incompatibility among national HESs (Bologna Declaration, 1999). These common problems may be linked to market factors, especially the need to increase employability and mobility, which are reflected in the EU’s desire for growth, jobs and the removal of barriers in the internal market.

Despite the absence of an EU signature on the original Bologna Declaration, it is important to understand that the EU – and often the European Commission – now plays a driving role and treats the BP as if it were its own initiative (Keeling, 2006, p. 203; Tomusk 2004, p. 85). This perspective of ‘ownership’ is reflected in the Commission’s view of the BP as part of ongoing EU reforms in HE. Contributing to these reforms, the BP has become a tool to influence Europe’s HESs in key (directly and indirectly) market-related areas on the EU’s agenda: ‘to increase the quantity of higher education graduates at all levels; to enhance the quality and relevance of human capital […]; to create effective governance and funding mechanisms in support of excellence; and to strengthen the knowledge triangle between education, research and business’ (European Commission, 2011). And, indeed, the Commission makes no secret of its efforts to make European policies and regulatory measures the international standard: ‘the EU will continue to engage in international dialogue on higher education policies with key partner countries and regions around the world. It will encourage a better understanding of European standards and tools […] to enhance the use of these European instruments and their potential as global standards’ (European Commission, 2013, p. 11). In other words, the BP contributes to the EU’s attempts to externalize a variety of European standards and guidelines. By externalizing such European standards and guidelines – all of which reflect a prominent role for the Commission and its regulatory capacity – the EU is able to exercise power on various HE actors in the international system.

During its early years, the BP was developed to provide policy solutions for regional problems facing European countries in order to maintain and strengthen European global academic attractiveness (Dobbins, 2011, p. 54). The process initially focused on harmonizing European countries’ HESs by removing bureaucratic barriers to mobility and easing mutual academic recognition. However, as the process advanced and as co-operation facilitated a high level of comparability, compatibility and exchange, the EU increasingly emphasized the potential for the BP to contribute to market-related objectives, in particular, its own economic growth and competitiveness. At the same time, the Commission contributed to the external dimension of HE policy by ‘helping Member States […] develop strategic partnerships that will allow Europe to tackle global challenges more effectively’ (European Commission, 2013a, p. 1). Thus, while the EU Member States continue to play an important role in the BP, the Commission increasingly contributes to the
external dimensions of the process. As will be discussed below, the Commission also makes funding, organizational and other contributions to the process.

This shift in the BP and development of an external dimension is also evident in the expansion of the process from a European reform to an extra-regional reform that influences non-European countries. Indeed, countries outside Europe have quickly and increasingly shown interest in the process. Since its establishment, all 48 signatories to the Cultural Convention of the Council of Europe (1954) have joined the BP. Beyond these signatories, other countries that cannot formally join have demonstrated their motivation to bring their HESs into compatibility. For example, Israel has applied twice to join the process in 2007 and 2008 (BFUG, 2007), and Kosovo aspires to ‘become an inseparable entity of the European Area of Higher Education [EHEA] determined by the objectives of the Bologna Process’ (Kosovo Ministry of Education Science and Technology, 2004, p. 3). In addition, there have been efforts to initiate ‘Bologna compatible’ regional projects, such as the Brisbane Declaration of the Pacific region or the Alfa-Puentes project in South America.

This incremental expansion process, both in content and geography, is not accidental – the BP is not just another reform of European HE policy. Rather, it represents a geographically wide reform, crafted and shaped according to the EU’s policy ‘paradigm’, that helps the EU extend its influence to a growing number of states, including those outside its borders (Dale, 2014, pp. 14–16; Mora and Felix, 2009, p. 209). In this regard, the development of the BP’s external dimension can be seen as an organized effort to externalize the EU agenda for HE policy on a global scale.

