GATS and the Education Service Industry: The Politics of Scale and Global Reterritorialization

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Introduction

One consequence of the hype around globalization and education—and debates on global political actors such as the World Bank, International Monetary Fund (IMF), and World Trade Organization (WTO)—is that there has not been sufficient attention paid by education theorists to the development of a rigorous set of analytic categories that might enable us to make sense of the profound changes now characterizing education in the new millennium.\(^1\) This is not a problem confined to education. Writing in the *New Left Review*, Fredric Jameson observes that debates on globalization have tended to be shaped by “ideological appropriations—discussions not of the process itself, but of its effects, good or bad; judgements, in other words, totalizing in nature; while functional descriptions tend to isolate particular elements without relating them to each other.”\(^2\)

In this article we start from the position that little or nothing can be explained in terms of the causal powers of globalization; rather, we suggest that globalization is the outcome of processes that involve real actors—economic and political—with real interests. Following Martin Shaw, we also take the view that globalization does not undermine the state but includes the transformation of state forms; “it is both predicated on and produces such transformations.”\(^3\) Examining how these processes of transformation

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\(^1\) For important accounts, see Martin Carnoy, “Globalization and Educational Restructuring” (International Institute for Educational Planning, Paris, 2000); Phillip Jones, “Globalization and Internationalism: Democratic Prospects for World Education,” *Comparative Education* 34, no. 2 (1998): 143–55; Roger Dale, “Specifying Globalization Effects on National Policy: A Focus on the Mechanisms,” *Journal of Education Policy* 14, no. 1 (1999): 1–17, and “Globalization and Education: Demonstrating ‘A Common World Educational Culture’ or Locating ‘A Globally Structured Educational Agenda’?” *Educational Theory* 50, no. 4 (2000): 427–48; and Sandra Taylor and Miriam Henry, “Globalization and Educational Policymaking: A Case Study,” *Educational Theory* 50, no. 4 (2000): 487–504.

\(^2\) Fredric Jameson, “Globalisation as Political Strategy,” *New Left Review* 4 (July–August 2000): 49–68, quote on 49.

\(^3\) Martin Shaw, “The State of Globalization; Toward a Theory of State Transformation,” *Review of International Political Economy* 4, no. 3 (1997): 497.
work, however, requires systematic investigation into the organization and strategies of particular actors whose horizons or effects might be described as global.4

One subject of globalization—and the focus of this article—is the growing importance and power of the WTO in promoting the liberalization of trade. Of particular interest to us in relation to education is the General Agreement on Trade in Services (GATS)—a process begun in 1994 that aimed at a multilateral agreement over the liberalization of trading in services, which had emerged with renewed vigor in the Millennium Round.5 The major reasons for making GATS the object of investigation here are that (1) it is less well known than other supranational organizations that affect national education policies, such as the World Bank, the Organization for Economic and Cooperative Development (OECD), and UNESCO; (2) it operates in a quite different manner from those organizations in that it works through binding rules, rather than persuasion or leverage; and (3) it has the potential to affect education systems and practices across a greater range of their activities than have any of the other supranational organizations we have become used to reading about in the comparative education literature.

Space, Scale, and Territorialization

In this article we address these issues through an initial attempt to analyze the potential effect on the orientation and control of national education systems that is inherent in the development of GATS. This involves setting out, briefly, three rather abstract sets of concepts—space, scale, and territorialization—being developed by a number of globalization theorists around the production of space and scale, and its sociopolitical contestation.6 We then draw on these sets of concepts to enable us to examine critical current and potential shifts in GATS’s activity in education. Each of these sets of concepts has proven effective in analyzing the nature and consequences of globalization and its relationships with the national level, and for that reason we deploy them to help us better understand both the nature of the shifts that are occurring within national systems of education and what might be at stake.

4 Bob Jessop, “The Changing Governance of Welfare: Recent Trends in Its Primary Functions, Scale and Modes of Coordination,” Social Policy and Administration 33, no. 4 (1999): 348–59.
5 The Millennium Round refers to the new round of negotiations that opened at the meeting in Seattle in November 1999 and that replaced the previous Uruguay Round. In essence, this takes negotiations into the new millennium over a 10-year period. See World Trade Organization, Services: Agreement (Geneva: World Trade Organization, 1994).
6 See David Harvey, The Limit to Capital, 2d ed. (London: Verso, 1999), and The Condition of Postmodernity (Oxford: Blackwell, 1989); H. Lefebvre, The Production of Space (Oxford: Blackwell, 1991); Neil Brenner, “Between Fixity and Motion: Accumulation, Territorial Organization and the Historical Geography of Spatial Scales,” Environment and Planning D. Society and Space 16, no. 1 (1998): 459–81, and “Globalization as Reterritorialization: The Re-scaling of Urban Governance in the European Union,” Urban Studies 36, no. 3 (1999): 431–51; Chris Collinge, Spatial Articulation of the State: Reworking Social Relations and Social Regulation Theory (Birmingham: Centre for Urban and Regional Studies, 1996); Jessop, “The Changing Governance of Welfare.”
Fixity and Motion in Space

The first of these concepts is that of the fixity and motion of capital. This is a key idea introduced to debates on globalizing capital and globalization by David Harvey and developed further by Neil Brenner.7 Quoting both Karl Marx and Harvey, Brenner describes the dynamics of fixity and motion, and the tensions between the two: “On the one hand, in its drive to accumulate surplus value, capital strives 'to annihilate space through time' and therefore to overcome all geographical barriers in its circulation process. Yet, to pursue this continual dynamic of deterritorialization and ‘time-space’ compression, capital necessarily depends upon relatively fixed and immobile territorial infrastructures, such as urban, regional agglomerations and territorial states.”8

What Brenner is emphasizing here is that for capital to continue accumulating, both its perpetual motion and points of fixity are necessary. At its very simplest, what this means is that to ensure its constant expansion, capital has to be mobile, seeking out new means and places to make profit. However, that profit can only ultimately be both generated and realized at and through fixed points. Thus, while we are often told that the celebrated flow of capital around the world financial system is so great and rapid as to escape the possibilities of control by any nation-state, including the most powerful, at the same time that flow can only be realized through institutions that are relatively fixed—as in, for instance, stock exchanges. This is not to say, to anticipate one of our major arguments, that those institutional fixes must, or will, take place at a national level or on national territory, though that has typically been the assumption until the past 10 years or so. Rather, it is to say that they are essential. It is also to point out that the points of fixity might be seen as necessary evils from the point of view of the motion of capital, whose logic is to minimize any obstacles in its way.

