A Dual Economic System Approach to Offering an Online Economics Course of Study to Students in Developing Countries
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Workers in developing nations are increasingly becoming involved in global commerce through employment in call centers and performance of computer programming, medical transcription, etc. There are, however, insufficient educational resources available to these workers. Efforts need to be made to deepen and broaden the educational opportunities to these workers should development be expected to continue at the current or even an expanded pace. In order for the educational efforts to be successful, the courses must be relevant, efficient, and tailored to the cultural and educational background of the workers involved. A course of study in economics, developed by US and German institutions of higher education, offered online, would not only increase the productivity of the workers but lead to higher savings rates at both the individual and national level, as it has been shown that education in the principles of economics, especially in the area of personal finance, leads to higher personal savings rates for individuals and higher growth rates for countries. This paper proposes a course of study in economics, developed by faculty and institutions in the United States and Germany, and offered to workers and students in developing countries.

While the participation rate of the traditional college-age students approaches 60% in the United States (Evans & Haase, 2001), it can be as low as 1% in countries with the lowest income levels (Bloom, Canning & Chan, 2005). This is in light of research
by James Perkins (1977), former chairman of the International Council for Educational Development and former president of Cornell University, which found that societies that do not achieve a gross enrollment ratio for their college-age population of at least 12% will not develop at a rate that keeps pace with the developed countries and thus will fall further behind. The stark reality of the consequences of the findings of this research is put into perspective when combined with Daniel’s (1996) research that forecasted it would take at least the opening of one large university a week in the developing world just to maintain the gross enrollment rates at the dismally low levels at which they were. To address the continued imbalance in the higher education market, former Secretary-General of the United Nations Kofi Annan recognized the importance of online learning during a speech in 2000, when he said, “Information technology should be used to tap knowledge from the greatest universities in the world, and bring their learning to all” (Annan, 2000, ¶12).

As with the globalization of business and the growth and importance of electronic commerce, universities have implemented courses and degree programs in higher education that often use the Internet, allowing these courses and degree programs to be unconstrained by time, distance, or even national boundaries. (Mendler, Simon & Broome, 2002). Given, however, the inherent risks of foreign ventures, when institutions of higher education have ventured into foreign educational markets, they have often sought foreign higher educational institutions as partners (Rubin, Bernath & Parker, 2004). Educational institutions in the United States are at the forefront of this trend, embracing the prospects of increasing the over $13 billion in export revenue associated with higher education at the turn of the century (Economist, 2005b). The World Trade Organization (WTO) has recognized the importance of the trade in educational services and has made it a
part of the negotiations on the General Agreement on Trade in Services (GATS), with education being designated as an area where some countries, notably the United States, have committed themselves to having an open market (Farrington, 2001).

In the sphere of higher education, a multinational team of faculty representing multiple institutions of higher education teaching online would be well-equipped to offer an online program of courses, capitalizing on a trend that maximizes efficiency and allows transactions to be conducted around the world, unconstrained by time or location (Mendler, Simon & Broome, 2002; Rubin, Bernath & Parker, 2004). Concurrently, developing countries need opportunities in higher education (Gardner, 1998; Sadlak, 1998). An illustration of this need is the statistic that a person in sub-Saharan Africa is 17 times less likely to pursue a higher educational opportunity than a student in a developed country (Sadlak). An attempt must be made to meet the educational needs of these populations if the development of these countries is to materialize (Gardner; Perkins, 1977).

1. INTERNATIONAL HIGHER EDUCATION COOPERATIVE VENTURE

Firms, as well as educational institutions, often use cooperative ventures with foreign partners in order to reduce risk (Earley & Gibson, 2002; Inkpen & Currall, 1997; Prieto & Arias, 1997). While combining resources in international cooperative joint ventures has been a method used by firms to capitalize on comparative advantage and reduce risk, key questions in any international joint venture would be the market to be entered, choice of partners, and the mode of entry. The answers to these questions indicate that the US and Germany would be appropriate
partners to offer higher education online economics courses to students in developing countries.