The 2003 Berlin Communique provided some of the first evidence for this external dimension when the concepts of ‘openness’ and ‘co-operation’ were included with ‘global competition’, while referring to the missions of the BP. Adding such external dimensions to the BP’s mission hints at the global and market-related nature of the process as well as its future goals. The global turn in the process was also institutionalized with the establishment of the External Dimension Working Group in 2005 (Zgaga, 2006, p. 187), which aimed to create a strategy for implementing the BP outside the EHEA. The 2005 Bergen Communique tasked the External Dimension Working Group with ensuring that ‘the EHEA must be open and should be attractive to other parts of the world’ (EHEA, 2005). As the process gained international prominence, BP members actively started disseminating the reforms and agreed ‘to provide information on the EHEA specifically targeted at non-EHEA countries’ (EHEA, 2009, p. 13).

In 2009, the BP’s Working Group on ‘International Openness – the EHEA in Global Context’ was established to develop an international dissemination strategy and to promote information regarding the reform within non-EHEA countries (BFUG, 2012). In addition, the EHEA Information and Promotion Network (BFUG, 2012, p. 43) was established, which aimed to further increase the global dissemination of the process. Both of these groups included EU Commission representatives (BFUG, 2012, pp. 5–8). The 2012 Bucharest Communique further expanded the external dimensions of the BP when it ‘raised awareness about a broader priority of the European HE policy agenda by

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3A prerequisite to become a party to the Bologna Declaration is membership in the Council of Europe and reaffirmation of the European Cultural Convention. The BP’s members now include 48 countries and the European Commission. In total, the BP has 58 parties: 49 higher education systems in 48 countries, the European Commission and eight Consultative Members.
introducing the term “internationalization”’ (EHEA, 2012). The establishment of these groups and the emergence of this term can be understood as clear indications of the desire to pursue externalization, as anticipated by the MPE conceptual framework.

The prioritization of internationalization shows that the EU, through the BP, has a strong desire to increase the external dimension of the process, in a manner that encourages non-European and even non-EHEA countries to conform to EU policies in HE. Since the BP is not a legally binding agreement, there are wide variations concerning the implementation of the reform. As a result, the process has been characterized as ‘47 Bologna Processes’ (Frankowitz, 2012), or, rather, a Europeanization of HE as ‘domestic adaptation with national colors’ (Cowls et al., 2001, p. 1). Nevertheless, this notion aligns with the MPE definition of externalization, which allows the EU to demonstrate flexibility while other countries make adjustments that generally satisfy or conform to EU standards. This growing internationalization also supports the argument that the EU – including the Commission with its regulatory capacity – has contributed through the BP to a clear and increasing external dimension in this previously largely domestic policy area.

III. Market Factors and the Bologna Process

Today’s higher education systems in Europe are exposed to international trends by their very nature: they are comprised of internationally linked institutions and serve national, supranational/regional and international needs and aspirations. Hence, it is not surprising that HE policy is not solely influenced by domestic values. Even though isolating the specific influence of every factor in this globalization trend of higher education is difficult, it is easy to identify the EU’s market-related fingerprints on the process, especially when examining the BP as the process through which the trend occurs.4

Over the years, the EU has consistently expressed its intention to exploit the BP as a vehicle for ‘Making the EU a prominent figure in the World Education Market’ (Reding, 2003). These intentions have been manifested by funding BP initiatives as well as supporting its international dissemination by various organizational and economic measures. As a result, the BP ‘has increasingly become dependent upon the Commission and its definitions of problems and solutions’ (Olson and Maassen, 2006, p. 13). Given this central role and its regulatory capacity, it is important to consider the extent to which the Commission identifies market-based factors as relevant to HE policy and the BP/EHEA. For example, the Commission makes clear the linkage between market-based factors and HE policy when it states ‘Education, and in particular higher education, is at the heart of the Europe 2020 Strategy and of Europe’s ambition to become a smart, sustainable and inclusive economy’ (European Commission, 2013b). Such market-based linkages are hard to overlook when considering the internal development and the external objectives of EU higher education policy via the BP. These increasing market-based linkages have even led observers to argue that Bologna’s development and externalization of outcome-based pedagogy backed by quantified quality mechanisms and comparable academic documentation are leading towards market-related objectives for education policy outside the EU (Amaral and Magalhães, 2004; Fairclough and Wodak, 2008). In this regard, HE policy

