

The Rise of Transnational Education Corporations in the Asia Pacific

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Abstract The last decade has witnessed the emergence of a new type of player in primary and secondary education in the Asia Pacific. This type is the transnational corporation (TNC) specializing in schools. I refer to these organizations as Education TNCs, which I define as private firms that operate for-profit schools in multiple countries. This paper examines the rise of Education TNCs that run international schools in Asian countries. While a great deal has been written about for-profit education in Western countries, edu-business in the Asia Pacific has received less attention. This paper works to fill that gap. I trace the rise of the region's major Education TNCs and analyze their efforts to expand. Against the expectation of "school choice" advocates that for-profit schooling should bring diversity through competition, I find that the growth of Education TNCs in the Asia Pacific has been a story of a few large, marketing-oriented players offering similar packages. Educationists in the Asia Pacific should pay attention to Education TNCs for two reasons. First, the activities of Education TNCs in the international school sector can shed light on what for-profit schools would look like if governments in the region were to allow school choice reforms. Second, since these firms are large, influential, and motivated to succeed in the lucrative Asia Pacific market, they may have a greater and greater impact on the education landscape in the region.

Keywords International schools · For-profit education · Edu-business · Education management · Global networks of schools

Introduction

In the last 10 years, transnational corporations (TNCs) have arrived on the education scene in the Asia Pacific. Since these organizations specialize in education, they can be called Education TNCs. I define an Education TNC as a private firm that operates for-profit schools in more than one country. Education TNCs are concentrated in the least-regulated sectors of the education economy, in particular in international schools, early childhood education, testing and test preparation, and other supplementary schooling services.

This paper focuses on Education TNCs that operate in the international school sector in Asian countries. The expansion of Education TNCs in this region is unfolding rapidly. The top three firms run 20 schools in East and Southeast Asia with another six in India. Ten years ago they had none. In 2014 alone, two major Education TNCs opened three schools in Malaysia, Singapore, and Hong Kong. These Education TNCs are massive, global organizations. Each educates tens of thousands of students around the world and earns annual revenues over USD 300 million¹ The Asia-Pacific region is currently the primary growth area for these firms, as economies elsewhere have stagnated and well-off parents in this region demand ever-

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¹ Figures on revenue and students worldwide on these three firms—GEMS Education, Cognita, and Nord Anglia—are compiled from the following sources: *Education Investor* (2015); Glass (2014); Rai (2014); *Reuters* (2014).

better schooling for their children. Education TNCs are bursting onto the scene in Asia.

The subject of for-profit education in the Asia Pacific is in need of further study. In the United Kingdom and United States, where “school choice” reforms have been tried in public school systems for a number of years, scholars have examined the education management organizations (EMOs) that have emerged (Ball 2012). Saltman (2005), for example, provides an in-depth account of one large education management firm in the United States. Far less has been written on privatizing reforms and education corporations in the Asia Pacific (an exception is Mok 2006), even though many governments have been experimenting with neoliberal reforms of public education. Education TNCs, some of which began as EMOs in the UK, have entered the Asia Pacific. It is important to understand how these firms operate. This subject also has a place in wider conversations about globalization and corporatization of education more broadly. Much has been written about the transformation of universities into corporations, especially in North America (Fisher and Chan 2008; Schrecker 2010; Mills 2012) but also in Asia (James and Mok 2005; Nakamura and Ozawa 2009; Marginson et al. 2011). The entry of for-profit entities into tertiary education has prompted concern over the cost of education and academic freedom (O’Malley 2012). This study of Education TNCs in the international school sector can contribute to these discussions.