*Education in Developing Countries*

There has been a lack of investment in developing countries, with the percentage of students who have pursued higher education in the traditional age range of 18–23 in these countries ranging from 32% in middle-income countries to only 6% in low-income countries ([TFHE, 2000](#)). Despite the evidence for increased investment in higher education in developing countries, during the last few years of the 20th century, the World Bank reduced the percentage of its budget used to support higher education, partially in favor of primary and secondary education ([Bloom, Canning & Chan, 2005](#)). Given the diminished support, establishing priorities becomes an essential task facing developing countries with growing populations facing scarce resources. Developing countries and donors must decide at which level, elementary, secondary, or tertiary, educational aid will be most effective. With reduced support for higher education, it is important that the available resources be invested in areas where the return on investment will be greatest, such as science, technology, and the social sciences, which include the subject of economics ([TFHE, 2000](#)). A social science such as economics was included in this group, because a sound grasp of economic literacy would be useful in allowing for the most efficient use of scarce resources and is a prerequisite for the understanding of the alternatives for development that have been followed by the newly industrialized economies (NIEs), including Korea, Singapore, Taiwan, and now China ([Prowse, 1993; Rader, 1996; Stern, 2002; Stiglitz, 1998](#)).

To increase economic literacy in developing countries, it is important to tap into the existing institutions of higher education in
developed countries (Annan, 2000). A cooperative effort between higher education institutions from the United States and Germany, offering online instruction in the field of economics to students in developing countries, would capitalize on several aspects of the comparative advantages of institutions of higher education from these countries. The advantages include the US as a leader in the field of distance and online education, the traditional strengths of these educational institutions (Kerr, Gade & Kawaoka, 1994), the forms of capitalism unique to each country (Szabo et al., 2002; Trompenaars, 1994), and English as the world business language and native language of the US (Altbach, 1998a; Baumgratz, 1995).

2. CHOICE OF PARTNERS IN AN INTERNATIONAL JOINT VENTURE: THE US AND GERMANY

The US as a Partner in an International Education Joint Venture

US firms have had an advantage in doing business around the world, as English has been recognized as the world’s principal international business language (Baumgratz, 1995). English is the official language of 8 countries, the administrative language of another 70 countries, and about 80% of global electronic communication is in English (Crystal, 1997). Universities from the United States also have a distinct advantage in having the experience of offering online courses, especially in the subject of business (Evans & Haase, 2001). Many foreign universities in countries whose native language is not English have begun to offer courses in diverse subjects, using English as the language of instruction, with the expressed intention of attracting students from other countries (Döpp, 2003). Universities from the United States have the experience and capacity to enter such international markets, offering online courses, an educationally sound product, as demonstrated through research by Russell (n.d.). Russell’s
research is well known and cites numerous studies that have shown that there is no significant difference between student outcomes in traditional face-to-face courses and online courses. This also seems to be the case for student satisfaction (Allen, Bourhis, Burrell & Mabry, 2002).

**Germany as a Partner in an International Joint Venture**

The implementation of an online higher education program in economics offered only from the perspective of the version of capitalism practiced in the United States, where the market serves as the almost exclusive resource allocation mechanism for goods and services, may find a certain level of resistance in other countries (Hofstede, 2001). While the principles-of-economics course serves as the cornerstone for the study of business, as taught in the US, it includes scant mention of alternative models for economic systems beyond the extremes of capitalism and socialism. A review of three widely used textbooks in the US for teaching the principles of economics found that the pages devoted explicitly to the discussion of alternative economic systems have not changed over the last several years, ranging from several pages to none at all (Baumol & Blinder, 2006; Mankiw, 2001; McConnell & Brue, 1999). This is significant, given that of all the students who attended a four-year institution in the US in 1998, 40% completed at least one course in economics; 19% completed only one course in economics (Siegfried, 2000). This indicates that most college students in the US who take an economics course are being exposed to only one version of capitalism, one that is consistent with the high level of cultural individualism found in the US (Hofstede, 2001). The free-market capitalism practiced in the United States assumes a level of cultural individualism that is missing in most countries of the world. For instance, while financial incentive programs are a standard reward mechanism
used in compensation packages in companies in the United States, such individual financial incentive programs generally have not worked in Russia and other Eastern European nations (Welsh, Summer & Birch, 1993).

