The fourth strand, acting as champion and coordinator, is perhaps geared more particularly to the U.K. political context, although other higher education systems may still find some resonance with their own situation. This strand commits the Leadership Foundation to raising the public and political profile of higher education leadership and management practice, not only as a worthwhile field of research but also as a distinct area of practice that has lessons to offer as well as to learn across public and private sectors. The issue of coordination addresses the need for synergy and cross-fertilization between the disparate initiatives that exist in the United Kingdom to enhance management practice in higher education.

The futures lab encompasses environmental scanning, research, and spaces for policy debate on the “modernizing agenda” for higher education. Each of these strands of work must be designed with international and cross-sector possibilities in mind.

The Leadership Foundation is at an early stage of development and there is much work to be done to make the concept operational. However, at a time when international and cross-sector collaborations are growing, exciting possibilities lie ahead. This kind of leadership and management development initiative—which is likely to involve a wide range of activities—can be used to promote and enhance collaborations and can also be used as a space for learning about the realities of cross-cultural and cross-sectoral collaborative management. Consortium arrangements such as the Worldwide University Network or Cardean University are growing—and there are already examples of success and failure. Is it not timely and opportune to use international leadership and management development opportunities as vehicles to discuss the lessons of experience and debate and develop the possibilities for tomorrow?

Author’s note. Comments on this article and ideas for international collaborations in the territory of leadership, management, and governance of higher education are welcomed. The author can be contacted at the e-mail address above.

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Trade Talk—à la Four Modes

Jane Knight

Even though many would claim that trade in higher education is not a new phenomenon, the inclusion of education in the General Agreement on Trade in Services (GATS) is introducing new issues for the higher education sector. One of the unexpected consequences is the growing use and perhaps unconscious adoption of trade language and trade policy frameworks in higher education.

The purpose of this brief article is to address the issue of “trade creep” in the language and concepts fundamental to postsecondary education and to introduce the notion of “education models” for cross-border education as alternatives to the “trade modes” used in GATS.

As more attention is given to trade liberalization and the international dimension of higher education, we are seeing the term internationalization being used as shorthand for increased commercial delivery of education across borders. In particular, cross-border education is being described in terms of the four modes. The four trade modes are, in fact, very helpful in the effort to understand how GATS approaches trade in higher education services; however, they have significant limitations in reference to the variety of ways that higher education is moving internationally. This article focuses on the limitations of the trade approach and proposes an education approach to cross-border models of education.

**Terminology**

First, a few words about terminology. Internationalization at the nation, sector, or institution level is broadly defined in GATS as “the process of developing/implementing policies and programs to integrate an international, intercultural or global dimension into the purpose, functions and provision of post-secondary education.” Cross-border education is seen as one subset of internationalization strategies.

**Trade Modes**

Four methods of trade supply used in GATS. Mode 1: “cross-border” supply focuses on the service crossing the border, which does not require the consumer to move physically. Examples in higher education include dis-
tance education and e-learning. Mode 2: “consumption abroad” refers to the consumer moving to the country of the supplier, which in education means students pursuing all or part of their education in another country. Mode 3: “commercial presence” involves a service provider establishing a commercial facility in another country to provide a service. Examples in higher education include branch campuses or franchising arrangements. Mode 4: “presence of natural persons” means persons traveling to another country on a temporary basis to provide service, which in education would include professors or researchers.

There is no criticism implied regarding the central features of the four modes for trade services. On the contrary, it is quite an accomplishment to develop a generic framework to apply to the supply of commercial services for the 12 major service sectors and 160 subsectors included in GATS.

The concern about these four trade modes focuses on the fact that they do not capture or reflect the full range of cross-border education activity occurring as part of development aid projects, academic partnerships, as well as commercial initiatives. As more attention is given to the analysis of the major actors, stakeholders, rationales, and benefits of cross-border activity and as one examines the implications for quality assurance, credential recognition, accreditation, funding, and access, it is of critical importance that these matters are addressed for the larger picture of cross-border education, not just the four trade modes.