Understanding international schools is important in its own right. The size of the international school sector is estimated at USD 34.4 billion, and that figure includes only English medium schools (Glass 2014). More significantly, though, an examination of Education TNCs in this segment of the education landscape can shed light on crucial issues that affect whole systems of primary and secondary education. In particular, a study of Education TNCs that run international schools can speak to debates over privatization of public education. Advocates of “school choice” wish to bring markets into education, so that government schools would have to compete with private ones. Analyzing a segment of the education system where schools are permitted to turn a profit might be instructive when thinking about the consequences of such reforms more broadly. Another reason to study Education TNCs is that they are among the most powerful private actors in education. Privatizing reforms in the public sector could create opportunities for Education TNCs to step in—and, as shall be seen, there is precedent for that development outside the region. While most discussions of for-profit education organizations have focused on examples in Europe and North America, less is known about how they operate in Asia. If their recent growth is an indication, these organizations could have deep impacts in the future.

This examination builds on my interviews in Singapore, China, and South Korea with representatives of international schools.² I also draw on promotional material from Education TNCs and from their own reports. Here, I focus on the variety of school experiences that these firms offer. Education TNCs sell education as a product. The consequences of selling education as a product to a global market are not so different from selling any other consumer goods. Firms devote resources not just to developing the product but also to developing a status and brand, and to marketing. This dynamic can be seen in a range of areas, including facilities, admissions efforts, teacher recruitment, and curriculum design. The themes highlighted here suggest that the introduction of for-profit schooling can lead not so much to competition that provides choice to parents but to a few large players that can offer very similar packages.

The Origins and Operations of Education TNCs

In Asia, Education TNCs have found a market in cities with large expatriate populations. Traditionally, international schools in these areas were affiliated with the particular communities they served. That is, a French school served the needs of French students, an Australian school served Australian students, and so on. Operated by members of the community, many of these schools were non-profit organizations. They have charged high school fees, often paid by a parent’s employer. As elite education has become unhinged from projects of building national identity and oriented more toward creating a footloose future workforce aiming to enter top global universities, private firms have stepped into the lucrative international school sector. It is here that Education TNCs have found a foothold in major Asian cities.

GEMS claims to be the world’s largest chain of schools. Its schools have 142,000 students worldwide. The company is based in Dubai and has international schools and academies throughout the Gulf, as well as in the UK and the US. It has six schools in India and is just beginning its expansion into the Asia Pacific. GEMS also advises governments in the region such as the Philippine government. Another firm is UK-based Cognita. The firm owns many schools that continue to be named after a community or after the founding organization. With eight schools in Southeast Asia, Cognita holds Singapore’s Australian International School as well as its Stamford American International School. It has a presence in Vietnam’s two largest cities and operates schools in Thailand as well. Some 30,000 students around the globe attend international

² Unless otherwise noted, references to particular schools come from my interviews at those schools in 2014.

schools owned by Cognita. Nord Anglia Education, which started in the UK but is now based in Hong Kong, runs ten schools in the Asia Pacific, including five in China under the “British School” and “British International School” labels. Nord Anglia’s homepage announces it has 20,000 students worldwide. Together, these three firms hold 20 schools in East and Southeast Asia.

Local education politics in places far from East or Southeast Asia molded these Education TNCs. GEMS was initially set up in Dubai by a pair of Indian teachers who sought to serve the quickly growing community of Indians in the emirate. One school turned into many. When the couple’s son, Sunny Varkey, took the reins of the school group, he expanded the firm rapidly. Since the UAE’s population was mostly foreign, the demand for schools with an international curriculum was great. After becoming the major education provider in Dubai, GEMS shifted to establishing schools overseas. In 2014, Varkey joined the Forbes billionaire list, with an estimated worth of USD 1.8 billion (Rai 2014).

Cognita and Nord Anglia both expanded with the neoliberal turn in education policy in the UK in the 1980s and 1990s. Cognita got its start in 2004 when it was founded by Chris Woodhead and a private equity firm. Woodhead, a former teacher and education lecturer, had served as chief inspector at the Office for Standards in Education (OFSTED) from 1994 to 2000. Experience in that role surely helped Woodhead make decisions about which schools Cognita should purchase. The firm’s foundation was laid through acquisition of UK schools; only later did it start buying schools abroad. Nord Anglia was founded in 1972 by Kevin McNeany, another former teacher. The firm took off in the 1990s with the UK government’s move to take education out of the hands of local authorities. McNeany, who is a vocal advocate of privatizing education, built Nord Anglia through purchasing schools that the UK government forced to privatize for underperformance. Like Cognita, Nord Anglia expanded overseas after having consolidated the core of its business in the UK.