A system that may be more acceptable to countries that do not have as high a level of cultural individualism as the United States is the version of capitalism practiced in Germany. The German social market or Rhenish version of capitalism provides for firms to use the market for decision-making information but ensures a social safety net for individuals who are negatively affected by the market system (Gardner, 1998; Szabo et al., 2002). This system guarantees relatively generous assistance with adjustment and retraining for workers displaced in the competitive process. This version of capitalism also allows for codetermination, or worker participation in firm decision-making. Even today there is debate within Germany as to whether capital has become too dominant over labor, with the head of the leading political coalition stating that “The economy (ie, big business) must realize that it exists to serve people and not the other way round” (Economist, 2005a, p. 63).

Trompenaars (1994) called the diversity that exists in free market economics the seven versions of capitalism, or versions of capitalism practiced in the United States, the United Kingdom, Sweden, France, Japan, the Netherlands, and Germany. The cultural values maintained in these countries affect everything from the meaning found in work by the people in these countries to the attitude toward stakeholders (owners, workers, taxpayers, citizens, and those who are affected by the byproducts of the economic system, namely pollution, etc.) in the economic system. As an example, d’Iribarne (1994) compared technologically identical aluminum smelters in three advanced countries and was able to relate the leadership philosophies exhibited in these
organizations to the historical cultural traditions in these countries dating back to the 17th century. For instance, he referenced the stratification of French society as a precursor to the ability of a French manager to act unilaterally and “more high-handedly in a crisis situation” (p. 94).

In the United States and United Kingdom, in the tradition of Adam Smith (1776/1986), it is the individual pursuing his own interests who benefits society. The French, Germans, and Japanese “stand Smith on his head” and adhere to the philosophy that “if the needs of the group are considered first, then the invisible hand will reach down and automatically take care of the desires of the individual” (Trompenaars, 1994, p. 197). Fiske (2002) also felt that a way to study culture was by comparing economic institutions and systems and that “specific institutions and practices that permeate certain cultures undoubtedly have profound psychological effects” (p. 86). Both Fiske and Trompenaars built upon Tönnies’ (1887/1957) concept of Gemeinschaft (community) versus Gesellschaft (individualism) which found that commercialization and technology played a role in the transition from a society more dependent upon the group to one more independent of the group.

In an effort to investigate Tönnies’ (1887/1957) theory that commercialization can lead to a break with the cultural past, Smith (1997) reviewed two large-scale surveys of managers, those of Hofstede (1980) and Trompenaars (1994), particularly concentrating on results from Europe. The study attempted to discern whether there was a Euromanager who transcended the historical and cultural backgrounds of the numerous European states. The comparison found that the major difference was between East and West, where the footprint of history, namely the occupation by the Soviet Union of Eastern Europe, had had a major impact, as well as between North and South Europe. The commonalities found among managers from the various European
countries were in the area of event management, which can be defined as how managers handle various situations (Smith & Peterson, 1988). While 11 of 17 nations reported reliance upon a manager’s own experience and training as among the top two endorsed ways of handling events, this was true in only one of 18 of the remaining non-European nations. In comparing North with South European managers, Smith found that the managers from the North relied upon a greater involvement with subordinates, while in southern European countries, decision making was more in the hands of superiors. The conclusion in Smith’s study was that there continued to be considerable differences in the management preferences of European managers and these differences were persistent and nonrandom.