4For an example of the multiple factors that influence student motivations to undertake exchanges in Europe, see Caruso and de Wit (2015).
and the BP have become prominent topics on the EU’s external relations agenda, as indicated most recently by the inclusion of education in the 2016 Global Strategy.

While the BP did not originate as an EU initiative, its co-optation by the EU (Keeling, 2006; Tomusk, 2004) can be clearly linked to the EU’s Lisbon and Europe 2020 strategies. The Lisbon Strategy – launched in 2000 and re-launched in 2005 and 2010 under the title ‘Europe 2020’ – is the EU’s overarching economic strategy to be a leading global knowledge economy by 2020. To achieve this goal, the EU has identified growth engines that will strengthen its economy through employability and further improve the competitiveness of its market, HE and R&D abilities (EC, 2005; EC, 2013, p. 9).

While the BP preceded the initial launch of the EU’s Lisbon Strategy by only a few months, it was quickly linked to the economic objective to become ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth’ (European Council, 2000 art. [5]). Soon after the Commission received its member status in the BP in 2001, it started a process of policy conglomeration that emphasized the need for education, research, employment and vocational training to serve its economic objectives (European Commission, 2004; Keeling, 2006, p. 205; Robertson, 2008, p. 4). Moreover, according to the European Parliament, strengthening the BP and taking it under EU auspices is crucial for the Union’s economic agenda: ‘the strengthening of the whole Bologna Process is functional to the growth objectives established in the Europe 2020 strategy: it is a requirement for the full integration of the internal EU market and an indispensable tool for tackling the challenges provided by the economic and financial crisis’ (2012, p. 15).

While European normative action in HE policy is possible (Manners, 2002), it would be risky to assume that the EU possesses significant international normative influence or power via the BP (Zmas, 2015, p. 744). Rather, the values expressed in the original Bologna Declaration should not be seen as standing by themselves, but as contributing to a broader political-economic strategy or even ‘market cosmopolitanism’ (Parker and Rosamond, 2013, p. 233). Most importantly, the sustained linkage between Lisbon/Europe 2020 and Bologna reveals a shift in the BP from a social/intellectual process as manifested in both the Sorbonne Declaration and Bologna Declaration, to an economic-driven process (Pepin, 2007, p. 129; Robertson, 2008, p. 4; 2009, p. 8). This shift also helps to explain not only what drives the EU to spearhead the process, but also how and why it pursues the externalization of HE policy on a global scale. In short, HE policy has become an indirectly market-related policy with clearly perceived economic benefits accruing to the EU through the externalization of (largely EU-driven) BP standards and guidelines. The tools through which the EU exercises this power externally in HE policy are taken up in the next section.

IV. Supranational Externalization Tools

Employing an MPE reading of the BP, this section examines selected EU externalization tools that provide further evidence of the growing external dimension of HE policy as well as the regulatory capacity of the European Commission and the central role of

5For a recent contribution to the literature on Normative Power Europe, see Pardo (2015).
6The Bologna Declaration stated that ‘The importance of education and educational co-operation in the development and strengthening of stable, peaceful and democratic societies is universally acknowledged as paramount’ and should take ‘full respect of the diversity of cultures, languages, national education systems and of University autonomy’.
market-related factors in shaping HE policy making. The analysis below also contributes to the MPE conceptual framework by identifying new tools – considered ‘supranational tools’ in the sense that the Commission plays an active role in their development and management – found in this policy area.

