

INTED **2010**

**International Technology, Education and
Development Conference**

**Valencia (Spain)
8th-10th of March, 2010**

CONFERENCE PROCEEDINGS

www.inted2010.org

Published by
International Association of Technology, Education and Development (IATED)
www.iated.org

INTED2010 Proceedings CD

Edited by
L. Gómez Chova, D. Martí Belenguer, I. Candel Torres
International Association of Technology, Education and Development
IATED, Valencia, Spain

ISBN: 978-84-613-5538-9
Depósito Legal: V-845-2010

Book cover designed by
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INFLUENCE OF GLOBALIZATION AND PRIVATIZATION ON CROATIAN EDUCATIONAL SYSTEM

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Abstract

Globalization has made a big impact on all spheres of today's society. One of its most obvious impacts is the effect it has on education. It greatly influenced the economics and funding of public education, as well as the development of educational policies. International organizations set the benchmark for educational quality, evaluation and standards. National policies turn to actualization of international expectations. Globalization made it even more possible for development of diversity in educational institutions. Liberalization and market approach to education led to expansion of pluralism of educational funding. So today we have for-profit schools (that operate as enterprises), religious schools, non-profit schools run by non-governmental organizations, publicly funded schools operated by private boards and community owned schools. Since the 1990s and the beginning of transition process for Croatia, transformation and liberalization of public sector was greatly influenced by globalization. Market approach to education enabled for a large number of private educational institutions to emerge. School pluralism developed in primary education, secondary education as well as the institutions of higher education. Educational policy changed allowing liberalization in educational funding and development of pluralism of educational institutions. This paper aims to show the development of private education in Croatia since its independence. It tries to interpret the effects that globalization and privatization had on Croatian educational system.

Keywords - globalization, privatization, educational pluralism, Croatia.

1. GLOBALIZATION AND ITS INFLUENCE ON EDUCATION

Though the term globalization has been the *buzz* word of the last two decades there is still no simple definition of it due to its complexities. Most of the definitions find it to be a constant change in the contemporary societies, bringing them closer together on economical, cultural and political level. Through continuous binding and growth of interrelations and international impact on nation state new challenges emerge in economy, education, science, communication and policy making. It is this wide range of consequences and effects globalization has on contemporary societies that make it so difficult to define it.

[1] Rizvi (2007, pp 256) says that "Globalization is a name that is given to the social, economic, and political processes that have, taken together, produced the characteristic conditions of contemporary existence. It refers to the ways in which distant parts of the world have become connected in a historically unprecedented manner, such that events in one part of the world are now able to rapidly produce effects on distant localities.

[2] Held and McGrew, (2003, pp 4) find that globalization denotes expanding scale, growing magnitude, speeding up and deepening impact on interregional flows and patterns of social interactions. It refers to a shift or transformation in the scale of human social organizations that links distant communities and expands the reach of power relations across the world's major regions and continents.

Globalization is also seen as "the emergence of new global culture forms, media and technologies of communication, all of which shape the relations of affiliation, identity and interaction within and across local cultural setting [3] (Burbules and Torres, 2000, pp 2).

[4] Rikowski (2002, pp 1) claims that „globalization is essentially capitalist globalization: the globalization of capital, which is at the core of all the economic, social, political and cultural trends that have been associated with conventional“.

Although it greatly influences many different spheres of today's living, for the purpose of this paper it is of great interest to further explore influence it has on the changes in educational policy and practice. When discussing the major global educational discourses influenced by global changes we are discussing the knowledge economy and technology, lifelong learning, global migration or brain circulation, and neoliberalism. The major institutions contributing to global educational discourses and actions are the World Bank, the Organization for Economic Cooperation and Development, the World Trade Organization, the United Nations, and UNESCO [5] (Spring, 2008).

[6] Carnoy (1999, pg 9-10) states that globalization is impacting on education in terms of:

- finance (reduction in public spending and the search for other funding sources, increased decentralization and privatization);
- the labor market (providing a ready supply of skilled labor as a basis to attract foreign capital and capable of the production of the high value-added consumer goods);
- the quality of nation educational system (through cross-national measurement of educational system such as international comparison, testing and standards);
- the adoption of information technology (widespread use of computer – supported instruction and access to internet, to expand quantity of education at low cost);
- transformation of world culture by globalized information networks (a struggle over the meaning and value of knowledge).