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One of the first questions to ask is what are the defining factors or principles for a conceptual framework. Many come to mind—what elements of education move across borders, who moves, how does the movement occur, why does education move, where is it happening, who is funding it, who is regulating it, and so on. Given the changing nature of the rationales driving cross-border education, the mixed modes of delivery, and the worldwide scope of delivery, the “why, how and where” were eliminated as the defining factors. Emphasis was placed on “what” moves across borders and on the variable of who or where the award or qualification was granted. This last point acknowledges the key issues of licensing, registering, accreditation, and quality assurance of education delivered across borders.

The term education models is used to differentiate but also to provide some reference points with the term trade modes. Four categories or models are used to classify “who or what” moves across borders: people, providers, programs, and projects or services.

Model 1: people. The first category covers the movement of people, whether they are students or professors/scholars/experts. Students taking credit- or award-based programs through a semester or year abroad, internship or research programs, and full programs abroad are included. Funding can be through exchange agreements, sponsorship through scholarships from government,
public or private sources, and self-funded. The movement of professors, scholars, and experts can be through teaching and research activities, technical assistance and consulting assignments, sabbaticals, seminars, and other professional development activities. These types of initiatives can be self- or institution funded, based on exchange agreements, involve contracts and fee-for-service, or are supported by public and private funding. This category includes a broader range of cross-border activities than Modes 2 and 4.

Model 2: providers. The key factor in this category is that the institution or provider moves to have physical or virtual presence in the receiving country. The so-called foreign or international provider has academic responsibility for the program and awards a foreign degree. The provider may or may not have an academic or financial partner in the receiving country. Branch campuses, stand-alone foreign institutions, and some franchise models are examples. The providers can include private and public, for-profit or nonprofit educational institutions, organizations, and also companies listed in the Global Education Index developed by the Observatory on Borderless Higher Education.

Model 3: programs. The program, not the student, moves in this category. The delivery of the program is done through a linkage or partnership arrangement between international or foreign and domestic providers. The credit or award is normally granted by the receiving partner or country and in some cases this could involve a joint or double degree. (If a foreign degree is involved then model 2 is applicable.) All types of institutions, organizations, and companies could be involved in a variety of partnership arrangements that can be commercial or noncommercial in nature.

Model 4: projects and services. There are a wide range of education-related projects and services that need to be considered when analyzing cross-border education and that are not included in the trade modes. Such projects could include a diversity of non-award-based activities such as joint curriculum development, research, benchmarking, technical assistance, e-learning platforms, professional development, and other capacity-building initiatives especially in the information technology area. Award or credit-based programs are not included in this category. The projects and services could be undertaken as part of development aid projects, academic linkages, and commercial contracts. All types of education institutions, organizations, and companies are included.

This framework is a “work in progress.” It is purposely generic in order to be relevant to many different countries, jurisdictions, cultures, and education systems and to include the diversity of cross-border activities and providers. The categories will have to be porous as not all new developments fit neatly into four conceptual groups. Ideally, the framework will be used as an alternative to the trade modes and will help the education sector to (1) analyze policy implications for issues such as quality assurance, funding, equity of access, accreditation, and recognition of credentials at the national and international levels; (2) study the relationship of cross-border education with trade agreements and trade policy; (3) examine the different and common trends and issues within and among categories; (4) determine the major actors and stakeholders and level of provision within each category; and (5) help to ensure that the international dimension of postsecondary education, specifically cross-border, is not conceptualized only as a commercial activity.

Why the United States Will Not Be a Market for Foreign Higher Education Products: A Case Against GATS

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The United States will not be a major export market for higher education products and services from other countries. Rather, the United States is a major exporter of education—from standardized tests such as the Graduate Record Exam to U.S.-style management education—and it benefits tremendously from the 547,000 students from other countries attending higher education institutions in the United States. It is estimated that foreign students contribute $11 billion to the U.S. economy—making higher education the nation’s fifth-largest service export. Worldwide, the OECD estimates that the market for educational services exceeds $30 billion, very likely an underestimation. Free trade advocates and the for-profit education sector in the United States, along with similar groups in some other rich countries, have been advocating that the world education market be opened up completely and regulated by the new General Agreement on Trade in Services (GATS) of the World Trade Organization. GATS would guarantee