The privatization of schools in the UK also created a class of “professionals” who have circulated between government and private sector education positions, including in Education TNCs that operate in the Asia Pacific. Woodhead’s successor at OFSTED, Mike Tomlinson, went on to work for GEMS (Wallace 2005). Head of school improvement at OFSTED, Elizabeth Passmore, also moved to GEMS before returning to government to serve as Chief Schools Adjudicator. Proximity to the instruments of UK school regulation is an asset for those operating global education firms.

Variety can be seen in the business models of these firms. Some firms specialize in acquiring existing schools, while other build new ones. Cognita, for example, mostly

acquires. Cognita started with the acquisition of a set of nineteen independent schools in the UK. In 2007, it moved overseas, buying the Australian International School in Singapore, which had been founded in 1993 for a small group of students. The only school Cognita has opened on its own is the Stamford American International School in Singapore. Nord Anglia has built multiple schools, such as the newly opened Nord Anglia International School in Hong Kong, but it also mostly acquires. In fact, Cognita and Nord Anglia have split portions of the Saint Andrews group of international schools in Thailand. GEMS, by contrast, engages more in building new schools.

Establishing schools takes a distinct set of resources from running existing schools. The former requires a larger budget and often a longer time horizon. Dependence on private investors for capital accumulation means pressure to generate quick returns. Private equity firms appreciate the stability of the education sector but they prefer fast returns on investment. Because Cognita was established with a private equity firm it has always been subject to that pressure. Nord Anglia, too, turned to external funding. A private equity firm purchased Nord Anglia, and then in 2014, the business was listed on the New York Stock Exchange (with an Initial Public Offering of USD 300 million). GEMS has remained least reliant on outside capital. After selling a portion of the ownership to an investor in 2008, Varkey shifted strategy to sell off his non-education interests in order to generate capital for the firm. As Dino Varkey, executive director at GEMS and Sunny Varkey’s son, says, private equity “capital and infrastructure funds have a three- to five-year investment horizon. They don’t understand that education has a seven-year gestation, and the first dollar of profit could only come in year eight” (quoted in Rai 2014). With more autonomy, it is easier for GEMS to mobilize a few hundred million dollars in capital on a single, long-term project than it would be for a private equity firm.

School Facilities and Marketing: Selling Exclusivity

Schools operated by Education TNCs are businesses. Any business needs to sell to consumers. There are many components to marketing schools. Tools include websites, printed promotional material, and the physical appearance of the school itself. In this section, I examine how schools promote themselves to customers.

Facilities

The facilities of schools run by Education TNCs are important for generating a feeling of value. Consider my

visit to the new Stamford American International School (SAIS) in Singapore. As I attempted to enter the heavy gate, a guard stopped me and informed me that I should enter through the gate for visitors. I approached that gate and a second guard stepped in my path, inquiring if I had an appointment. I showed my identification card, and after a quick computer check I was cleared. Wearing a “VISITOR” sticker, I followed a third guard on to the campus. All of this seemed overblown in safe Singapore, but the heightened security has an effect: it creates a feeling of exclusivity for students and parents.

Education TNCs spend huge budgets on their facilities, and they make sure that visitors can see that. The SAIS campus cost USD 200 million to build; GEMS World Academy (GWA) in Singapore had a price tag of USD 300 million. A significant portion of these budgets goes to secure large pieces of land in a dense city. The buildings are state of the art, and promotional brochures feature large glossy photographs of the physical buildings. International schools run by Education TNCs frequently have Olympic-size swimming pools. GWA Singapore is building a planetarium. Schools under GEMS, Cognita, and Nord Anglia are big on technology. GWA schools have a Samsung smart board in every classroom; every student has an iPad.