[3] Burbules and Torres, (2000, pp 20 – 21). question the relation of globalization and education the influence globalization has on education, giving it at the same time new role and tasks. They find that globalization greatly effects education:

- At the economic level, because globalization is affecting employment it touches upon one of the primary traditional goals of education, preparation for work... The broader economic effects of globalization tend to force national educational policies into a neoliberal framework (emphasizing lower taxes; shrinking the state sector and "doing more with less"); promoting market approaches to school choice (particularly vouchers); rational management of school organizations; performance assessment (testing); and deregulation in order to encourage new providers (including online providers) of educational services.
- At the political level, a repeated point here has been the constraint on national/state policy making posed by external demands from transnational institutions. Here, again, educational institutions may have a crucial role to play in addressing these problems, and the complex network of intended and unintended human consequences that have followed from the growth of global corporations, global mobility, global communication, and global expansion. In part, this awareness may help to foster a more critical conception of what education for "world citizenship" requires.
- Global changes in culture deeply affect educational policies, practices, and institutions. Particularly in advanced industrial societies, for instance, the question of "multiculturalism" takes on a special meaning in a global context.

[7] Willem te Velde (2005) defines globalization as a set of economic processes: trade in goods and services (e.g. fragmentation, off shoring and global value chains), also the education sector itself, private cross-border finance (e.g. inward FDI [foreign direct investment], also in education sector), migration (e.g. teachers/nurse) and describes how globalization affects education outcomes.

Table 1: Effects of globalization processes on education (Willem te Velde, 2005, pp 8)

Cause: Measure of globalization	Schooling	Effect on: Vocational education Tertiary education		Foreign education
Trade (exports)	Effects are more positive in countries already well endowed (regressions)	Positive incentives to increase supply of training to remain competitive (e.g. Thailand)	Positive stimulus, because education needs to move in tandem with export opportunities (see e.g. South Korea case study)	Education services are increasingly traded; developed countries (US, UK, Australia) control most of market, but developing countries emerging
Private cross-border financial flows (inward FDI)	Effects are more positive in countries already well endowed (regressions) Remittances (data) might help to finance education	Foreign firms train more (micro-econometric studies)	Foreign provision good for economic development, but presents issues related to access and accreditation	Foreign investors require expatriates
Migration	Migration (e.g. diaspora, or short-term migration) leads to exports and development (regressions), and thus resources for schooling Loss in teaching capacity (in smaller countries) worsens schooling		Loss in domestic capacity, such as in teaching	Significant amount of students from developing countries seek education abroad

In UNESCO's paper: "*Globalization With a Human Face - Benefitting All*" the role of education under globalization is to prepare people to deal with the changing world we live in and to empower them to cope with all the different aspects of globalization...Education must promote both a thorough understanding of the society we live in and of other cultures [8] (UNESCO, 2004., pp 182).

Furthermore the paper finds both positive and negative effects of globalization on education:

Positive effects of globalization on education:

- further development of education
- reduction of knowledge gaps
- reduction in education cost

Negative effects globalization has on education:

- Higher Education as a commercial product
- Focus on the economy and consumption
- Brain drain

2. PRIVATIZATION OF EDUCATION

In the words of [4] Rikowski (2002) the influence of globalization ultimately means that education will be run primarily for the benefit of shareholders and corporate 'image'. In the process, education itself will be de-valued and narrowed for business interests. [9] Tooley (2004, pp3) finds :„...globalization implies that the private sector is involved in education in a significant way“.