Along with the contrast its economic system would provide to that of the capitalism practiced in the United States, a further argument for choosing a German partner in an international higher education cooperation is the historical reputation of German universities for excellence. According to Kerr, Gade & Kawaoke (1994), p. 176:

The modern German research university, beginning with the founding of the University of Berlin in 1809, approached the discovery of truth and knowledge in all fields on the basis of scientific principles, joining the rational and empirical traditions to form the basis of modern scientific research.

The reputation for excellence in research led to the adoption of aspects of the German university model by many former developing countries, including the United States and Japan (Altbach, 1998a). As late as 2003, Egypt opened a German university in Cairo, primarily funded and run by German universities (Svensson, 2003). This is an example of the commitment Germany has made to help developing countries. Germany in 2004 contributed approximately 0.28% of its Gross
National Income (GNI) in “Official Development Aid (ODA)” (OECD, 2005). While Germany’s percentage contribution of GNI falls short of the United Nations’ 0.7% goal for each country, it is greater in percentage terms than the 0.16% donated by the United States. A further demonstration of Germany’s development efforts in the field of education is the Institute for Economic Education (IÖTB, 2005), a program by Germany’s Oldenburg University that offers courses in economics to transition economies in Eastern Europe.

Germany also has a history of distance education, albeit within its own borders. Opening just five years after the world-leading Open University in the United Kingdom, with its 180,000 university student distance learners, 25,000 of whom reside outside of the United Kingdom (Open University, n.d.), the FernUniversität Hagen plays a dominant role in Germany and a leadership role among universities in Europe that offer distance education (Kappel, Lehmann & Loeper, 2002). The public-sector FernUniversität was soon followed by the privately funded AKAD, which began by offering a distance learning higher education first degree in the field of economics. Both of these programs have employed traditional distance learning methodologies, namely textbooks and course requirements and the use of assignments being exchanged by mail, with the online courses playing a small but growing role (Kappel, Lehmann & Loeper).

Finally, in evaluating Germany as a partner in offering online higher education courses and degrees in developing countries, motivational factors for institutions in involving themselves in such programs should be considered. Facing a general population decline with the prospect of approximately a third fewer students by 2050, Germany’s over 350 institutions of higher education face a dearth of home-grown students (Economist, 2004). This need to expand outside of Germany was
recognized and as a result, according to the Web site for the International Centre for Higher Education Research at the Universität Kassel in Germany,

More and more countries are exporting study programmes. GATS (the General Agreement on Trade in Services) has made it easier for education providers to be present in countries other than their country of origin. After the UK and Australia started to conquer the world education market, Germany now also intends to offer its study programmes worldwide. (INCHER-Kassel, n.d., ¶1)

While German universities are not in a position to challenge the Open University’s premier position in offering distance and online education, especially in the countries of the Commonwealth, they may offer competition to Australian universities, because the latter have not shown an interest in pursuing distance education in foreign markets, preferring either to recruit foreign students to Australia or to open campuses in foreign markets (Nunan, 2005). The International Centre for Higher Education Research at the Universität Kassel has supported research to identify countries that could offer opportunities for German university cooperative ventures, concentrating on developing countries that demonstrate the potential for future growth in the educational markets as well as those that have historical, economic, or cultural relationships with Germany (Hahn & Lanzendorf, n.d.).

Table 1 lists, along with Germany and the United States, several of the countries that have been studied and given attributes amenable to an online cooperative higher education joint venture. Indicators of the potential higher education markets are listed, including the number of secondary graduates as compared to higher education graduates. This is compared to percentage of the
population with Internet access and the rate of growth of that access. In a country such as Turkey, with its traditional relationship with Germany, there is a great potential for an online higher education joint venture as there is a relatively low percentage of tertiary graduates in the ages of traditional graduation (11%) but the penetration of Internet usage in the market has grown substantially in the last several years (700%). As discussed, the