Another sign of exclusivity that the firms ensure is visible relates to the profile of affiliated staff. GWA Singapore has a former Olympic national coach as the swimming instructor. The in-house chef at SAIS, whose name adorns the cafeteria, has his own restaurant and hosts a cooking program on television. His counterpart at GWA Singapore previously was head chef at the Shangri La Hotel. Hiring these high-profile individuals not only contributes (presumably) to quality, but just as importantly it sends an easy-to-understand message to parents: we work with only the best. When the chef or the sports coach has received status before coming to the school, then parents can infer that he or she is excellent. Relying on these other affiliations is a faster and more controlled way to convey a message about quality than is waiting for the food or the swimming instruction to gain a reputation.

At the schools and in promotional material there is also a conscious effort to build an identifiable brand. I observed this branding when I visited the GEMS admissions office in Singapore, located off-site since the school had not yet opened. The “GWA Singapore Information and Enrolment Centre” was located at Forum Mall on Orchard Road, one of the most expensive locations to rent space. The office on the second floor was dedicated to displaying brochures from GEMS and from GEMS schools. The office was unmistakable because of the GEMS colors, logo, and design styles. This approach to branding is not so different from other major TNCs like Apple.

Scale and Connections

In the promotional materials of Education TNCs, two themes stand out. The first is the global presence of the brand. Representatives of Education TNCs are keen to note that joining a school that belongs to a global network has great advantages. Large brands bring reliability, they seem to claim. The sheer financial scale of these firms is also presented as a source of stability. Another point is that a global network of schools can benefit students and parents. Since many students are expatriates, they have a parent who may move from one city to another every few years. At a recent public lecture in Singapore, GEMS’ Dino Varkey explained that their global network sets their schools apart.³ Other Education TNCs make similar claims. Nord Anglia runs a “Global Classroom” that uses the Internet to connect students from its various schools. As the website for one Nord Anglia school states, “Our Global Classroom turns learning into an international experience, connecting 20,000 students from Nord Anglia Education’s schools around the world” (<http://www.nordangliaeducation.com/our-schools/hong-kong/learning/global-classroom>). Cognita and GEMS stress that students can shift to another school run by the firm. A representative of Cognita noted that the firm, not each school, sets the guiding statement for all the schools. The primary years program coordinator for a GEMS school stated that children could attend summer programs at branches in other locations. The possibility of moving to another school under the same brand eases concerns about discontinuities in curricula and disruptions due to joining waiting lists after moving. An innovation of these firms is to market a single school network so that the spatial mobility of a family across national boundaries does not undermine the coherence of an education program.

A second theme is the firm’s connections to powerful individuals and organizations. GEMS, for example, provides a set of brochures for prospective customers. The thickest brochure is to introduce many public figures who are connected with GEMS. A photo of Bill Clinton and CEO Sunny Varkey shaking hands covers the first two pages. The first sentence of the brochure states that “GEMS Education is the first kindergarten to grade 12 education operator in the world to become a partner of the Clinton Global Initiative.” The pamphlet contains photographs of several other famous individuals, alongside with quotations in which they mention GEMS. The individuals range from politicians, such as Tony Blair and former Australian deputy prime minister Mark Vaile, to representatives of major corporations, such as Microsoft

³ I attended a talk by Varkey on 15 January 2015 at the GWA Singapore campus.

and LG Electronics, to educators like George Walker, former director general of the International Baccalaureate Organization (IBO), and to astronaut Captain Barry E. “Butch” Wilmore. The website of the foundation run by GEMS features a video of Bill Clinton stating his pride in being involved with the Varkey Foundation. The Singapore Australian International School’s invited speakers include Nobel Laureates.

These points echo concerns raised in studies of marketization in other contexts. In an examination of school choice reforms in the United States, Lubienski (2005, p. 465) concludes that such reforms encouraged firms to focus on marketing rather than seeking to differentiate themselves and offer distinct alternatives to parents: “Schools are not always responding to competitive incentives in the ways that the theory predicts.” Research on universities has noted pressures to re-organize to be geared toward PR rather than teaching or research (Baltodano 2012, pp. 500–501). The new Education TNCs operating in the Asia Pacific seem to be following a similar pattern.

