

“Tradespeak.” Not surprisingly, the world of trade uses a different conceptual framework and is underpinned by a different set of values from those of higher education. Philip Altbach and others have written about the dangers of considering higher education as simply another service to be traded, rather than as an investment in a nation’s social, cultural, and economic development.

Representation of higher education. Trade negotiations are by nature not a transparent process. Governments negotiate on behalf of the services represented in GATS. Countries have varied widely in their approach to soliciting the views of the higher education community to inform and guide their GATS positions.

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Unintended consequences. Higher education leaders are in the difficult position of being unable to anticipate the variety of scenarios that could unfold. Higher education groups in several countries (e.g., Canada, the United States, and Switzerland) have commissioned analyses by trade and legal experts, but they have provided few definitive answers at this point.

Ambiguity about GATS. Article 1.3 of the GATS agreement indicates that “services supplied in the exercise of governmental authority,” supplied on a “non-commercial basis,” and those “not in competition with other suppliers” are excluded from GATS. In a mixed public-private system, how would GATS deal with the distinctions among public, private nonprofit, and for-profit institutions? What precisely does it mean to be “not in competition with other suppliers”? The ambiguity surrounding article 1.3 has been noted in much of the literature about GATS, with no clear resolution.

Trade-offs in continuing negotiations. Limitations on offers are not cast in stone. As the negotiations proceed, members request progressive trade-offs, either within a sector such as education or across service sectors. For example, a country could make concessions in education in order to gain concessions from another country in express delivery. The principle of progressive liberalization suggests steadily removing limitations that act as barriers.

Impact on higher education in developing countries. Many developing countries lack sufficiently robust quality assurance systems to regulate foreign providers adequately, and thus protect consumers. Additionally, many developing countries see liberalization of trade as a threat to their public higher education systems. If foreign providers establish programs in areas requiring

relatively little capital investment, such as business or information technology, the local public institutions will be left with the more expensive programs, such as engineering and the sciences, without the lower-cost programs to subsidize the higher-cost ones.

The Search for International Consensus

It is important to note that opposition to or reservations about including higher education in GATS negotiations does not equal opposition to cross-border education. There is widespread recognition of the benefits of cross-border education and its potential to provide higher education capacity to nations whose demand outstrips supply. In recognition of the importance of cross-border education, four higher education associations (the American Council on Education, the Council on Higher Education Accreditation, the Association of Universities and Colleges of Canada, and the International Association of Universities) have drafted a statement, “Sharing Quality Higher Education Across Borders: A statement on Behalf of Higher Education Institutions Worldwide.” The statement, addressed to higher education institutions and their nongovernmental associations worldwide and to their national governments and their intergovernmental organizations, aims to create an international consensus on a fair and transparent framework for managing higher education across borders. It outlines principles that should underpin cross-border education and government policies in trade negotiations and suggests specific actions that reinforce those principles. The document is on the websites of all four drafting organizations (www.acenet.edu/programs/international/sharing_quality/statement.cfm) and will be open for comment through September 2004. At the end of the consultation period, the document will then be finalized and circulated for signature by higher education associations. ■

GATS Redux: The WTO and Higher Education Returns to Center Stage

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With the collapse of the WTO’s Cancun trade talks a year ago amidst recriminations between developing countries and others concerning agricultural exports and other issues, treaty negotiations were pushed to the back burner. Trade discussions moved to the regional and

bilateral levels. Now, there are signs that WTO negotiations are again taking center stage. Leaders of the world's trading nations worry that failure will weaken the WTO, move negotiations on to a highly complex set of bilateral treaties, and prevent a "rational" world trade regime. The "Doha round" is being resurrected.

All of this has implications for higher education. The momentum to conclude formal treaty agreements relating to the General Agreement on Trade in Services (GATS) also weakened in the aftermath of Cancun. What had been an active set of discussions among trade officials and some in the education community in many countries slowed down. It is likely that GATS will again move to center stage.

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Why GATS Is Important

It is very difficult for the higher education community—and, for that matter, the general public—to understand GATS and its implications. It is stated in "trade speak" and the legal circumlocutions of treaties. And much of GATS focuses on broader issues relating to intellectual property, banking services, and other aspects of the international flow of services peripheral to higher education. Parts of GATS, however, have implications for higher education. GATS, as an element of the WTO is part of an international treaty. Countries, and by implication academic institutions, are subject to WTO adjudication decisions. Thus, the stakes are very high.