One of the defining characteristics of globalization is the enormously accelerated expansion of capital—especially of financial capital. However, even in these circumstances, and even in the case of financial capital, points of fixity are essential. This is because (1) capital cannot guarantee the conditions of its own existence and (2) it always has to be institutionally embedded. In other words, capitalist social relations must be set in a configuration of social institutions that is supportive of, or at least not obstructive to, its continuing expansion. The key point for our argument here is that education as a social institution is deeply implicated in both of these elements of fixity. In terms of the former, it contributes to the array of means addressing capital’s need for infrastructural support to enable its continuing accumulation, brings about the necessary degree of social order for that accumulation to proceed, and provides the system as a whole with legitimation.9 These three contri-

7 See Harvey, The Limits to Capital; Brenner, “Between Fixity and Motion.”
8 See Brenner, “Between Fixity and Motion,” p. 461.
9 See Roger Dale, The State and Education Policy (Milton Keynes: Open University Press, 1989).
butions of education systems are the key means through which education is associated with the continuing expansion of capital.

The key point here, of course, is that this fixity has typically been achieved at a nation-state level. However, it is also the case that while capital needs points of fixity, it is also driven by its own logic to minimize them, as they constitute obstacles to the free movement of goods and services, finance and labor. This is especially important in the present stage of globalization, where motion above all takes the form of free trade whose logic is to remove any barriers to its further expansion. And this is also the case with state education, which is the most national of institutions and charged with embedding and defining at the level of the social formation, rather than at the mode of production more narrowly conceived, ideas such as national identity, democracy, and citizenship—none of which is in any direct way crucial to the continued accumulation and expansion of capital but which indirectly stabilize and regularize capitalist regimes of accumulation. In sum, we are arguing that the logic of capital in an era of globalization takes the form of increased pressure of motion on fixity, or of the forces of economic change on the institutions of political stability.

Globalization and Scale

A key direction taken by the pressure of motion involves a second concept that we introduce here—the notion of scale. Broadly, scale refers to nested layerings of territories, for example, territories we might call local, subregional, national, supraregional, or global levels. A central feature of scale, argues Erik Swyngedouw, is that it is not ontologically given, a priori, or a definable feature of geographic territories. Rather, scale is constructed with particular activities taking place on different scales, where one of those scales might be dominant over others, as in the post–World War II period and the national scale. Harvey calls this a scalar fix, a particular configuration of various overlapping forms of territorial organization that includes all circuits of capital and multiple entwined geographical scales. The scales are fixed through social processes such as legal codes, monetary regimes, networks, state regulatory institutions, and so on.

While scales appear fixed, over the medium term and long haul, we can see that they are fluid and dynamic; they are produced, contested, and transformed through a range of sociopolitical and discursive processes, strategies, and struggles over what that social space contains. Struggles take place at different scales engaging an array of actors and interests, for example, capital,

10 As early as the 1970s, Henri Lefebvre posed the “the scale question”—in particular its social production and sociopolitical contestation.
11 Harvey, The Limit to Capital, p. 423.
12 Ibid., pp. 422–24.
13 Erik Swyngedouw, “Neither Global nor Local: Globalization and the Politics of Scale,” in Spaces of Globalization: Re-asserting the Power of the Local, ed. K. Cox (New York: Guilford, 1996), p. 96.
national states, para-state organizations, labor unions, local social movements, and supranational organizations. Summarizing these debates, Brenner notes that scale

1. is methodologically important as a spatio-temporal unit of analysis;
2. involves a critical dimension in the unfolding wave of global capitalist restructuring—referred to as rescaling;
3. is a key strategy of social and political transformation; and
4. is a metaphorical weapon in the struggle for hegemony over social and political space.14

Territorialization

The third concept attempts to grasp hold of the idea of struggles over space and scale—referred to by Harvey as territorialization.15 This is the strategic action taken by social actors over space in efforts to command and govern space. The development of both cities and territorial states are examples for Brenner of territorialization: they are the result of imperial powers seeking to lay claim to territories, their resources, and subjects. In Brenner’s words, “The central hypothesis that emerges from these considerations is that the tension between fixity and motion in the circulation of capital has periodically triggered major transformations in the scalar organization of the territorial state.”16

Shifts in scale and processes of reterritorialization, in response to crisis and crisis displacement, are recognizable at the current time as strategies such as devolution, centralization, regionalization, decentralization, internationalization, and so on. In drawing these ideas together, we can argue that shifting scales involves the active construction and reconstruction of territories for the purposes of governing. In particular, issues that appear fundamental at one scale disappear entirely from view at another; factions that are active participants at one scale can fade from the scene or even change at another.17

Space, Scale, and the Governance of Education

A crucial part of our argument is that these three processes of fixity and motion, scale, and territorialization are important analytical windows through which to view the changing governance of education. Bringing these in, we argue, moves us toward a more nuanced understanding of the relationship between globalization and education. We will develop this part of the argument based on the work of Bob Jessop and his analysis of the dominant

14 Brenner, “Between Fixity and Motion,” p. 460.
15 See Harvey, The Limit to Capital, pp. 398–405.
16 See Brenner, “Between Fixity and Motion” (n. 6 above), p. 472.
17 See Harvey, The Limit to Capital (n. 6 above), pp. 422–23.
regime in the post–World War II period in advanced capitalist societies: the Keynesian Welfare National State (KWNS).\textsuperscript{18}

Jessop argues that following the world crisis in the 1970s, a series of rescaling efforts have been underway in advanced capitalist societies as a means of managing the crisis. The outcome has been, according to Jessop, the emergence of a new type of institutional fix—the Schumpeterian Workfare Post-National Regime (SWPNR). In other words, what has been disembedded are the institutional arrangements and social relations of the post–World War II period, which secured full employment through a relatively closed national economy, demand-side management, and economic and social rights, which were, in turn, attached to citizenship of a national territorial state. Education provision within this settlement was a major social policy item largely, but not exclusively, funded and provided by the state, where conditions of universal access were linked to a right of citizenship. These regimes were primarily national in that economic and social policies were pursued within a national matrix—a national state, a national economy, a society of national citizens, a national system of education, and so on. They were also statist in that state institutions—operating at a number of hierarchical scales—augmented market forces to secure, on the one hand, economic growth and, on the other, social cohesion through a notion of citizenship as a form of social contract.

While the first two components of Jessop’s typology—the idea of Keynesianism and especially the second, welfare—have been recognized in a number of contributions in education, the notion of the national state and postnational regime’s elements have had considerably less airing. These two elements are particularly significant to our argument in that they usefully enable us to capture the consequences for education of the combination of the changing relations between fixity and motion and rescaling. The consequences of this shift from the national state to the postnational regime in education are represented in figure 1. The shift from national to postnational is reflected in the change in scale of governance of education—from national to either or both supranational and subnational—and the shift from state to regime is reflected in the changes in the configurations of coordination of educational governance, from assumed state monopoly over all aspects to a bewildering range of possibilities in which regulation seems to be the only necessary element of state monopoly, though we suggest that even that cannot be assumed.