Given the similarities across schools, an important question is whether the differences that do exist are sufficient to convince parents to select one school over another. A full answer to this question requires a survey of parents in a given context in order to gain insight into their decisions. In my discussions with admissions staff at several schools, I have found that information about what drives parents to select one school over another is lacking. It may be that specific programs attract parents. Or perhaps aggressive marketing campaigns are key. Other factors, such as location and social networks, may play crucial roles in driving parents to choose a school. Further research on this question is required. Nonetheless, we can observe some striking similarities in the ways firms invest heavily in marketing their schools as exclusive.

Teachers

Another selling point stressed by international schools run by Education TNCs is that they have the top teachers. Management techniques comprise a set of tools for ensuring quality teaching. Free from the restrictions on staff at government-run schools, the firms can fire staff and use bonuses and salary increments to reward performance. There are other inducements as well. Nord Anglia, for example, provides professional development opportunities for staff. These opportunities are organized around an online portal, called “Nord Anglia University,” through which teachers can find courses, study teaching models, and interact with Nord Anglia teachers elsewhere in the world.

Finding top educators is a starting point in developing a strong teaching team. One place to recruit teachers is at job

fairs for international schools. Placement of teachers in international schools has itself become a global industry. Two large search firms, International School Services and Search Associates, operate job fairs to link teachers with schools. In Asia, Bangkok and Singapore are the most common fair sites, with events occurring several times a year.

Recruitment fairs comprise only one source for international schools. Another common approach is to hire teachers away from other international schools in the area. At GWA Singapore, officers proudly stated that many of their teachers had taught at other leading schools in town. Of the 180 teachers at SAIS, 51 had previously worked at another school in Singapore. Often, the schools do not even need to search for these teachers. In cities with many international schools, educators are keen to find the next good opportunity. Teachers without experience teaching the International Baccalaureate (IB) program are regularly hired by firms to teach in that program; some express disappointment when they learn they will not receive any special training. It is not only teachers who move from school to school. In interviews, school officials do not hesitate to note that their instructors and management come from competing schools. In fact, having successfully recruited such persons away from competitors is a point of pride. It indicates that these individuals have experience and qualifications. The professionalization of education management seems to bring with it a field of rotating educators from which Education TNCs draw.

In meetings with parents, admission officers emphasize that their teachers are well rewarded for their work. One admissions officer, for example, explained that the school’s teaching assistants receive the highest pay in town. The emphasis on high pay appears to have the purpose of convincing parents that the teachers must be good—otherwise they would not earn so much. The philosophy behind this approach is similar to the frequently cited idea that “merit pay,” or higher salaries for performance, can induce better teaching, which can in turn lead to more satisfactory education outcomes. This claim lies near the core of debates over reform of public education systems in the United States and increasingly in East Asia. The Gates Foundation is one of the nonprofit organizations that has donated money to advocate for and to directly fund merit pay reforms (see, e.g., Barkan 2011; Kovacs 2011). Of course, higher pay works to pry teachers away from other schools, making the task of recruitment much easier for Education TNCs. Just because teachers receive higher pay does not mean they are better.

I do not dispute claims that teachers at these schools may be first-rate. However, the only way to know about the quality of the teachers is through systematic study of performance, not through incentives that theoretically produce

quality. It is important to be aware that schools have a variety of ways to demonstrate claims about the quality of teachers. Not all of these ways are directly related to teacher performance. Higher pay might come with higher performance expectations, but this pay is also a marketing strategy. By poaching teachers from other schools with better pay, firms can meet their recruitment needs with relative ease and signal to parents that they have strong instructors. The value of this marketing signal in attracting parents may be worth the additional cost.

Curriculum Design: Programs and the Commodification of Education

An area where schools would seem to have the greatest flexibility is in curriculum design. One might expect that a consequence of that freedom would be the emergence of a vibrant marketplace with a diverse range of education programs. Liberated of the constraints of national curricula, for-profit firms could compete to offer different types of education. This vision seems to be what advocates of school choice have in mind when promoting for-profit schools. Nord Anglia founder McNeany maintains that it is “not our policy to privatise everything. What we want is diversity” (quoted in Beckett 2002).