<table>
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<tr>
<th>Country</th>
<th>Secondary Education Graduates as % of Population at Typical Age of Graduation</th>
<th>Tertiary Education Graduates as % of Population at Typical Age of Graduation</th>
<th>Internet Penetration (% of Population)/Usage Growth, 2000-2007</th>
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<tr>
<td>Brazil</td>
<td>67</td>
<td>14</td>
<td>21/682</td>
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<tr>
<td>Chile</td>
<td>67</td>
<td>16</td>
<td>42/281</td>
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<td>Russian Federation</td>
<td>87</td>
<td>33</td>
<td>20/803</td>
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<tr>
<td>Turkey</td>
<td>41</td>
<td>11</td>
<td>21/700</td>
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<tr>
<td>Germany</td>
<td>97</td>
<td>20</td>
<td>61/110</td>
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<td>United States</td>
<td>73</td>
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<td>70/121</td>
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German university system has the connections with many developing countries and has had experience in the distance learning market (e.g., FernUniversität Hagen), but lacks the infrastructure and experience that has been developed by universities in the US in online education programs, which could be used to enter these markets without using outdated distance learning methodologies or setting up entire new campuses.

While it is clear that developing countries would benefit from programs and courses offered by educational institutions in developed countries, the reverse linkages, or benefits to a developed country such as Germany of this arrangement, include the ability to decrease the per student overhead of its institutions through increased numbers of students accessing German institutions both within and outside (through distance learning) of Germany.

**Characteristics of US and German Higher Education and Faculty**

To reduce the risk associated with entry into international markets, many firms and universities use cooperative efforts with partners from different countries (Earley & Gibson, 2002; Inkpen & Currall, 1997; Prieto & Arias, 1997). According to Philip G. Altbach, director of the Center for International Higher Education at Boston College:

We are at the beginning of the era of transnational higher education, in which academic institutions from one country operate in another, academic programs are jointly offered by universities from different countries and higher education is delivered through distance technologies.

(Altbach, 2004, p. 7.)

An example of such a program that has already been operating for several years is the University of Maryland’s
partnership with Germany’s Oldenburg University. This program offers distance learning certificates as well as a master’s program in distance education to students in 12 countries (Rubin, Bernath & Parker, 2004). The faculty involved in this project come from both the United States and Germany. This program, however, is primarily focused on preparing educators to work in the online educational market and does not specialize in any specific discipline. The success of this program appears to be a result of the strong partnership between the US and German faculty (Rubin, Bernath, & Parker). Thus the expected advantages of offering an online program of higher education courses in economics to students in developing countries would be dependent to a great extent upon the background of the faculty involved.

The market for labor is increasingly becoming internationalized, with added impetus coming from efforts of the European Union to recognize qualifications (Altbach, 2000). With increased mobility, the professoriate will come into contact with colleagues who are different in many ways, including nationality, culture, and the working conditions under which they teach. It seems, however, at least in Western Europe and the United States, that the professoriate has many commonalities independent of nationality:

Professors have traditionally valued their autonomy—the ability to control not only what happens in the classroom but also to determine the substance of their work. Few occupations have enjoyed the freedom of the professoriate to control the use of their time and the focus and range of productivity. In Europe, particularly, the ideals of professional autonomy combined with academic freedom in the classroom and laboratory have been hallmarks of the professoriate and remain primary values of the profession. (Altbach, 2000, p. 13)
There may also be differences with those in other professions, especially on the critical aspect of what they expect in their leadership. Kouzes & Posner (2003) surveyed over 100,000 respondents and asked “what personal values, traits, and characteristics are most important to them in an individual they would willingly follow” (p. 10). They found that only four attributes consistently received at least 50 percent of the votes: honest, forward-looking, competent, and inspiring. In contrast to the Kouzes and Posner study, the top four attributes chosen by a small sample of professors at colleges in the Southeastern US differed at a statistically significant level from the respondents in the Kouzes and Posner study (Albritton, 2005). College professors surveyed had similar responses to those surveyed by Kouzes and Posner’s, in that honest and competent were important attributes but differed from Kouzes and Posner’s respondents in not placing forward-looking and inspiring in the top four categories of important attributes of leaders. The faculty members instead emphasized the need for fair-minded leadership and supportive leadership.