Finally, we note that the strategy adopted by the KWNS was essentially, albeit in different ways and to different degrees, one of decommodification, driven basically by the state’s need to supply public goods. This had two

\textsuperscript{18} See Bob Jessop, “Reflections on Globalization and Its (Il)Logics,” in Globalization and the Asia Pacific: Contested Territories, ed. Kris Olds, Peter Dicken, Paul E. Kelly, and Henry Wai-Chung Yeung (London: Routledge, 1999), pp. 19–38.
consequences. On the one hand, as has been widely recognized, it entailed the state raising taxes—from capital as well as from citizens—to pay for the decommodified services. On the other, decommodified services are by definition not tradable. When, as in the case of education, they represent an enormous expenditure, the pressure of capital is to make them subject to the rules of the market and free trade.

Pressure for the increased commodification of education is one consequence of a globalizing competitive economy where states can no longer act as if national economies are closed and their growth dynamics are predominantly domestic. In response, advanced economies have sought to develop a competitive advantage through the development of what are widely referred to as knowledge-driven economies. “Its growth dynamic depends on how effectively a given economic space—not necessarily a national economy—is inserted into the changing global division of labour.” New economic spaces can be seen with the rapid growth in the global nongovernmental services sector, which represents over 60 percent of Gross Domestic Product (GDP) in

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19 Jessop, “The Changing Governance of Welfare” (n. 4 above), p. 352.
the industrialized countries and 50 percent in developing countries. By 1997, global trade in services amounted to US$1.295 trillion—around 25 percent of the overall figure for global trade in commodities. For some observers, given that services account for almost two-thirds of the economic activity in industrialized economies, it was not surprising that this would eventually be regarded as an area to be opened to the world market. Indeed, there had been considerable pressure on areas such as financial services, telecommunications, transport, education, and health, with a view to expanding their horizons of operation beyond the borders of the national territory.

Throughout this period, the education sector, from compulsory to higher education and training, given its role in the reproduction of labor power and in structuring national identity, has been the target of restructuring. Further, education has also been viewed as a potentially lucrative service, from compulsory schooling to higher education, which can be sold in the global marketplace. For example, by the early 1990s, the export of education services from New Zealand to Asia had risen to become a greater foreign exchange earner than the wine industry. By 1996, the United States provided exports of education and training services that reached $8.2 billion, and it had a trade surplus in education services of $7 billion. Education, in other words, was fast becoming viewed as an area that might yield substantial profits in the global economy. However, disembedding the post–World War II institutional fix, with its particular governance arrangements, and setting into motion the forces of capital accumulation in the form of the knowledge-driven economy involves old and new economic and political actors engaged in a process of rescaling and territorialization. It is precisely this process that we now detail in the study of a particular case of globalization: the rise of the WTO, promoted by powerful national states and capital, and the attempt to rearticulate the nature and form of education and its governance through GATS to make education systems and education provision within nation-states more amenable to a global accumulation strategy.

20 See Education International, “The WTO and the Millennium Round: What Is at Stake for Public Education?” (Educational International, Brussels, 1999), p. 4. Available at http://www.ei-ie/pub/eng/epbeipsiwto.html.
21 See, e.g., the OECD-US Forum on Trade in Educational Services, Washington, D.C., May 23–24, 2002.
22 See the Ministry of Education website—and documents such as “Export Education in New Zealand: A Strategic Approach to Developing the Sector” (New Zealand Ministry of Education, Wellington, 2001). The report notes that in New Zealand there are over 700 export providers (New Zealand has a population of 3 million), which in 2000 contributed $700 million to the economy. It is noted that the export of education services had the potential to realize $1 billion. For an analysis of the early stages of this development, see Roger Dale and Susan Robertson, “Resiting the Nation, ‘Reshaping’ the State: Globalization Effects on Education Policy,” in Education Policy in New Zealand: The 1990s and Beyond, ed. Mark Olssen and Kay Morris-Matthews (Palmerston North, New Zealand: Dunmore, 1997), p. 224.
23 See Robert E. Quinn, “The WTO and Education 180/MDE” (Earthsystems, 1999), p. 2. Available at http://www.earthsystems.org/seac/seac-discussion/0767.html. Earthsystems is a nonprofit 501(c)3 organization, originally based at the University of Virginia.
The WTO and GATS—Global Actors, Global Strategies

In the post–World War II period, the task of monitoring and regulating international trade was undertaken by a permanent negotiating forum: the General Agreement on Tariffs and Trade (GATT). Under this agreement, member states had the status of contracting parties. The role of GATT was to be a forum for negotiations and to lay down the rules of conduct for international trade. It was regarded, however, as a weak organization institutionally, with optional codes and a nonbinding dispute settlement mechanism.24

In 1995, GATT was replaced by the WTO, an international organization, which now has over 140 members. In contrast to GATT, where negotiations took place over pluri-lateral codes, the new WTO had a much stronger capacity to enforce rules as member countries commit themselves to all of the codes already negotiated. The WTO is the only international or global body mandated to establish binding rules governing trade between member countries that extend into many areas of domestic legislation.

Specifically, the WTO became responsible for the implementation of the “tripod” of agreements reached during the Uruguay Round in 1994—GATT, GATS, and Trade-Related Aspects of Intellectual Property Rights (TRIPS). In this respect, the WTO agreements play a central role in constituting the basic regulatory framework for international trade and the development of trade policies. Collectively, these agreements have three main objectives:

1. promoting trade liberalization where possible,
2. progressively increasing liberalization through negotiations, and
3. establishing mechanisms for dispute settlement.

What was remarkable about the Uruguay Round was that, for the first time, investments, services, and copyrights were to be regarded as commodities. Initiated in the first instance by the United States at the Uruguay Round, GATT was expanded to become GATS and, potentially, the first multilateral, legally enforceable set of rules to be concluded on trade in services as a whole, cross-border as well as all possible means of supplying a service, including establishing a commercial presence in the export market. In essence, GATS sets out a work program normally referred to as the built-in agenda. According to Article 19, WTO members “shall enter into successive rounds of negotiations to achieve a progressively higher level of liberalization.”25

The two basic principles of GATT were preserved and adapted in GATS. The first principle, most-favored nation, requires any GATS member country that grants most-favored nation treatment to another country over imports and exports to grant the same treatment to all GATS signatories. The second

24 See Jagdish Bhagwati, “After Seattle: Free Trade and the WTO,” International Affairs 77, no. 1 (2001): 15.
25 See http://www.wto.org.
principle, national treatment, states that foreign companies who are present in the market of a given country must benefit from treatment at least as favorable as the national companies operating in the same market.

There are three levels to GATS: (1) the main text, displayed on the WTO website, contains general principles and obligations; (2) annexes that deal with rules for specific sectors; and (3) individual countries’ specific commitments to provide access to their markets. There is also a fourth element to GATS; lists showing where specific countries are temporarily not applying the most-favored national principle of nondiscrimination as well as temporary withdrawals from most-favored nation treatment. However, while many service areas are not complete because of continuing negotiations and thus exemptions, governments are nonetheless committed to phasing in these commitments within 10 years. Indeed, all exemptions should not exceed a period of 10 years and are subject to periodic review by the Council for Trade in Services or renegotiation every 5 years.