The term 'privatization' refers to many different educational programs and policies. As an overall definition, 'privatization is the transfer of activities, assets and responsibilities from government/public institutions and organizations to private individuals and agencies'. Also, privatization is often thought of as 'liberalization' – where agents are freed from government regulations, or as 'marketization' – where new markets are created as alternatives to government services or state allocation systems [10] Levin, (2001). To put it simply: privatization is the transfer of decision making authority, delivery, or financing from a public to a private entity [11] Suleiman (1990 pp 4) There are many reasons why privatization of education is occurring, one of them obviously being globalization linked with market liberalization. Governments and international agencies are increasingly concerned about the wastefulness, inefficiency and lack of innovation in state education. Ideas on privatization, public – private partnerships, voucher systems are becoming commonplace in discussions in developing countries. Interest in the private education sector – in developed as well as developing countries – is motivated by three major concerns:

- • the need to restrain public expenditure, in order to reduce budget deficits and external debts, and the consequent need to find alternative sources of funds for education
- • doubts about state intervention in production of goods and services, and the purported benefits of privatization, applied to the education sector; and
- • the perceived threat to equity, access and social justice by private education [12] Tolley, (2001, pg . 30).

If we look at the process of privatization in the context of globalization, it can be seen through trends in the world economy, political and social factors which brought to increase in privatization of goods and services as a response to the changes in societies. This model is helpful in understanding the similarities in the educational policies of different countries, but it is not sufficient on a micro level. It is possible to show that different countries in different stages of their development started changes that could be referred to as the basics of privatization [10] (Levin, 2001).

3. A CASE OF CROATIA

During the last decades as all the countries of the South East Europe (SEE) Croatia has been undergoing transition as a process of political and economic transformation. For building an open - on market rules setup economy – certain rules were applied (more or less successfully):

- *Liberalization and privatization*: opening of the market - free markets determination of all goods and services and reduction of trade barriers; the process of privatization of the state-owned companies and creation of a sound real and financial sector
- *Foreign investments*: foreign ownership of assets increases quite dramatically in countries in transition
- *Productivity, exports and industrialization*: As a consequence of political stability and economic reforms, countries in transition relatively quickly start to experience growth of production and of GDP
- *Macroeconomic stabilization*: achievement of a stable economic system - the process, through which inflation is brought under control and lowered over time,
- *Policies and institutions*: building institutional infrastructure and structural reforms (the rule of law, and introducing appropriate competition policies) as the key to successful transition [13] (Gligorov, 2007).

The impact of transition and the influence of international agencies in the era of globalization in shaping the government policies (toward meeting the standards and expectations of European Union) is obvious in educational policy as well. [14] World Bank (2003, pp 155) referred to Croatian educational system: “Modernizing Croatia’s education system requires changing what is taught (curriculum), how it is taught (pedagogy) and the accountability of those at the point of service delivery for results.” In its review of educational policy in South East Europe [15] (OECD, 2003) the main characteristics of Croatia’s financial system for education are seen as: chronic under-funding; lack of equity and transparency in budgetary allocation; unbalanced structure of the education budget, both in

terms of categories of expenditure and sources of funds; and lack of synergy (legislative, professional and institutional) for system change.

In the National Competitiveness Councils' document *55 Policy Recommendations for Raising Croatia's Competitiveness* (2004) [16] there are recommendations concerning the change of educational system. There we find: that the goals for increasing education's contribution to national competitiveness are:

- Improvement of educational attainment of the population able to work, primarily through increase in the share of individuals with tertiary education in the work force.
- Continuous improvement of educational content and methods of instruction across all levels of the educational system, and focus on the development of key competencies.
- Establishment of a system of quality control of educational processes and Outcomes
- Increase in total expenditure (public as well as private and other nonstate) for education.
- Maximization of the number of children in pre-school care and education.

Despite the fact that privatization of educational institutions seems to be one of the recommendations for further educational development it is a change that is being implemented very slowly. The 1992 Law on Secondary Education, with its amendments in 1993 and 1995, allows for the establishment of private schools..The changes are developing the slowest in the basic level of education (ISCED 1). Some of the private schools that opened are alternative schools working on a different pedagogical concept (two waldorf and one Montessori). There are 818 pupils attending private and alternative schools [17] (Rajić, 2008).

