

harmonization of its divergent academic systems. An unprecedented number of students travel abroad for study, and there is a functioning global market for highly educated personnel. The world is moving toward internationalizing higher education by using the energies of academe and responding to market needs. At the same time, those on both side of the equation have the power to shape educational transactions.

A new treaty that will have the power to force countries with quite different academic needs and resources to conform to strictures inevitably designed to serve the interests of the most powerful academic systems and corporate educational providers will only breed inequality and dependence. Intellectual globalization is alive and well now and does not need the straitjacket of GATS and the WTO. We should be moving toward a globalization based on equality rather than a new neocolonialism. ■

Trade Creep: The Implication of GATS for Higher Education Policy

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The General Agreement on Trades in Service (GATS) plus other regional trade agreements are testimony to the increased emphasis on trade and the market economy in this era of globalization. GATS is the first legal trade agreement that focuses exclusively on trade in services—as opposed to products. It is administered by the World Trade Organization, a powerful organization with 144 member countries. Education is one of the 12 service sectors covered by GATS. The purpose of GATS is progressively and systematically to promote freer trade in services by removing many of the existing barriers. What does this mean for higher education?

The current debate on the impact of GATS on higher education is divided, if not polarized. Critics focus on the threat to the role of government, the “public good,” and the quality of education. Supporters highlight the benefits that more trade can bring in terms of innovations through new providers and delivery modes, greater student access, and increased economic gain. The purpose of this article is to discuss both the risks and

opportunities that GATS brings to higher education and to identify some issues in need of further analysis.

Trade in Context with other Trends

Trade liberalization is firmly enmeshed with other issues and trends in higher education, which complicates the task of isolating the implications emanating from trade alone. These trends include the growing number of private for-profit entities providing higher education opportunities domestically and internationally; the use of information and communications technologies (ICTS) for domestic and cross-border delivery of programs; the increasing costs and tuition fees faced by students at public and private institutions; and the need for public institutions to seek alternate sources of funding, which sometimes means engaging in for-profit activities or seeking private-sector sources of financial support.

These trends are evident in both developed and, to some extent, developing countries. How does the existence of the GATS relate to these trends? While GATS may contribute to a commercial approach to education and lead to expanded use of electronic or distance education, it cannot be held responsible for the emergence of these trends. In fact, it is important to acknowledge that the business side of transnational or cross-border education was alive and well before the advent of GATS. Supporters of more trade in education services celebrate the existence of the GATS to maximize the benefits of these new opportunities. Critics emphasize the risks associated with increased trade—believing that it leads to more for-profit providers, programs of questionable quality, and a market-oriented approach—which are seen to challenge the traditional notion of education as a “public good.” The following sections identify questions and issues that need to be explored in terms of the impact of trade liberalization and GATS on policy directions for higher education.

Student Access

Government and public education institutions have keenly felt the responsibility of ensuring access to education. In many, if not in most, countries this is a challenging issue as the demand for higher and adult education is steadily growing, often beyond the capacity of the country to provide it. This is one reason why some students are interested in out-of-country educational opportunities, and more providers are prepared to offer higher education services across borders.

When increased trade liberalization is factored into this scenario, the question of access becomes complicated. Advocates of freer trade maintain that consumers, or students, can have greater access to a wider range of education opportunities at home and abroad. Nonsupporters of trade believe that access may

be more limited because trade will commercialize education and consequently escalate the cost of education and perhaps lead to a two-tiered system. This raises a fundamental question regarding the capacity and role of government with respect to providing open or limited access to higher education and the question of funding.

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Funding

Many governments have limited budget capacity or at least lack the political will to allocate funds to meet the escalating costs of higher education. Can international trade provide alternate funding sources through new providers? Advocates of trade in education services would answer “yes.” Or, does it mean that public funding will be spread across a broader set of domestic and foreign providers because of GATS rules, such as national treatment and the unanswered question of whether public funding is seen as an unfair subsidy. Furthermore, does the presence of foreign providers signal to government that they can decrease public funding for higher education, thereby jeopardizing domestic publicly funded institutions. Does international trade in education advantage some countries, such as those with a well-developed capacity for export, and disadvantage others in terms of funding or access?

Regulation of Foreign or Cross-Border Providers

The development of a regulatory framework to deal with the diversity of providers and new cross-border delivery modes becomes more critical as international trade increases. In some countries, this will likely mean a broader approach to policy—involving licensing, regulating, monitoring both private (for-profit and nonprofit) and foreign providers in order to ensure that national policy objectives are met and public interests protected. More work is necessary to determine how domestic or national regulatory frameworks are compatible with or part of a larger international framework and how they relate to trade agreement rules.