According to Ngaire Woods and Amrita Narlikar, this type of agreement makes the process of liberalization almost irreversible: “The WTO was created on an all or nothing basis whereby countries had to commit to full membership in a ‘Single Undertaking’, binding themselves to a rule-based system, not just for the short term periods of loans or negotiations as is the case of the Fund or Bank conditionality. Withdrawal from any WTO commitment is extremely difficult, a temporary withdrawal requiring an appeal for a waiver to the organization.”26 When a country violates a rule, the WTO can legitimately retaliate against that member unless all consensually agree to veto a decision of the Disputes Settlement Body. And the extreme difficulty of withdrawing once committed may help account for the relatively few commitments in the area of primary and secondary education.

These developments in the governance of economic activity in a national territory, increasingly by international economic institutions, and in particular the WTO, the IMF, and the World Bank, now address issues that were previously dealt with at the level of national governments, that is, “decisions and policies taken at the international level are increasingly affecting groups and people within states.”27 On the one hand, not all WTO member countries have been enthusiastic about lifting restrictions on foreign investment and market access, particularly developing countries that may not have a competitive advantage in these areas. On the other hand, economies such as Canada, the United

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26 This section of the WTO agreement, Article 9, secs. 3–5, establishing the WTO is discussed by Ngaire Woods and Amrita Narlikar, “Governance and the Limits of Accountability: The WTO, the IMF and the World Bank,” *International Social Science Journal* 53, no. 170 (2001): 569–83, quote on 572.

27 Ibid., p. 572.
States, Australia, and New Zealand have sought to promote the services sector, with an eye to its enormous export potential.28

That the decisions favor some countries more than others is a consequence of the way in which the agendas that emerge are the result of political struggles over the rules of the game and how they work. The governing process of the WTO is directly representative of member states because decision making at all levels is member driven and all states enjoy an equal vote. As a result, the Czech Republic, the United States, Hungary, and Canada all have the same value vote. However, in the WTO, the decision-making process occurs through consensus, and this process generally takes the form of informal meetings in what is referred to as the Green Room process.29 Meetings are dominated by four countries—the Quad—made up of the United States, the European Union (EU), Japan, and Canada. These countries all have large market shares in the services area and enjoy significant input and influence over WTO decisions—not least because they can afford to staff a permanent presence in the WTO headquarters in Geneva, enabling attendance at more than 1,200 informal and formal meetings a year, and because they are deemed to have an interest in the issues under discussion.30 Their influence is bolstered by the active presence of interest group coalitions, which can promote the economic interests of particular factions of capital. Not being a member, not being deemed to have a vital interest even if a member, not being able to afford a presence in meetings even if a member, and not having the resources to keep abreast of matters under negotiation to develop a more complex understanding of the issues and how they are emerging and being shaped result in even further disadvantages for the least developed countries.

Some nations and interest groups, including, until recently, the EU, have sought to slow the pace of implementation of GATS in the face of pressure from the United States and representatives from the private sector. In the case of GATS, for instance, these representatives included the U.S. Coalition of

28 The whole of the Asian region is regarded as a huge potential market for services; almost 3.1 billion people—over 60 percent of the world’s population—live in Asia. A number of these economies have high rates of growth that are predicted to continue well into the twenty-first century—with a growing middle class and growing discretionary income to spend (Singapore, Taiwan, Malaysia, and Hong Kong). These markets have proved lucrative (“World Investment Report” [United Nations Conference on Trade and Development, New York, 1995]). See, e.g., WTO-GATS, “Communication from New Zealand—Negotiating Proposal for Education Services” (World Trade Organization, Geneva, June 26, 2001)—where the export of education is promoted as critical for generating revenue for public and state sector institutions—and “vital” for the development of human capital (available at http://www.wto.org).

29 See Woods and Narlikar; Chakravarthi Raghavan, “After Seattle, World Trade System Faces Uncertain Future,” Review of International Political Economy 7, no. 3 (2000): 495–504.

30 See Bernard Hoekman and Michel Kostecki, The Political Economy of the World Trading System: The WTO and Beyond (Oxford: Oxford University Press, 2001).
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The differential capacities to fix the rules of the game thus institutionalize particular economic and political interests on a new global scale. As a result, the governance mechanisms deployed by the WTO issue in an uneven process of transformation of state power across nations, and conditions for uneven development within and across territories.

GATS: Scalar Shifts and Territorialization in the Governance of Education

How is education viewed as an activity by the WTO under GATS? We begin by noting that the definition of services covered by GATS excludes services provided under government authority and without commercial purpose. While this means that tertiary education falls very largely within the ambit of GATS—which is why it is by far the most extensively commercialized sector—on the face of it, the compulsory sector, which is very widely taken to be a public sector activity, might be expected to be exempt. However, in order to meet the criteria fully and be excluded from the scope of the application of GATS, the education system of a country in question must be completely financed and administered by the state and must have no commercial purposes. However, “few—if any—education systems remain which fulfil these conditions, most if not all of them fall within the scope of application of the Agreement. In fact, the vast majority of countries have mixed systems, in which the private sector plays a more or less significant role and competes with the public sector.”

Indeed, on closer scrutiny, the public-private test is inadequate in determining whether the agreement applies. For instance, any institution that requires the payment of fees, even in a public system, falls within the category of private commercial activity and is then covered by GATS. If that argument holds, there are few public education systems in the world that could argue that GATS did not apply to them. Not only that, the direction of restructuring has been to pressure education systems to increase fees as a result of shortfalls in government expenditures on public education over the past 2 decades; others have sought to implement a system of fees in line with public choice

31 In the Seattle Round of the WTO, the Coalition of Service Industries (CSI) outlined their goals: (i) ensure the right of U.S. companies to establish operations in foreign markets, including the right to wholly own these investments; (ii) ensure that U.S. companies get “national treatment” so that foreign investors have the same rights as domestic companies in a given market; (iii) promote procompetitive regulatory reform focused on an inadequacy of appropriate and consistent rules as well as transparency and impartiality of regulatory administration; (iv) remove barriers to cross-border trade; and (v) remove obstacles to the free movement of people and business information. A second group—British Invisibles—have also been prominent in the WTO forums. Otherwise known as International Financial Services London (IFSL), British Invisibles are a London-based organization who work for the removal of barriers to trade in the global market for “invisible” financial services. British Invisibles played an important role in the negotiations that led up to the 1997 Agreement on Financial Services under the WTO (see IFSL website: http://ifsl.org.uk).