Table 2: Private primary schools in Croatia and the number of students attending private primary schools (Rajić, 2008)

No.	Primary school	Number of students. 2007/08.
1.	Juraj Dobrila, Pula	48
2.	Kreativni razvoj,Zagreb	250
3.	Nandi ,Zagreb	70
4.	Grivice Rijeka	94
5.	Nova, Zadar	113
6.	Hugo Kon, Zagreb	26
7.	waldorf school, Zagreb	91.
8.	waldorf school, Rijeka	70
9.	Montessori school „Dedee Vraniczany“, Zagreb	56
	Total	818

The privatization of education seems to have more fertile ground in the secondary and tertiary level (ISCED level 3, 4, and 5). Almost half of the students attending private secondary schools (2206 of students) attend gymnasiums (1328 of them) or music secondary schools (878 students) which are not vocational and lead to tertiary education.

Table 3: Private secondary schools in Croatia, number of classes and students attending

No.	Name and the Type of the Secondary School School year 2008/2009	Number of Classes	Number of Students 2008/2009
1.	Prva privatna gimnazija u Varaždinu	4	69
2.	Privatna srednja škola Varaždin	0	0
3.	Privatna varaždinska gimnazija	4	30
4.	Privatna ekonomsko-poslovna škola Varaždin	1	5
5.	Opća gimnazija Rijeka	4	46
6.	Srednja glazbena škola Mirković	0	21
7.	Zadarska privatna gimnazija	8	116
8.	Prva privatna srednja škola "Gaudeamus"	4	61
9.	Šibenska privatna gimnazija	3	28
10.	Srednja zubotehnička škola - Dental centar Marušić	5	119
11.	Privatna jezična gimnazija "Pitagora"	4	59
12.	Privatna turistička i ekonomska škola	9	140
13.	Gimnazijski kolegij Kraljice Jelene	7	143
14.	Privatna gimnazija Jurja Dobrile, Pula	4	49
15.	Srednja škola "Manero"	4	15
16.	Prva privatna gimnazija, Zagreb	4	63
17.	Privatna klasična gimnazija, Zagreb	8	164
18.	Zagrebačka umjetnička gimnazija	4	70
19.	Gimnazija i ekonomska škola Benedikta Kotruljevića, Zagreb	10	187
29.	Privatna srednja ekonomska škola "Katarina Zrinski", Zagreb	12	186
21.	Linigra - privatna škola, Zagreb	8	53
22.	Druga opća privatna gimnazija, Zagreb	7	105
23.	Privatna srednja ekonomska škola "Inova", Zagreb	4	70
24.	Privatna umjetnička gimnazija, Zagreb	4	97
25.	Privatna gimnazija "dr. Časl", Zagreb	4	52
26.	Privatna jezično-informatička gimnazija "Svijet", Zagreb	4	55
27.	Privatna ekonomsko-informatička škola, Zagreb	6	85
28.	Učilište za popularnu i jazz glazbu, Zagreb	3	6
29.	1. Srednja informatička škola	4	72
30.	Prva privatna turističko-ugostiteljska srednje škola Jure Kuprešak	9	43
TOTAL		304	4412

Source: Ministry of Science and Education and Sports (MoSES)

Tertiary education in Croatia has seen the most changes regarding its funding and privatization. Total student population in Croatia between 1990s and 2005 rose by 82 percent. At the same time number of students whose education fees are fully covered by public sources, has decreased. Educational infrastructure has not kept pace with this increasing trend, while proportion of private fees in total tertiary education cost overrode 20 percent in the 2000s [18] (Babić, 2006).

Table 4: Expenditure for higher education (adopted from Babić, 2006)

Expenditure for tertiary education	2000.	2001.	2002.	2003.	2004.
GDP (mil. kuna)	152.51 6	165.639	179.386	193.06 7	201.176
Budget expenditure for higher education (mil. kuna)	1.356,7	1.416,8	1.416,6	1.688,4	1.863,6
Estimate of private expenditure for higher education (scholarships) (mil. kuna)	256,9	330,6	388,1	425,3	461,1
Budget expenditure for higher education (% GDP)	0,89	0,86	0,79	0,87	0,93
Estimate of private expenditure for higher education (scholarships) (mil. kuna) (% GDP)	0,17	0,20	0,22	0,22	0,23
Total expenditure for higher education (% BDP)	1,06	1,05	1,01	1,09	1,16
Proportion of of private expenditure for higher education (%)	15,92	18,92	21,51	20,12	19,84

