Global trade agreements and their effect on education

One of the defining characteristics of globalisation is the demand it creates for a system of global free trade and laissez-faire economics. Marginson (1999) argues that under it nation states are now merely junior partners for large multinational companies, and that this particular politico-economic agenda is advanced through pro-capitalist ‘manoeuvres’ like the introduction of the euro. The development of global markets is not a natural occurrence, but the deliberate result of specific national and transnational forces (Bottery, 2001), which have had the effect of introducing to education a new business lexicon and a new ethic. At its most basic, globalisation affects the ‘financial probity of nation states and their ability to maintain adequate provision of services’ (ibid.: 204) like public schooling. Critics hold that globalisation constrains what a state can do in its own interest, and although national governments still have a large degree of freedom in relation to domestic economic policy, that discretion is lessening all the time (Held, 1999). In the interim, multinational companies are creating international networks of coordinated production that pay little or no heed to national borders (Reid, 2002) and the fear of wealth fleeing from one inhospitable country to another more sympathetic one limits the de facto autonomy of national governments to act. Decisions are now increasingly made by international bodies such as the United Nations, the World Bank, the International Monetary Fund, the European Union, the North American Free Trade Association, the Organisation for Economic Cooperation and Development (OECD) and so on, in a constrained form of democracy where decisions are no longer made by elected representatives.
The relationship between globalisation – most tamely defined as the process by which countries and their citizens are increasingly drawn together (Porter, 1999; Parekh, 2003) – and education is clear, though opinion varies as to whether or not it is a good thing and how best to engage with it (Soudien, 2005). Opponents regard globalisation as the cause of public sector downsizing and creeping privatisation, and as something that adversely affects public school provision and social well-being. According to Kuehn (2001a) and others, three features characterise it: the destructive effects of global competition and rampant, unfettered capitalism; the emergence of constrained democracy resulting from the fact that governments are limited in how they can act in the interests of their own citizenries; and the prostitution of schooling whereby its raison d'être is reduced merely to the human-capital approach of serving the economic good (Dreze & Sen, 1995) through a school curriculum driven chiefly by commercial considerations. Supporters, on the other hand, suggest that there are long-term gains to be had from all this and from greater competition, although critics counter by describing the reality of competition as a ‘race to the bottom’, where ‘wages, working conditions and social programs are all caught in a downward spiral’ (Kuehn, 2001a: 1).

Kuehn’s (2001a) point about the downward spiral is that highly skilled jobs – not just menial, low-skilled work in textile manufacture – are chased by globalisation into low-wage regions and workers from developed countries find themselves increasingly employed without security in temporary jobs with poor prospects. Simultaneously, social benefits for the disadvantaged are being eroded while greater choice in areas like public schooling appears increasingly to benefit only the already advantaged. It seems to critics of globalisation then that the purpose – or at least the outcome – of international trade agreements is to stop governments from being able to listen to citizens and intervene in (supporters of globalisation and competition would say ‘interfere with’) the market on their behalf. Global business has usurped the ability and obligation of democratic government to act in the interests of its people.

As a result of globalisation, the service sector has grown enormously in developed countries. Services, rather than production, now represent approximately 70 per cent of the economy of the world’s richest countries, and therefore from necessity there are now international agreements on trade in services (General Agreement on Trade in Services – GATS) similar to earlier ones on product trade (General Agreement on Trade and Tariffs – GATT). As a consequence, trade in services like public education requires a monetary value to be put on it and this is a new departure