

The State of Oregon has concluded that the NBOE is *not* a legitimate accrediting body—based on the many obscure statements made on its website, the absence of a list of its accredited schools, its apostille service in the shape of a spigot, its clear connection to known diploma mills, and the absence of any but the most tenuous connection to Liberia.

It is possible that the government of Liberia has been deceived regarding the true nature of the NBOE and its subsidiary entities. We have asked the U.S. Embassy in Monrovia to investigate this situation. It is somewhat impractical for a single U.S. state to investigate sharp practices on other continents, but there is no other government entity in the United States, including the U.S. Department of Education, that appears willing to act against the Jolly Rogers sailing under such obvious flags of educational convenience.

Mapping the Education Industry: Public Companies and Higher Education

Richard Garrett

Richard Garrett is deputy director, Observatory on Borderless Higher Education, John Foster House, 36 Gordon Square, London WC1H 0PF, UK. Email: r.garrett@obhe.ac.uk.

An important aspect of contemporary higher education is the growing role of commercial entities in certain aspects of teaching and learning. The Observatory on Borderless Higher Education, an international strategic information service based in the United Kingdom, recently published two reports. The first looked at the share price and financial results of 50 companies from 10 countries operating in the broad area of postsecondary education. This report introduced the Global Education Index—an index of the share price of these firms, including analysis by type and country. The second report positioned these companies in relation to nonprofit higher education and explored emerging relationships between the two sectors. This article provides a summary of the second report. The full report is available to institutions that subscribe to the Observatory on Borderless Higher Education (see www.obhe.ac.uk) and contains details of the companies and methodology.

The extent to which education companies pose a threat to nonprofit higher education is a matter of considerable hype and speculation. This review of company activities and relationships sought to marshal

the available evidence. Companies generally fell into one of three types: direct competitors, with little or no other relationship with the nonprofit sector; indirect competitors, serving markets of generally minor or potential interest to the nonprofit sector; and service providers and clients, offering a range of services to nonprofit higher education or benefiting from particular services from nonprofit higher education.

The extent to which education companies pose a threat to nonprofit higher education is a matter of considerable hype and speculation.

Type 1 is exemplified by the independent for-profit university or college networks in the United States. These institutions offer their own degree provision, have standard regional or specialist accreditation, and specialize in market segments that are important to many nonprofit higher education institutions. Examples include the Apollo Group, Sylvan Learning Systems, Career Education, and Corinthian Colleges. Type 2 concerns the various e-learning and human capital development firms focused on the corporate and government sectors. These companies offer specialist software, courses, and related services, with a strong emphasis on business and technology development. This territory overlaps with the remit of many business schools in higher education, but would generally not be regarded as the latter's core business (particularly the emphasis on software development and delivery). Example companies include DigitalThink, SkillSoft, Saba, and Centra.

Type 3 is more complex. Companies of this type provide a range of services to nonprofit higher education including provision of learning management software, marketing on-line course material, creation of on-line portals to promote the awards of particular universities overseas, development of outsourced course design and delivery for specialized areas of the curriculum, and funding for new ventures. Nonprofit higher education institutions also provide services to these companies, particularly franchised degree-awarding powers and academic credit for company courses. Example companies include Thomson Learning, INTI Universal Holdings, NIIT, and Informatics.

Some companies do not fit neatly into a single type. Some offer services to the nonprofit sector but also operate forms of indirect or even direct competition. It is helpful to think of relationships between companies

Special Focus: Reform and Restructuring

and nonprofit higher education on a two-dimensional axis. The first axis is a scale between direct competition and no competition, and the second between major service provision and no service provision to the nonprofit sector. The full report provides an illustration in grid form.

Only 17 firms (34 percent) were judged to have a significant competitive relationship with nonprofit higher education.

Only 17 firms (34 percent) were judged to have a significant competitive relationship with nonprofit higher education. These included U.S. for-profit college and university networks (e.g., Apollo, Sylvan), similar institutions in Malaysia (e.g., INTI, SEG), and two leading IT training firms (Informatics and Aptech). A number of these firms also offered various service relationships with higher education. Overall, among GEI companies, competitive relationships are more common than service relationships, but in many cases the competitive threat is minor, tangential, or latent. By contrast, the competitive position of multinational publishers (e.g., Thomson, McGraw-Hill, Pearson) has weakened compared to 1998–2000.

What is the potential for movement of position over time? The two most significant potential shifts of position were thought to be greater competitiveness from the Malaysian college networks and an improved service relationship with corporate e-learning firms. In most respects, Malaysian college networks resemble U.S. for-profit universities and colleges, but with one crucial difference. Government regulation currently bars private colleges in Malaysia from seeking their own degree-awarding powers. This restriction spurred alliances with universities from Australia, the United Kingdom, and elsewhere. Without this restriction, the current service rationale might weaken and the colleges might begin to compete with the nonprofit sector without the present ambiguity. In the case of corporate e-learning firms, it was noted that nonprofit higher education might seek a more significant service relationship in terms of provision of on-line content.

To summarize, this analysis suggests that the competitive threat to nonprofit higher education remains relatively minor in absolute terms. However, recent years have witnessed significant recruitment growth among certain companies, international expansion, and ambitious plans by new entrants. New technology and

new markets have prompted a range of innovative service relationships between companies and higher education. The rise of borderless higher education is characterized by deeper and more complex relationships between commercial entities and nonprofit higher education. The unknown is the extent to which these relationships will develop further, what will remain the province of the nonprofit sector, and what services and activities will become viable commercial propositions.

The methodology developed for this analysis will be used by the observatory to examine selected private postsecondary education companies. Combined data on public and private firms will provide a powerful resource for gauging the impact of current commercial interest in postsecondary education and will enable developments to be tracked over time.

This article is summarized from “Mapping the Education Industry, Part 2: Public Companies—Relationships with Higher Education,” published by the Observatory on Borderless Higher Education. Website: www.obhe.ac.uk.

Britain’s White Paper Turns Higher Education away from the EU

John F. Halsey and W. Bruce Leslie

Bruce Leslie is professor of history at SUNY-Brockport and, recently, a visiting scholar in the Faculty of Education at the University of Cambridge. John Halsey, a sociologist, directs SUNY-Brockport’s London overseas programs. E-mail: bleslie@brockport.edu.

Ferocious debates and student protests arose in anticipation of the Blair government’s white paper on higher education, focusing on rumored increases in student fees. For many, American-style tuition costs were a worst-case scenario, and the buildup to the Iraq war added emotional resistance to things American. When the white paper emerged, it rejected American “pay as you go” student finance, opting for a version of the Australian “learn now, pay later.” Few saw the irony that the white paper quietly adopts many other American practices while turning away from the EU.

The Problems

A chart comparing the 18 leading nations’ international scientific citations dominates the second page. A long purple line representing the United States dwarfs the others. The text explains that “the USA with its unsur-