There has been a number of changes in educational policies and legislation that made it possible for private educational institutions to emerge ([19] *Zakon o znanstvenoj djelatnosti i visokom obrazovanju 2007*, [20] *Zakon o osiguravanju kvalitete u znanosti i visokom obrazovanju 2009*). Data available from the [21] Ministry of Science, Education and Sports (MoSES) shows that there have been a great number of newly founded institutions that participate in tertiary education.

Table 5: Private institutions of tertiary education (founded since 2004) MoSES

	Private Colleges	Private Universities	Private Polytechnics
1.	RRiF Visoka škola za financijski menadžment u Zagrebu,	Međunarodno sveučilište u Dubrovniku	Veleučilište za medije, poslovanje i menadžment, Split
2.	Visoka poslovna škola Višnjan,	Hrvatsko katoličko sveučilište	Veleučilište VERN
3.	Visoka poslovna škola <i>Libertas</i>	Medijsko sveučilište u Splitu	Veleučilište Velika Gorica
4.	Visoka škola pučkog otvorenog učilišta		
5.	Visoka poslovna škola <i>Utilus</i> ,		
6.	Visoka poslovna škola <i>Agora</i> ,		
7.	Visoka škola za informacijske tehnologije		
8.	Visoka novinarska škola,		
9.	Visoka poslovna škola <i>Minerva</i>		
10.	Visoka škola <i>Hrvatsko Zagorje</i> Krapina		
11.	Visoka politehnička škola u Zagrebu		
12.	Visoka škola za primijenjeno računarstvo, Zagreb		
13.	Visoka škola za medije, poslovanje i menadžment, Split		
14.	Visoka tehnička škola u Bjelovaru		
15.	TV-akademija Visoka škola multimedijskih i komunikacijskih tehnologija Split,		
16.	Visoka škola za ekonomiju, poduzetništvo i upravljanje „Zrinski“,		
17.	Visoka škola za odnose s javnošću i studij medija „Kairos“, Zagreb		
18.	Visoka škola za menadžment i dizajn ASPIRA, Split		
19.	Visoka škola međunarodnih odnosa i diplomacije		

4. CONCLUSION

The aim of the paper is not to explain the changing role of education in today's society. It did not question the role of education for the development of the nation state nor did it discuss the ethics in making education a commodity. The discussion about the market approach to education and its influence on the equal access to education and value education is left for another occasion. It is not questionable that more and more changes occur due to the influence of international and transnational agencies and global agenda. The inevitable truth is that post-communist countries of East Europe, as well as the post self managed socialist countries of South East Europe are experiencing transition in educational system and opening up space for private educational institutions.

The paper tried to show the changes in Croatian educational system influenced by global changes and processes of globalization. One of the most obvious changes driven by globalization is an attempt of decentralization of educational administration, financing and the emergence of private educational institutions. Educational policy is undergoing constant change and is making it possible for the private educational institutions to develop in Croatia. The case of Croatia shows that the changes in primary education are slow and do not show great alteration in educational organization or funding due to the impact of globalization and privatization. It is interesting to see that only education on primary level showed examples of development of pedagogical pluralism. Secondary education has gone through

greater change showing the emergence of new and diverse private high schools (different kinds of vocational education). Institutions for secondary education show greater diversity regarding to the country area where they operate and programs they offer. The greatest change is obvious in the institutions for higher education where we find private colleges, universities and polytechnics. It is often spoken negatively about the privatization processes that occurred in Croatia during transition process so far. The changes in education just may occur slowly enough for the educational system to deal with them in a planned and organized way in order to take advantage of the possibilities of further development of educational pluralism. It is of great interest for us to observe further development of educational pluralism in Croatia as well as in the countries of the region. An adequate approach to educational policy and development regarding the influences of globalization is the key to resolving most of the issues of transition in Croatia as well as in the region.

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