The German professoriate is in a hierarchical system dominated by those at the top, who have tenure. The German model of tenure does, however, protect only a minority of the teaching staff, with the majority (72%) working on a full-time contract basis (Altbach, 2000). The senior faculty members who work at the approximately 90 research universities in the system (with the total number of higher educational institutions at over 330) will be the chair of an academic department and hold a civil service position within the federal government, a position that guarantees tenure protected by the federal constitution (Altbach, 1998b). Senior faculty members usually have completed a research doctorate as well as a further qualification, known as the Habilitation, which is earned after several additional years of
research beyond the doctoral degree (Altbach, 1998b). Most of the remaining teaching staff at research universities will hold a doctorate and will have finished the Habilitation, but most do not remain beyond a few years at a given university, because the opportunity to move up to a senior faculty or chair position is limited. This has created significant mobility and instability within the higher education faculty ranks (Enders, 2000).

Senior professors at German research universities teach approximately 8 hours per week (Enders, 2000). In contrast, professors in the 130 Fachhochschulen, or universities of applied sciences (Deutscher Bildungs Server, n. d.; Hochschulen in Deutschland, 2005) teach 16–18 hours a week. Fachhochschulen are higher education teaching institutions similar to institutions in the US listed on the Carnegie classification as Postbac-Comp (postbaccalaureate comprehensive). According to the degree data, these institutions award master’s degrees in the humanities, social sciences, and STEM (science, technology, engineering, and mathematics) fields, and degrees in one or more professional fields (Carnegie Foundation, n.d.). The German institutions in the Fachhochschule category have a focus on teaching, as contrasted with research universities (Hüfner, 2003). This is also true of US institutions in this Carnegie classification: faculty at these institutions, most of whom do not have doctoral programs in economics, have fewer research responsibilities than would be expected of faculty at the top-tiered research institutions. In Germany, they hold a lesser academic rank than senior faculty at research universities and almost always have a doctoral degree, but it is not required that they have the Habilitation. They are required to have a few years of postdoctoral experience outside of academia.

Just as the German state makes a large financial contribution, measured as a percentage of Gross National Income,
to the needs of developing countries, the state has historically taken seriously its mission of public service and aid to developing countries through its universities (Thelin, 2004). This is amply illustrated by the attitudes of its students. Public service is still pervasive among the German students of today, as illustrated in a recent survey of over a thousand German students. In this survey, 80% answered that it was very important to them to get a job that was useful to the community (Pritchard, 2004). This compares to a recent survey by UCLA’s Higher Education Research Institute (HERI, 2004) of US students, in which 73.8% of students beginning study at institutions of higher education in the fall of 2003 said that succeeding financially was a high priority. This was the highest value placed on this item in 13 years. Students’ desire to “develop a meaningful philosophy of life” reached its lowest level in history with only 39.3%; this compares to a high of 85.8% in 1967.

In contrast to the German professoriate, there have been many changes involving the composition of US faculty. Finkelstein, Seal and Schuster (1998) reported that there were considerable differences between older and new faculty members demographically, with greater diversity in ethnicity and national origin. As with their German counterparts, most research in the US was conducted at the research universities, with faculty at non-research universities having spent approximately 60% (ranging from 53% at doctoral institutions to 65% at liberal arts institutions) of their time teaching, while the corresponding figure was around 45% at research institutions (Layzell, 1999).