Recognition and Transferability of Credits

New types of education providers, new delivery modes, new cross-border education initiatives, new levels of student mobility, new opportunities for trade in higher education—all this can spell further confusion for the recognition of qualifications and transfer of academic

credits. This is not a new issue. While trade agreements are not responsible for the creation of this confusion, they contribute to making it more complicated and also to making resolution more urgent. National and international recognition of qualifications and the transfer of credits have already been the subject of a substantial amount of work. The UNESCO Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications is currently focusing on this important issue.

Quality Assurance and Accreditation

Increased transnational education activity and new legal trade rules require that more attention be given to the question of quality assurance and accreditation of cross-border education programs and providers. It is clear that national quality assurance schemes are being challenged by the complexities of the international education environment. Not only is it important to have domestic or national policy and mechanisms, it is equally important that attention be given to developing an international policy approach to quality assurance and accreditation. Can coherence between a domestic or national system and an international policy framework actually strengthen national quality schemes rather than weaken them? Clearly there are risks and opportunities associated with this issue, but to do nothing is a risk in itself.

Quality assurance of higher education is in some countries regulated by the sector and in others by the government, to a greater or lesser degree. The key point is that authority for quality assurance, regulation, and accreditation for cross-border delivery needs to be examined and guided by stakeholders and bodies related to the education sector and not left in the hands of trade officials or the market.

Mobility of Professionals

GATS is facilitating the mobility of professionals to meet the high demand for skilled workers. This impacts many of the service sectors and has particular implications for the mobility of teachers and scholars in the higher education sector. In many countries, the increasing shortage of teachers is resulting in active recruitment campaigns across borders. Since many teachers and researchers want to move to countries with more favorable working conditions and salaries, there is real concern that the most-developed countries will benefit from this mobility of education workers.

Culture and Acculturation

Last, but certainly not least, is the issue of culture. Education is a process through which cultural assimilation takes place. Concern about the homogenization of cul-

ture through the cross-border supply of education is expressed by GATS sceptics. Advocates maintain that a new hybridization and fusion of culture will evolve through increasing mobility and the influence of ICTs. In fact, they believe that this has been happening for decades and is a positive development. Once again, the divergence of opinion shows that there are new opportunities and new threats to consider, especially on the question of acculturation.

The Dominance of Trade

Finally, it needs to be asked whether trade liberalization has the potential of dominating the higher education agenda. There is a risk of “trade creep,” where education policy issues are being increasingly framed in terms of trade and economic benefit. Even though domestic challenges in education provision are currently front and center on the radar screen of most countries, the issue of international trade in education services will likely increase in importance, perhaps at the expense of other key objectives and rationales for higher education—such as social, cultural, and scientific development and the

role of education in promoting democracy and citizenship.

At this stage, the questions outnumber the answers about the impact of GATS and trade liberalization. The questions are complex as they deal with technical and legal issues of the agreement itself; education policy issues such as funding, access, accreditation, quality, and intellectual property; the larger political or moral issues for society such as the role and purpose of higher education and the tension between the “public good” or “market commodity” approach to education. GATS is new, complex, untested, and a work-in-progress. It is, therefore, difficult to understand or predict its impact. The one thing that is certain, though, is that the higher education sector needs to be better informed and more involved in the debate and provide advice to trade officials about potential unintended consequences or possible opportunities.

This article is based on the report *Trade and Liberalization and Higher Education: The Implication of GATS*, prepared by Jane Knight for the Observatory of Borderless Higher Education: <www.obhe.ac.uk>.

New Challenges for Tertiary Education: The World Bank Report

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In the global environment, developing and transition economies face significant new trends affecting not only the shape and mode of operation but also the purpose of tertiary education systems. Among the most critical dimensions of change are globalization, the increasing importance of knowledge as a main driver of growth, and the information and communications technologies (ICT) revolution.

Both opportunities and threats arise out of these new challenges. On the positive side, the role of tertiary education in the construction of knowledge economies and democratic societies is now more influential than ever. Tertiary education is central to the creation of the intellectual capacity on which knowledge production and utilization depend and to the promotion of lifelong learning practices. Another favorable development is the

emergence of new types of tertiary institutions and new forms of competition, inducing traditional institutions to change their modes of operation and delivery and take advantage of opportunities offered by ICT. But this technological transformation also carries the danger of creating a growing digital divide among and within nations.

At the same time, most developing and transition countries continue to wrestle with difficulties produced by inadequate responses to long-standing challenges faced by their tertiary education systems. Among these unmet challenges are the sustainable expansion of tertiary education coverage, the reduction of inequalities of access and outcomes, the improvement of educational quality and relevance, and the introduction of more effective governance structures and management practices.

Purpose and Structure of the Report

The main purpose of the new World Bank report is to analyze the role of tertiary education in building up a country's capacity to become a knowledge society. The main messages are as follows: (1) social and economic progress is achieved principally through the advancement and application of knowledge; (2) tertiary education is necessary for the creation, dissemination, and application of knowledge, as well as for building technical and professional capacity; (3) the tertiary education systems of most developing and transition countries