32 Article 1.3 of GATS.

33 See Education International (n. 20 above), p. 6.
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theory—a line pushed strongly by the World Bank in the 1990s. In these cases, education becomes a potentially private and therefore commercial activity rather than an exclusively public one, bringing it inside the ambit of a tradable service that could be subject to a request-offer process. This is not to suggest that as a result of this, a particular sector of a nation’s education system that meets the criteria for inclusion as a trade is then immediately open for trade. Rather, if the process of progressive liberalization continues, such sectors will be vulnerable to pressure to open them to trade over the next decade.

Following the WTO-GATT principles outlined above, GATS is applied to services in education in two ways. First, it provides a general framework of obligations that applies to all countries in the WTO. This framework stipulates that there should be no discrimination in favor of national providers, that is, the national treatment principle is invoked, and there should be no discrimination between other members of the agreement, in other words, the most-favored nation principle. Second, it identifies the specific commitments of member countries, indicating on a sector-by-sector basis the extent to which foreigners may supply services to a country. There are certain basic principles that all countries must follow; however, the extent to which some services, such as education, are fully open at present to free trade has been a matter of individual choice of nations—the so-called voluntary bottom-up strategy. While this is referred to as a “voluntary bottom-up strategy” by the WTO, it is difficult to see what is voluntary about this process. While a member country can seek exemptions from aspects of the application of the GATS agreement prior to entry, these exemptions should not exceed a period of 10 years and will nonetheless be reviewed after a 5-year period. Further, the “voluntary” concept appears to refer to decisions that member countries themselves might make as to how they tailor their commitments in a process that involves them in progressively higher levels of liberalization. They may then be open to requests for trade that, if there is a disagreement as to whether a measure falls within the scope of the GATS agreement, involve the Dispute Settlement Body of the WTO. Thus, while at present GATS is, in part, a voluntary agreement under which countries can decide, through what are known officially as request-offer negotiations, which service sectors they agree to cover

34 Using public-choice theory, the New Zealand government has argued—successfully—that the private benefits of education arising from higher education should be paid for privately through a fee structure. For an account of this, see Robert Stephens, “Financing Tertiary Education,” in Olsen and Morris-Matthews, eds., pp. 190–208. For a discussion on World Bank policy in this regard, see Christopher Colclough and Keith Lewin, Educating All the Children: Strategies for Primary Schooling in the South (Oxford: Clarendon, 1993).

35 While it might be inferred that this has arisen as a result of particular players attempting to put a “brake” on the process in the face of U.S. pressure, it should be noted that at the time of writing the United States had only offered one sector—the adult sector—in the voluntary negotiations over education services.
under GATS rules, the U.S. government and business organizations have placed change high on the agenda in the new rounds of negotiation.

That education is a huge potential income-generating item is immediately apparent from the following crude figures on global public spending on education offered by Education International; on the threshold of the twenty-first century, global public spending on education had topped $US1 trillion dollars and “represented the costs of over 50 million teachers, one billion pupils and students, and hundreds and thousands of educational establishments.”

It is therefore not surprising that education activity, as a potentially tradable commodity in the global arena, should come into view. And, while much of the export market in education has until recently been centered on the tertiary sector, the WTO has a more expansive view of what constitutes education services. In the background papers prepared by the WTO for ongoing negotiations, education services are viewed as falling into five main categories:

1. Primary education.—Includes the normal notion of primary education and preschool education services but excludes child day-care services and adult literacy services.
2. Secondary education.—Includes high school education, technical and vocational education, and school-type services for handicapped students.
3. Higher education.—The teaching of practical skills in postsecondary, subdegree technical, and vocation education institutions; and education services provided by universities, colleges, and specialized professional schools.
4. Adult education.—All education services not in regular schools and universities, including general and vocational programs, literacy programs, and correspondence schools.
5. Other educational services.—Anything not mentioned except recreational matters.

From this list, there are few subsectors within the overall “education sector” that do not fall into the ambit of GATS. To date, 42 WTO members have made commitments for at least one education subsector, such as primary, secondary, or higher education. Interestingly, this figure of 42 includes, as one member, the European Community (EC) states—an interesting turn of events given the notion of subsidiarity that structures EU relations between the EC and member states. Further, among the 42 members, 25 have included commitments for at least four of the five education sectors.

See Education International, p. 3.

These are the Czech Republic, Hungary, Japan, Mexico, Norway, Poland, the Slovak Republic, Switzerland, Turkey, the EU, Albania, China, Chinese Taipei, Croatia, Estonia, Georgia, Jordan, the Kyrgyz Republic, Latvia, Lesotho, Liechtenstein, Lithuania, Moldova, Oman, and Sierra Leone.
In terms of the nature of the activity that is then legally protected under GATS, there are four main categories of trade in education:

1. **Cross-border supply.**—Includes any type of course that is provided through distance education or the Internet, any type of testing service and education materials that can cross borders.

2. **Consumption abroad.**—Involves the education of foreign students and is the most common form of trade in education services.

3. **Commercial presence.**—The actual presence of foreign investors in a host country. This would include foreign universities setting up courses or entire institutions in another country.

4. **Presence of natural persons.**—The ability of people to move between countries to provide education services.

At present, education remains one of the sectors, along with the energy sector, where WTO members have been least inclined to schedule liberalization commitments—though there is clearly considerable pressure exerted to do so by organizations such as the OECD. In a recent report tabled by the OECD, it is noted that most of the OECD countries (25 out of 30) have made commitments in educational services, but a significant number of developing countries have not made commitments. Among the non-OECD countries, China, Chinese Taipei, and Thailand are the only countries among the main importers of educational services (i.e., that send their students abroad most frequently) that have made commitments. The report goes on to note that “on the other hand there are some low-income countries such as the Kyrgyz Republic, Lesotho, Moldova, and Sierra Leone that have made a high level of commitment, most likely,” as the OECD suggests, “in order to attract foreign educational investments.”

In the following section, we signal, broadly, the existing practices and social relations of education institutions that would now constitute barriers to trade and would be subject to change following the progressive liberalization process. Concerning cross-border supply, countries would be regarded as having barriers in place if they, for example, restricted the import of certain types of education materials (e.g., teaching texts based on creation science) or restricted the use of national satellites for beaming educational activity to nationally based firms or state activity. Countries, whether large or small, have sought to foster their own research and teaching materials, where possible. However, making this a formal monopoly would be viewed as an inhibition of the cross-border supply of a service.