Compared with Germany, a larger percentage of US higher education faculty have tenure and the figure has remained relatively constant over the last couple of decades at slightly above 50% (Altbach, 2000). However, recently, more faculty than was previously the case were part-time adjunct or in full-time positions
without the prospect of tenure (Altbach, 1998b). Even with the more tenuous situation with tenure, as was the case with their German colleagues, three-fourths of US faculty were satisfied with their professional situation. They were also stimulated by working with interesting people, were autonomous, and valued a capacity to finish a task (Dunkin, 2003). Similar to their German colleagues, US faculty felt alienated from the administrative side of their institutions.

US and German universities, especially the categories of US Carnegie classified postbaccalaureate comprehensive and the German Fachhochschulen, given their common historical foundation, similar missions, and compatible faculty, may be well suited to cooperate in a joint venture offering an online economics program of study to workers and students in developing countries.

3. ONLINE EDUCATION

US Leadership in Online Education

It is important to consider the mode of entry for any multinational joint venture. Should universities in developed countries expand capacity in developing countries by physically adding programs or campuses in developing countries or should technology be leveraged to provide expanded capacity? In considering the comparative advantage of universities in developed countries, the appropriate means of entry may depend on technology.

As reported by the National Center for Education Statistics (NCES), the United States is a leader in the area of distance and online education, with distance education defined as the “delivery of instruction over a distance to individuals located in one or more venues” (Lewis, Snow, Ferris & Levin, 1999). In the 1997–1998 academic year, 61% of institutions of higher education employed
asynchronous Internet instruction in stand-alone online courses (Lewis, Snow, Ferris & Levin, 1999). By 2001, this had grown to 90% (Waits & Lewis, 2003). With the proliferation of online higher education programs that are often international in scope (Evans & Haase, 2001), the international student is often seen as the target market (Bates, 2001).

The Possibility of Online Education in Developing Countries

The task of opening at least one university a week just to maintain the inadequate status quo in developing countries (Daniel, 1996) may prove to be a daunting if not impossible task for developing countries. Developing countries that cannot afford to invest in brick and mortar infrastructure at the level necessary to maintain current participation rates may have to turn to online learning. Including the potential of developing countries, it is estimated that the online higher education market could be 160 million students by the year 2025 (Goodfellow, Lea, Gonzalez & Mason, 2001).

Online learning also has the potential for using the existing private resources of not only citizens but also companies. Given the lack of resources for building traditional brick and mortar campuses in developing countries, this may be a logical and cost-effective alternative (Bates, 2001; Knierziner & Turcsanyi-Szabo, 2002). This includes, for instance, employees using the infrastructure of call centers established in developing countries such as India or even taking advantage of efforts to introduce $100 laptops that incorporate wireless access to the internet and can use hand-cranks for a power-supply (Economist, 2005c). As an example of the ability to enable wireless access for the $100 laptops in remote villages, Inveneo, a company launched in 2004 by Silicon Valley executives, provided solar-powered Internet access to 800 members of a village in the mountains of Western
Uganda (Bower, 2006). The total cost of the system was under $2,000 and it has been a factor in rising incomes and health levels. Advances in technology have also allowed the Royal Halloway, University of London, to offer a geography and development master’s degree online program in some of the most connectivity-poor regions of the world (Mendler, Simon & Broome, 2002). A project with primary funding from the United States Agency for International Development in Asia and the Near East (USAID/ANE) demonstrated that even in remote areas of Cambodia, Internet access offered through Community Information Centers could allow rural students to access online higher education courses in business and economics and to achieve a completion rate of 75% (Abdon, Ninomiya & Raab, 2007).