**Supranational Externalization Through Funding**

The Erasmus+ Programme, launched in 2014, is the result of various EU initiatives implemented by the European Commission from 2007 to 13, as an effort to strengthen the link between HE and research and innovation (European Commission, 2015). Erasmus+ aims to boost skills and employability, as well as to modernize education and training. The programme budgeted €14.7 billion, covering both intra-European and external co-operation. In terms of its external dimension, 27 countries and territories participate in the funding scheme in addition to the EU’s 28 Member States.

As Erasmus+ supports EU transparency and recognition for skills and qualifications, it is bringing Bologna to the forefront. By introducing partner countries’ HESs and labour markets to EU policy tools – such as ECTS, ENQA, ENIC-NARIC and European Qualifications Framework – the Commission facilitates the recognition of skills and qualifications within and across EU borders. Even though implemented in non-EU and non-EHEA countries, the Commission, via Erasmus+, aims ‘to ensure that education, training and youth policies further contribute to Europe 2020 objectives of competitiveness, employment and growth through more successful labor market integration’ (European Commission, 2015, p. 11).

Moreover, Erasmus+ is a competition-based programme, which requires applicants to adhere to regional and national priorities and award criteria dictated by the European Commission. As different actions within Erasmus+ support capacity building, the framework aims, among others, to ‘promote voluntary convergence with EU developments in higher education’, while fostering the ‘introduction of Bologna-type reforms’ (European Commission, 2015, p. 145).

As part of the Erasmus+ framework, the EU also operates a student exchange scheme. Because it is financed by the EU to foster the enlargement of the European HE market outside of Europe (European Commission, 2013), it operates as a tool for externalization. As a tool, it requires non-European applicants, as well as their national HEIs, to comply with European HE policy instruments like the ECTS and the Learning-Outcome methodology. According to the European Commission, ‘EU-funded mobility programmes […] provide important incentives that are often particularly valued in non-EU countries’ (European Commission/EACEA/Eurydice, 2015, p. 216). As such, this programme and its associated student exchanges provide evidence of a clear and influential funding-based externalization mechanism.

**Supranational Externalization by Institutional Infrastructure**

The Bologna Process has included the establishment of several new bodies and the reform of existing ones in HE. While the bodies that administer HE standards are not all EU-made, the Commission has been seen as having a parenthood function in the process, which connects such bodies – and their external functions – with ‘family ties’ (Gornitzka, 2007, p. 26). These changes to the BP institutional infrastructure have led Robertson to
describe the process as an example of ‘regulatory regionalism’ led by the EU (Robertson, 2010). Robertson argues that the socio-economic content of the BP as a regional political project is changing over time, according to the re-direction of Europe’s economy (2010, p. 34). The EU’s power of externalization is, therefore, linked to market-based factors and exerted externally while these bodies – and the domestic interest contestation that led to their creation and implementation – are ‘echoing’ in other regions in the world.

An influential body established to support the creation of the EHEA is the European Association for Quality Assurance in Higher Education (ENQA), which aims to ‘act as a major driving force for the development of quality assurance across all the Bologna signatory countries’ (ENQA, 2017). The ENQA, an umbrella organization which represents Member States and organizations from the 48 countries party to the EHEA, was established in 2000 following the Recommendation of the European Council (98/561/EC of 24 September 1998) on European co-operation in quality assurance in HE and the Bologna Declaration of 1999. The ENQA has set the ESG (the standards and guidelines for quality assurance in the EHEA), which are used by institutions and quality assurance agencies as a reference document for internal and external quality assurance systems in HE (ENQA, 2015). Moreover, the ENQA has established the European Quality Assurance Register, which is responsible for the register of quality assurance agencies from countries outside of the EHEA that comply with the ESG. The ENQA as a body and the ESG as quality assurance measures provide evidence of externalization to all members and beyond, as non-EHEA countries comply with ENQA standards.