Barriers concerning consumption abroad are those that restrict student mobility—that is, the education of foreign students—abroad. It is here that the most visible tip of the education services market can be recognized. As

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38 See OECD/CERI, “Current Commitments under the GATS in Educational Services” (a background document prepared for the OECD/US Forum on Trade in Educational Services, Washington, D.C., May 23–24, 2002), p. 7.
noted earlier, the advanced economies, such as the United States, Canada, Australia, New Zealand, France, and Germany, have all sought to educate foreign fee-paying students in publicly funded institutions where the student pays a significant if not a total portion of the costs of their education. This is not restricted to tertiary education. Rather, such education activity might include primary, secondary, tertiary, specialist learning such as languages, or professional learning such as teacher training, social work, engineering, and so on. Barriers that have been identified as restricting consumption abroad are problems with visas, the amount of currency that can be taken out of the country, the difficulties in attaining the translation of degree of equivalents, and unequal access to resources within the country of study. Griffin Cohen observes that the sensitive issues are not likely to be those associated with visas and the like. Rather, it will be the "way in which the removal of these barriers to 'consumption abroad' is applied in distinct circumstances. For example, any country that highly subsidizes students may find a requirement to provide equal access to these resources to students from another country an intolerable strain on public finances. The result could be the elimination of public subsidies to all students."39

Identified barriers to establishing a commercial presence include (1) the inability to be recognized as a degree- or certificate-awarding institution, for instance, institutions cannot get status from the state to be recognized as a university; (2) measures that limit direct investment by foreign providers, for example, because of equity ceilings (hence, some type of financial twinning is required); (3) national requirements about setting up an institution, including national advantages such as establishment grants; (4) nationally or professionally controlled needs tests—controlling the supply of particular types of labor and therefore their value—as in the case of medicine; (5) restrictions on foreign teachers—the WTO singles out the case of Greek teachers, or of France and the regulation of foreign professors; (6) the existence of government monopolies—making it difficult to establish a commercial presence; and (7) (as Cohen points out above) high levels of government subsidization of local institutions—which are not available to foreign providers.

Finally, barriers related to the presence of natural persons refer to matters such as the different approval processes for national and foreign educational providers, difficulties in the recognition of foreign educational credentials, and needing to obtain visas in order to study, teach, or establish a firm in another country. While some aspects of this agenda need to be examined further—for instance, the difficulties some educators face, particularly those from developing countries who take up posts in wealthier ones—there are

39 See Marjorie Griffin Cohen, “The World Trade Organization and Post Secondary Education: Implications for the Public System” (British Columbia Teachers’ Federation, Vancouver, 2000), p. 4. Available at http://bctf.bc.ca/social/globalization/CohenPaper.html.
other issues at stake. This not only exposes former colonies to a preference for academics from the former colonizing country but, as education becomes viewed as a private tradable commodity, foreign providers may well want to import educators rather than using local educators.

Two key potential outcomes for national states emerge if the barriers, as identified by the WTO under GATS, are to be removed in the area of education services. The first of these is that, if a country volunteers to commit itself to GATS rules in a particular education sector, this would require that foreign education service providers be guaranteed the right of access and operation, including the right to invest, to be given degree-granting authority, to be eligible for government grants for their own operations or for their students, or to send in their own labor. This would pose significant pressure on a system that was publicly funded and at the very minimum profoundly affect the public nature of education. The important issue here, too, is that once settlement of various issues is codified in GATS, any changes will need to be settled through the disputes process.

Second, if barriers to free trade were to be eliminated in the area of education services, the private sector would be in a position to undermine public delivery of education services through challenging government monopolies. Given that GATS is about securing the conditions for creating and expanding private markets in the education services area, whenever governments operate in what is—or potentially could be—a market, their actions are barriers to the creation of private markets and therefore need to be controlled. Included in the challenge to government monopolies is the notion that government-funded institutions are given unfair advantages through either direct subsidies or cross-subsidization within an institution. These subsidies would either have to be removed or applied to the private sector as a matter of equal and fair treatment. Either way, the pressure would be to encourage public institutions to behave more like commercial enterprises and to have profit making rather than other motives—such as the valuing and protection of some disciplinary areas of knowledge for their own unprofitable sake—as their primary objective. These brief elaborations of the implications of GATS for education services highlight the complexity of globalization as a product or an outcome of the complex processes of territorialization and rescaling that are at work in relation to a country’s education activities.

So far we have argued that through GATS, the conditions are being created for disembedding education activity from its fixed institutionalized location as a nationally regulated redistributitional and legitimatory decommmodified public good, forcing it into motion and into the global marketplace to be fixed through processes of successive liberalization as a part of the built-in GATS agenda. In essence, the WTO, through the GATS process, has the potential to establish a new set of global rules of the game for the governance of education within national territories, in the process transforming
states' power and therefore the processes of development within and across nation-states.

In the following and final section, we examine the likely consequences for national states and their territories of this process. While this might be viewed as speculative, we, first, argue that—given the nature of the agreement as a binding commitment—such speculations are critical if we are to have an informed debate on this. Second, as indications of the likely outcomes of a process of liberalizing education, including making it more open to global interests, we can look at the social effects of the liberalization and globalization of education in countries like New Zealand, or the effect of the North American Free Trade Agreement (NAFTA) on the Canadian and Mexican education systems.40

Con contradictions and Displacements in the Process of Rescaling

The above arguments suggest significant potential implications that rescaling will have on the governance of education as well as its social, economic, and political consequences for societies and individuals. In this section, we are particularly concerned with the potential contradictions that might emerge with rescaling and the possible effects on the politics of education. Given the crucial role that education plays in ensuring both the economic and the extraeconomic conditions of capital accumulation process, rescaling the politics of education is particularly important.

A hypothetical world education system, free of barriers, might entail not only an internationalization of educational credentials or a possible globalization of knowledge production and consumption but also would affect central aspects that have been largely under the control of nation-states in the KWNS regime. The process of rescaling the governance of education to the global level, and specifically to the WTO, raises a number of crucial questions. For instance, how might national human capital planning be altered if a national education system was now governed by the rules of GATS rather than a nationally specific set of rules? Further, how might one of the post-World War II roles of education, to construct national identity, be nationally secured in a global educational market place? Finally, would nation-states continue to allocate a central role to education as the central institution ensuring social mobility and meritocracy?

A key point that we want to make is that the contradictions and displacements would not be homogeneous; rather, they would be differentiated along several dimensions—the result of differing capacities and interests of nation-

40 See Susan Robertson and Roger Dale, “Local States of Emergency: The Contradictions of Neoliberal Governance in Education in New Zealand,” British Journal of Sociology of Education 23, no. 3 (2002), in press. For a discussion of NAFTA on the Canadian and Mexican education systems, see Roger Dale and Susan Robertson, “The Varying Effects of Regional Organizations as Subjects of Globalization of Education,” Comparative Education Review 46, no. 1 (2002): 10–36.
Robertson, Bonal, and Dale

states to both participate in the global agenda and influence its outcomes. One dimension is procedural, that is, the mode of political and operating calculation. A second dimension is substantive, that is, the social functions assigned to educational policy aspects of the politics of education. The potential displacements can also be differentiated by considering which of the core problems of the state—creating conditions for capital accumulation, providing a context for its reproduction, and legitimating the capitalist mode of production—would be challenged by the processes of rescaling and global territorialization. A third possible dimension of difference lies in the capacity—or indeed an awareness of the capacity—of the implications of particular decisions in the negotiation process to control the nature of the effects caused by the process of rescaling. This capacity varies as a result of the differing economic and political powers of nation-states. These are key questions whose answers will be no doubt shaped by the crucial changes that may occur under GATS rules. An awareness of some of these questions is discernible in localized pockets of resistance in countries like Canada where similar processes have been underway as a result of NAFTA. Such concerns may well account for some of the hesitation around offering the subsectors. As we have already indicated, the process appears to be an uneven one among actors, which is partly a result of the substantial differences in the capacity of nation-states to set the rules of the game (as there are differences in the influence capacity of private organizations over an institution like the WTO) and partly because of the differing strengths of the economies of the countries involved and the need they have to attract foreign investment—a point recognized in a recent set of papers released by the OECD. The consequences of GATS both emerge from and reinforce the differing capacities of nation-states to deal with the new rules of the game in an interstate system of decision making. These three dimensions do not exhaust the possible implications of the process of displacement, but they are useful instruments to analyze the potential contradictions and tensions in the movement from the national to the global level of decision making.