**Offering Online Courses in Economics to Developing Countries**

Since the end of the Second World War, several economies in Asia, including Japan, Hong Kong, Korea, Taiwan, and China, have experienced phenomenal economic success, as measured by per capita income, literacy rates, health indicators, etc. (Gardner, 1998). Extensive study has been undertaken to understand this success. Efforts to apply the apparent lessons learned from this success were met with mixed results in the former Soviet Bloc countries of Eastern Europe. There is, however, clear evidence as to the economic importance of an understanding of markets, especially financial markets (Gardner, 1998; Greenspan, 2001; Stiglitz, 1998). Gary H. Stern, in his role as President of the Federal Reserve Bank of Minneapolis, in paraphrasing an interview with Robert Solow, 1987 winner of the Nobel Prize in Economic Sciences, stressed the importance of economic literacy in a speech at the annual meeting of the Virginia Council on Economic Education in October 2002:
Conveying economic ideas clearly is a very difficult thing to do, and yet it is essential that we succeed because too much of what passes for debate on policies is nearly incoherent. Certainly, citizens better steeped in the principles of economics would be able both to understand and to contribute to discussion about policy at a higher level, and consequently we should expect better policies over time as a result. (Stern, 2002, ¶ 5.)

As an example of the positive ramifications that increased economic literacy would have in developing countries, Clancy, Grinstein-Weiss & Schreiner (2001) found, in a study of over 2,300 low-income research study participants, that with only a few hours of education on finance and financial markets, participants significantly increased levels of financial savings. This is especially relevant for developing economies, because it has been theorized that the single most important attribute of Asian economies that has led to their miraculous growth is the savings rate of members of these economies (Krugman, 1994).

While various methods can be used to penetrate foreign markets, a significant barrier to entry will include the intercultural conflicts that often arise with either the customers or partners chosen (Barkema & Vermeulen, 1997; Jehn, Northcraft & Neale, 1999; More & Spekman, 1994). Given the record of successful application of technology and methodology (Mendler, Simon & Broome, 2002; Rubin, Bernath & Parker, 2004; Russell, n.d.), leading and managing online cooperative ventures may prove to be a critically challenging aspect of the implementation of international online higher education courses.
CONCLUDING REMARKS

The workers in developing countries are increasingly being integrated into a globalized economy. However, to this point, the percentage of the population that is participating in the increased prosperity being created from this cooperation is minimal. If workers who are already participating in economic development, such as in the call centers of Bangalore, India, are to command higher wages for jobs which require greater education levels, they must be afforded the opportunity to participate in the commensurate educational opportunities available to students in developed countries. For most of these workers, taking the opportunity to leave their place of employment and continue their studies in a developed country would take a personal investment that is not available or a government subsidy that is probably not forthcoming. Access to educational opportunities in their own countries, given the minimal investment in infrastructure in relation to their populations, is very limited given what it would take to meet the needs of these growing populations. Therefore, in heeding the call of the former Secretary General of the United Nations to have the best universities of the developed world leverage their investment in technological infrastructure to bring higher education to the developing countries, this paper investigated an innovative approach to exploiting the comparative advantage of offering economic education to students in developing countries through online courses. The course materials to be offered should recognize the diversity that exists in the free market model, as well as the diversity of the students who will be participating in the courses. An online course of study in economics by faculty from the United States and Germany, teaching, with the language of instruction being English, a dual economic system approach which compares and contrasts the
versions of capitalism practiced in both the United States and Germany, would find more traction among students in developing countries. This approach capitalizes on the more communitarian/less individualistic cultural background of many students in developing countries. US and German higher education institutions, operating in a virtual joint venture with the know-how and online infrastructure capabilities of a US university along with the reputation of the German higher educational institutions in developing countries, would help meet the needs for educational opportunities for students in developing countries in a critical subject area.

This proposal has provided the theoretical justification for a project to be undertaken to provide critical higher education opportunities to students in developing countries. It has also given consideration to the partners necessary to undertake the joint venture, namely universities from the United States and Germany, advocating a cooperative venture by universities from both countries in order to combine the experience of a strong online-presence of a US university with the historical reputation enjoyed by German universities in many developing countries and the form of capitalism practiced in Germany. Subsequent research will need to be conducted to determine the logistics of such a partnership, details probably best left to researchers and administrators from interested universities in Germany and the United States.

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