Another example of a change to institutional infrastructure that promotes externalization within the BP is the amalgamation of ENIC and NARIC under one mission statement. The two networks carried out similar missions of facilitating mutual recognition of qualifications and academic degrees, but they operated separately prior to the BP. The ENIC Network was established in order to enforce the Lisbon Recognition Convention of 1997 (UNESCO/CoE, 1997), which includes non-EU signatories such as the United States of America, Israel and Russia. The NARIC Network, an initiative of the European Commission to enforce EU directives on professional recognition, operates in EU Member States, the European Economic Area and Turkey. Following the BP’s ministerial meetings in 2001 and 2003, the networks expressed their willingness to be part of the BP and to contribute to the recognition of qualifications. According to their Joint Charter of Activities and Services, they undertake to ‘Provide adequate, reliable and authenticated information […] as prescribed by the Lisbon Recognition Convention, national and EU legislation, on qualifications, education systems, and recognition procedures to individual holders of qualifications, higher education institutions, employers, professional organisations, public authorities, ENIC/NARIC partners and other interested parties’ (UNESCO-CoE, 2004, sec. II.1). Joining these two networks together under the BP formed the basis upon which a recognition policy and practices are now applied in the European region and beyond.

In addition, the EU has established institutional infrastructure which deliberately aims to externalize HE policy to non-EHEA countries: the Erasmus+ Offices and the Higher Education Reform Experts Pool (HERE). These two EU initiatives are established within non-EHEA countries’ education ministries and serve as the long hand of the EU in third countries. The Erasmus+ Offices are responsible for promoting the EU’s funding schemes and familiarizing local HESs with reforms taking place in Europe through capacity building projects designed to ‘modernize’ non-European HESs in light of the BP (European
Commission, 2016). As a complementary tool, the Erasmus+ Offices fund the HERE forums, composed of leading local academics who receive training in Europe, and who are expected to promote local compatibility with the BP.

**Conclusions**

The Bologna Process is a successful example of European co-operation, having grown deeper and wider, and now encompassing as many as 58 international parties, including states, international organizations and various non-state actors. While not an EU-owned initiative, important developments since its inception show that the BP has largely been co-opted by the EU. Despite such significant developments, the literature on EU external relations has yet to scrutinize sufficiently the external dimensions of the process and the EU’s involvement. To fill the gap, this article provides an initial examination of the extent to which the EU has moved HE policy beyond its traditionally domestic, intergovernmental and values-based moorings. The article employs the MPE conceptual framework to analyze the means, actors and factors at play in the external dimension of HE policy and to uncover the ways in which the EU enhances its role and exercises power in and through the BP.

The article shows that higher education policy has a clear and growing external dimension that has moved away from simple intergovernmentalism. Despite legal competence that privileges national governments’ authority in HE policies, it is evident that the EU – in particular, the European Commission – is increasing its influence in HE policy in the EHEA. This research shows that indirectly market-related policy in the shape of EU and BP standards and guidelines is promoted by the Commission via its regulatory capacity and supranational externalization tools that affect actors within and outside the EU. The BP standards and guidelines, while not exclusively developed by the EU, fit well with the MPE definition of externalization, under which the EU may attempt to externalize standards and guidelines even if they have not been developed exclusively by the EU.

As an analytical tool, Market Power Europe helps to reveal the importance of market factors, externalization and supranational actors in the EU’s development of an external dimension in HE policy. While further analysis is encouraged to specify the extent to which EU Member States and domestic interest contestation also contribute to this ongoing process of externalization, the findings do help to develop the MPE conceptualization by providing evidence of the growing external dimension of HE policy and new types of externalization tools that may be used in the exercise of power. As a conceptual framework, these MPE insights also encourage further research into the causal mechanisms at play in the under-studied external dimensions of this policy area. Ultimately, this article shows that by conceptualizing the EU as MPE and higher education policy as an indirectly market-related policy area, we may better understand the ways in which the EU manages to extend its external influence across various policy areas not traditionally considered part of external relations.

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