An examination of education programs at these schools reveals an overwhelming focus on accreditation with internationally recognized programs. Foremost among these is IB, followed by Cambridge IGCSE (International General Certificate of Secondary Education) and the British national curriculum. Nord Anglia schools in the Asia Pacific use either the British national curriculum or IB, or both. Cognita’s schools mostly use IB, while the Saint Andrews chain it acquired in Thailand also offers the British curriculum.

Since education for these TNCs is a business, using terminology from the business world is appropriate for thinking about curricula. What do consumers (parents) want from education? One priority is the best chance for their children to enter a leading university. In this model, the curriculum is a product. Its value is linked in some way to the goal of entering a top university. A large number of people around the world need to see that a given curriculum is high quality. The value of turning to IB for the curriculum lies in signifying the status of the education to multiple parties. The IB program is widely considered exclusive. As a US-based teacher at an IB school noted, “We say we don’t want to be an elitist program but I’m not sure that is true. There are parents and students and teachers who like that IB is considered to be for ‘the chosen few’” (quoted in Gerry and Corcoran 2011, 31). IB is a brand. Like major firms in any consumer-oriented sector,

Education TNCs associate their products with a global brand. These schools want to show that they are the best. To be the best requires a global standard. This is where international curricula agencies like IB and IGCSE come in. Programs like IB are excellent tools for the commodification of education. Education TNCs thus aim not to create schools that are distinct from each other but to demonstrate that they have a high-value brand.

The IBO, based in Switzerland, is officially a nonprofit organization. It is also a major global organization with substantial annual revenue. Thousands of schools worldwide include 314 in East and Southeast Asia, use the IB curriculum (calculated from www.ibo.org). A main source of revenue is the charging of fees to schools that adopt the IB program. In 2013 it earned USD 162 million in revenue from school fees (International Baccalaureate Organization [IBO] 2014, p. 2). Schools that wish to gain IB accreditation must pay a fee to IBO, which then conducts a series of inspections of the school before giving it the right to offer an official IB diploma. Schools using the IB curriculum continue to pay fees to IBO. Since revenue is generated from registering schools, IBO has a stake in expanding its curriculum to more and more schools. It is therefore understandable that marketing and expansion are priorities for IBO.

Expansion in Asia is especially important to IBO. Between 2012 and 2013 revenue from the region grew by 20 % For each other region, revenue declined (IBO 2014, p. 6). Overall, the organization’s revenue expanded by more than 10 %—due to strong growth in the Asian region. IBO and Education TNCs are good partners in expanding in the region.

What is useful about the IB curriculum is not its uniqueness or even its quality but its global stature. People—including admissions officers at leading universities—know what it means. It acquires a status. This point is not to belittle IB education but to observe that to Education TNCs its most valuable feature is not its content but the ability it has to make a school career on one side of the world intelligible on the other. Education TNCs are enthusiastic about IB for the way it makes their product legible. An effect of multiple large education firms choosing IB or one of a few other curricula is a lack of diversity. Instead of actually developing educational programs that are distinct, Education TNCs focus on advertising that their education is linked to one of a few well-known brands.

Economies of Scale

The experiences of the Education TNCs in Asia suggest that large, global firms can have an advantage in delivering education. As noted above, being big and having multiple

locations can be a selling point. There are other reasons. Several governments in the region have regulations and administrative practices that make entry of foreign school groups difficult. It is notable, for example, that only Nord Anglia has successfully broken into the Chinese market. Even in places where business regulations are unproblematic, being a large and known firm can be helpful for dealing with government. Representatives of GWA Singapore noted that governments invite GEMS to establish schools rather than GEMS approaching governments. Since international schools tend to be set up in big, crowded cities, having government assistance in gaining access to land can be helpful.