41 See Bob Jessop, State Theory: Putting Capitalist States in Their Place (University Park: Pennsylvania State University Press, 1990), p. 343.
42 Ramesh Mishra, Globalization and the Welfare State (Cheltenham: Elgar, 1999).
43 Roger Dale, The State and Education Policy (n. 9 above).
44 See, e.g., the work of the Canadian Centre for Policy Alternatives, a research group formed in reaction to NAFTA. They currently publish widely on GATS—e.g., see Scott Sinclair, GATS: How the World Trade Organization’s “New Services” Negotiations Threaten Democracy (Ottawa: Canadian Centre for Policy Alternatives, 2000).
45 OECD/CERI.
46 See John Dunning, “The Future of the WTO: A Socio-Relational Challenge?” Review of International Political Economy 7, no. 3 (2000): 475–83, on the differential capacities of member nations in the negotiation process; he refers to difference of intellectual capital and social relational capital that mediate and thus produce uneven outcomes for different members.
A first possible consequence of rescaling upward can be observed in what Jessop identifies as a central contradiction in the neoliberal doctrine, that is, the need to extend the scope of regulations in order to guarantee larger market access and, at the same time, to avoid all the barriers to the free circulation of capital.\textsuperscript{47} The GATS rules are a clear example of the need to establish political rules that have a compulsory character for its members. Interestingly, these rules of the game have to be highly codified in order to be effective. So do the modes of conflict resolution as found in the Dispute Settlement Body. A review of recent disputes on the WTO website reveals that the United States receives most of other countries’ complaints, suggesting that the country that is the major player in promoting progressive liberalization through the WTO also has the capacity to disobey the rules that it has previously encouraged. Codification, however, reveals the rules and makes them evident and therefore susceptible to critique around their construction or application.

In the educational field, we might distinguish those aspects of a free market that may be quickly encouraged in the process of negotiating GATS, such as commercial presence or cross-border supply, and those that will be subject to more difficult bargaining as a result of their political sensitivity, such as the presence of natural persons, because they are more likely to have an effect, whether direct or indirect, on the immigration laws. On the other hand, the high level of rule codification in the WTO indicates a different mode of political procedure. While nation-states operate in a more flexible regulative framework that leaves scope for political decisions on issues such as creating higher education institutions and grant-system policy, sanctioning educational credentials, and so on, the WTO procedures are based on the strict accomplishment of rules leaving little margin for political flexibility.\textsuperscript{48} This may have a decisive impact on a nation-state that has often used its education system to absorb the problems within its territory—such as social cohesion, legitimation, and support for accumulation.

\textit{Undermining the Role of Education for Social Cohesion—or a Permanent Educational Crisis?}

A second effect of rescaling may be located in the structural role of education systems as important institutions for social cohesion. These distortions may take place on several levels. On the one hand, because the WTO—unlike the EU, the World Bank, and the OECD—has no social agenda, there are substantial aspects of the social function of education that, structurally, the WTO does not address. While the role of education as a means to distribute equality of opportunity may—indeed, must if legitimation is to

\textsuperscript{47} See Bob Jessop, “The Changing Governance of Welfare” (n. 4 above).

\textsuperscript{48} See Saskia Sassen, “Servicing the Global Economy: Reconfigured States and Private Agents,” in Olds et al., eds. (n. 18 above), p. 159.
be assured—remain on national and local state’s education policy agendas, states will increasingly face the dilemma of not having the fiscal and regulatory resources to address these issues. The state’s capacity to deal with the failure of the trickle-down effect of markets as a mechanism to distribute wealth may disappear in the process of displacement of the powers over education on a global scale. Some emergency strategies to react to educational crises may simply not be possible within the WTO-GATS framework, given that it sets strict rules on the state’s intervention capacity. In addition, discursive resources about meritocracy may lose their rhetorical power in a global educational marketplace where the purchasing power of individuals becomes a legitimate means of acquiring a high-quality education.

Rescaling may also reduce the capacity of the national state to deal with one of its core problems—its legitimation problems. While the audience for what counts as legitimation remains basically national, under GATS rules the national state may have more difficulties in generating discourses and practices to manage educational crises. It might be anticipated that a range of processes will emerge to deal with these problems. This might include recontextualization—that is, an attempt to achieve legitimation through transforming or rescaling the process to remove from view and therefore limit and manage struggles—as is the case of many restructuring states’ devolution strategies.49 However, neither recontextualization nor rescaling will ultimately fully absorb the displacement of the legitimation burden unless the WTO itself moves toward developing mechanisms to deal with these problems—like the EU. This is particularly the case at the current conjuncture. As William Robinson argues, “even if the global financial system can be brought under regulation the mechanisms simply do not exist for absorption strategies, nor does the system provide the material basis for a project of legitimation. It is not clear in the new epoch how these new contradictions will be played out or to what extent we may expect a transnational state to acquire the capacity to resolve them.”50

Interestingly, the for-profit discourse of an organization like the WTO leaves little space for the development of discursive and political strategies to deal with the potential and inevitable contradictions and displacements of capital accumulation and, thus, problems of legitimation. To date, the WTO has relied almost exclusively on the discourse of neoliberalism and arguments about the trickle-down effect. However, as the WTO meeting in Seattle in 2000 showed, the WTO will require more in its regulatory armory

49 See Basil Bernstein, Pedagogy, Symbolic Control and Identity: Theory, Research, Critique (London: Taylor & Francis, 1996). See also Xavier Bonal, “Managing Education Legitimation Crises in Neo-Liberal Contexts: Some Semi-peripheral Evidence” (paper presented at the Travelling Policy/Local Spaces: Globalisation, Identities and Education Policy in Europe conference, University of Keele, U.K., June 27–29, 2000).
50 See William Robinson, “Social Theory and Globalization: The Rise of the Transnational State,” Theory and Society 30, no. 2 (2001): 189.
to absorb the evident problems that have emerged in unequal trading relations. In other words, in the context of a growing world-watching civil society, the WTO has until recently shown little internal capacity to deal with social and political conflict. Its reactive strategies, as exemplified by tactics such as having meetings in remote places like Qatar or using crude slogans, are not at all sophisticated. Rather, these have become easy targets for the new global social movements.