Another advantage to scale is the lower marginal cost of setting up a new branch. For Education TNCs, establishing a new school (or re-organizing an existing one) is not so different from a hamburger chain or coffee franchise setting up a new outlet. The product already exists. The promotional material does as well. The value of the brand is already known to some potential consumers. The organization has systems in place for hiring staff. Software systems for grading and for online engagement have been designed and require no work to extend. Any localization that occurs, such as language courses, can be added with minimal difficulty. When a school belongs to a “global network” it really means that it offers the same product as a school somewhere else. This is globalization not as an increase in diversity but as a homogenization of experience. Education TNCs are following the models of successful consumer-oriented global corporations in other sectors.

Even in public education, large firms have gained when privatization has occurred. The Swedish example is instructive. In 1992, Sweden introduced a school voucher program that let individuals set up for-profit schools funded by the state. The policy was intended to encourage small groups of parents to set up schools in their communities. The for-profit sector grew quickly. Now, more than 10 % of compulsory education students are in independent schools (Sahlgren 2010, p. 6). An unintended consequence was the rise of education firms that grew into chains. As chains they could out-compete independent schools. As they grew, they sought partners as sources of finance. Internationella Engelska Skolan, for example, partnered with an American firm in order to fund expansion. In some instances, the ordering has been reversed. Private equity firms jumped into the business of launching schools. With guaranteed government money, running schools was a safe and potentially lucrative place for savings. Faced with a small set of large firms running schools, the Swedish government has acknowledged mistakes in the policy and is undertaking reforms.

Perhaps large firms are better able to provide quality education than smaller firms and to do so at a lower cost.

However, we should note the trade-offs that accompany such a market structure. If a principal reason to allow for-profit education is to create a competitive, diverse market, then that goal might not be realized through privatization alone. Allowing for-profit schools can encourage the rise of a smaller number of large firms. This result is different from the claims of school choice advocates.

Conclusion: Markets and Choice in Education

The large potential school market in the Asia Pacific is driving Education TNCs into the region. These firms have a particular approach to offering education. There is a tendency to respond to market pressures not by developing distinct programs but by devoting energy to marketing. The message of Education TNCs is that their schools provide the best education instead of some particular kind of education. This message resonates with the notion of a global hierarchy of educational achievement, defined partly in terms of university reputations. Internationally known curricula like IB and Cambridge IGCSE also help make it possible to package education as product with a particular status. A result is that the entry of Education TNCs, regardless of any judgment of the quality of their programs, seems to fall short of the promise that for-profit education creates greater choice for parents.

Educationists in the Asia Pacific should pay attention to Education TNCs for two reasons. First, their growth suggests they could have an impact on multiple aspects of schooling in the region. These firms have an interest in the privatization of public education, and where they develop positive reputations citizens may become sympathetic to that call. Education TNCs have already gained experience negotiating with governments in the region. Reflecting on other contexts, Ball (2012) notes that private education corporations now make public policies—their actions have impacts that are as significant as government action. In the Asia Pacific, we should be aware of what these global firms are doing.

Second, there is a lesson for thinking about school choice reforms. Most governments in Asia have not introduced such reforms, but there is interest. The behavior of Education TNCs in international schooling can shed light on what such reforms might bring to public education. None of this is to say that the promise of competition in education is in itself a problematic aspiration. Markets can induce healthy competition, perhaps even in education. However, we should be careful to distinguish between privatizing reforms that create competitive education markets and privatizing reforms that allow large firms to establish uncompetitive practices. One set of policies is market friendly, the other is simply business friendly.

Debates in the region over privatization of education should keep in mind the lessons of Education TNCs.

Future research might give attention to the impacts of Education TNCs on the school landscape. In the international school sector, we may be witnessing the decline of community-operated schools. Systematic analysis of the international school scene in particular location could help determine whether this is indeed the case. Another set of impacts would be on styles of administration in international schools. The management techniques of Education TNCs may be spilling over into other international schools. Finally, an assessment of quality of education in the international school sector as a whole would be useful for understanding whether the entrance of Education TNCs has improved educational outcomes of students throughout the sector.

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