From Investment to Consumption: The Business of Education and the Human Capital Problem

We have already suggested that under GATS, education may be regarded as a for-profit service. Although we have already referred to some of the implications of this, a further crucial aspect still remains unexplored. If education becomes a key industry for the process of capital accumulation in the knowledge-based economy, this possibility would transform states by entailing a crucial shift in the economic functions assigned to educational systems under the KWNS regime. Supported by human capital theory, education has played a central role in the process of capital accumulation and economic development. That is, education has been understood by states as a key investment to improve labor productivity and economic growth. Indeed, the human capital paradigm has been given as the rationale for educational planning. Although based on neoclassical economics, this paradigm has oriented educational policy making in national governments as well as in international organizations like the World Bank. Priorities and strategies concerning educational investment are established in national ministries and supranational organizations as means for economic growth and for absorbing the problems of potential market failure.

However, if the primary leitmotiv of the rescaling and territorializing processes for global capital is about market access, then it follows that, by setting into motion and commodifying education, GATS rules undermine the strategic and economic functions, as well as the social functions, of education in national systems. Through GATS, education becomes a goal rather than a means in the process of capital accumulation. Although the goals and the means of the economic functions of education are not necessarily mutually exclusive, those aspects that may guide the expansion of education in the search of consumers may contradict those that guide education as an area of strategic investment for economic development.

Moreover, the attack on the state sovereignty has the effect of limiting the state’s ability to invest strategically in education; it can also affect the strategic decisions of nation-states in considering education as another area of foreign capital attraction. In a highly competitive global market, attracting

51 See Phillip Jones, *World Bank Financing of Education: Lending, Learning and Development* (London: Routledge, 1992); Woods and Narlikar (n. 26 above).

52 See, e.g., the need for the Australian government to regulate the provision of private education services following financial losses by some companies; this was seen by key Asian countries to be an international political issue to be dealt with by the national state.
foreign educational capital may well become a means of solving a country’s balance of payments problems and a strategy to deal with the state’s fiscal deficit. Indeed, this appears to be a reason, as we have noted earlier, for some countries signing all of their education sectors onto all modes of educational trade.

The Localization of Globalisms: The Emergence of New Forms of Cultural Imperialism

The final possible consequence of rescaling to be considered here is concerned with the possible cultural implications of GATS on national education systems. The scope of these effects may be diverse and may not be able to be predicted but would include all possible forms of cultural imposition, for example, U.S. texts on science, cultural hybridization as a result of global education channels such as Channel One, or the process of production and circulation of cultural commodities. Analyzing these possible effects is beyond the objectives of this article; however, we can point to the likely consequences for nations of cultural functions assigned to educational institutions by post–World War II nation-states—many of which have a public-good character. These include the building of national identity, the use and development of national language, a certain national policy of knowledge production, and the production and reproduction of specific forms of cultural capital appropriated by the emerging new middle classes. Whatever the form of the consequence, what is important to register is that because of GATS constraints, nation-states will lose a considerable capacity to direct these outcomes in ways that they might previously have done. Language and national identity are vulnerable social functions in a global marketplace dominated by multinational educational corporations. Indeed, the basis of a national policy for knowledge production, its national appropriation and its distribution, may be eroded in a free-market context of a knowledge-driven economy. Along with the importance of knowledge and information as key inputs for economic productivity and growth, the struggle over its production, appropriation, and dissemination becomes a critical aspect for the structuring of the unequal global social structure.

Finally, even the role of schooling for cultural and social reproduction will face important challenges. Middle classes have historically tried to influence, participate in, or even appropriate some state institutions to ensure the basis of their privileged position through the production and reproduction of cultural capital. Rescaling crucial aspects of the governance of ed-

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53 See seminal works such as Michael Young, ed., Knowledge and Control: New Directions for the Sociology of Education (London: Collier-Macmillan, 1971); Apple, ed. (n. 9 above); Pierre Bourdieu, “The Forms of Capital,” in Education, Economy and Society, ed. Albert H. Halsey, Hugh Lauder, Phillip Brown, and Amy Stuart Wells (Oxford: Oxford University Press, 1997).

54 For an excellent analysis of knowledge production and appropriation, see John Frow, “Knowledge as Gift and Commodity,” New Left Review, no. 219 (1996): 108.

55 Bourdieu.
ucation upward might potentially undermine the role of cultural capital in the reproduction of social structure while stressing the economic capacity of individuals to access the top global higher-education institutions. Mechanisms of social and cultural reproduction may be altered as a consequence of a changing educational market that affects the patterns of educational aspirations and educational consumption.

Conclusions

In this analysis, we have attempted to make a number of points. First, we sought to move the analysis of globalization and education forward by introducing a series of concepts—fixity and motion, space, scale, and territorialization—that we believe give greater purchase on this complex process of change in the governance of education through the WTO-GATS process. Further, we argued that identifying key political and economic actors like the WTO as subjects of globalization and examining the mechanisms through which they both exert power and respond to pressures moves us away from the ideological appropriations of globalization. In essence, we used this as a window on complex processes at work to reveal real actors and interests. Examining the politics of rescaling and the emergence of the WTO as a global actor (and the mechanisms like GATS through which rescaling works on national territories and education systems) enables us to see how education systems are both offered as a new service to trade in the global economy and pressured into responding to the logic of free trade globally. We are also able to see processes of territorialization at work, particularly through the way in which particular countries have been very powerful in promoting liberalization in ways that suit their own interests. We have argued that the WTO becomes a site where powerful countries are able to dominate and shape the rules of the game, and in a global economy some countries increasingly view opening up their education systems to the global marketplace as a means of attracting foreign investment. At the same time we have tried to be careful to not suggest that the WTO is simply an instrument of global capital, though this is surely a part of the story. Rather, we have shown that many states—though not all in the same way and not for the same reasons—are at least willing if not eager players in the WTO processes, as they seek to advance their own national interests in the global knowledge economy. Further, the process of rescaling aspects of the governance of education upward to the global level will, we believe, pose considerable problems in the short and medium terms for national states. That is, national states will find it increasingly difficult to manage both the conditions that ensure the expansion of capitalism and the means to absorb its contradictions because their technical and political capacity will be curtailed. Diminished state autonomy—particularly in the provision and regulation of traditionally public goods—without the possibility of constructing at the same time global political
structures to account for market failures may locate education at the forefront of national and global political battles. If this happens, the role of national education system in fixing, albeit indirectly, the conditions for the expansion of global capitalism—in the face of no alternative—will be eroded. This will, surely, create a much shakier terrain than it has been to date, and that new terrain will inevitably threaten its legitimatory base.