GATS potentially strikes at the heart of academic autonomy, institutional decision making, and national higher education policy. GATS agreements can, once individual countries have agreed, enforce open higher education markets and enable institutions and companies from other countries to engage freely in higher education activities—setting up branch campuses, offering degrees, and so on. Local authorities, perhaps including accreditations and quality control agencies, might have little control. Local institutions, unless complex exceptions were written into the treaty, might be forced to consider foreign applicants for academic posts on an equal basis with local applicants. For countries such as the United States and the larger European countries with strong and mature higher education systems, the chances of being greatly affected by foreign providers is slim. However, for countries with high unmet demand for access, smaller academic systems, and universities at the periphery of the world knowledge network, GATS could result in considerable external impact.

GATS as a Political/Ethical Issue

GATS is actually being pushed by a small but very powerful segment of the education and trade communities. It is highly significant that the government agencies arguing for GATS are not education departments or ministries in general, but rather trade and commerce agencies. In the United States, it has been the U.S. Trade Representative and, in the United Kingdom, the Department of Trade and Industry. The growing for-profit education sector, the testing industry, and the English-language schools, among some others, have also favored GATS as a way of obtaining easy access to markets overseas.

Until 2000 or later, the higher education community worldwide, including the universities and other institutions, accrediting agencies, faculty and student organizations, education unions, and other groups, had little awareness of GATS or its implications. This has changed. A large number of institutions, organizations, and interest groups have now educated themselves about GATS and now constitute a significant force. Conferences about the WTO and GATS have been held around the world. Recently, the Association of African Universities sponsored a conference that passed a statement highly critical of GATS. The International Association of Universities, the American Council on Education, and others have drafted a statement focusing on cross-border education and the public interest, dealing in part with GATS. Education International, a federation of major education trade unions such as the National Education Association in the United States and the German teachers union, have also been quite critical of GATS.

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Why the Opposition?

While the groups critical of GATS have many rationales and represent many different interests, they are unified by a concern with what can be called the public good and by a conviction that higher education is not a commodity to be traded without constraint. There is recognition that higher education is a complex phenomenon involving not just the marketplace but also national culture, the values of a society, and access and social mobility.

GATS opponents do not oppose the internationalization of higher education, cross-border collaboration, or even necessarily trade in education. Overseas study, collaborative research, institutional cooperation, and other aspects of internationalization are

welcomed. They do oppose at least three basic underlying elements of the WTO-GATS approach to higher education—the dominance of the market and the accompanying notion that higher education is a commodity to be traded on an open market where those who have a “competitive advantage” will come to control, the idea that higher education is a private good (to be paid for by “users”—students), and the idea that higher education is a common commodity, easily transferable from one country to another.

GATS critics see the role of higher education differently. Higher education is seen as more than a commodity—it is part of the cultural patrimony and the research infrastructure of a society, and is therefore a public good and at least to some extent, a public responsibility. It is seen as a means of access and social mobility to disenfranchised segments of the publication. And for developing countries, it is seen as a central element for nation building. GATS opponents see higher education as much more than a tradable commodity to be determined by the vagaries of an international marketplace.

The Future

For the first time, there are articulate groups debating the pros and cons of GATS and seeking to understand the highly complex details. The playing field, which was at one time completely dominated by pro-GATS forces, is now contested, with ideas flowing in all directions. The WTO remains dominated by government agencies and commercial interests, and it is thus difficult to gauge the outcome. It might be that the very complexity of the issues involved will make GATS difficult to legislate and even more difficult to implement. One thing is clear—those with concern about the future of higher education need to be actively involved in the debate and the politics that will inevitably follow. ■

Offshore Australian Higher Education

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Much has been written about the spectacular success of Australian universities over the past decade in recruiting international students to their campuses. However, one other aspect of their internationalization

efforts has attracted much less attention: the export of their teaching programs offshore.

Nature and Scope

Each of Australia’s 38 public universities is now involved in providing offshore education. The idea of offshore education (increasingly called “transnational education”) is complex, covering a whole range of financial, institutional, and pedagogic arrangements. At the most basic level, it refers to educational arrangements that necessitate the crossing of national borders; for example, when a program of study is offered to learners located in countries different from the one where the program has been developed and from where it is awarded. Of all the countries involved in the delivery of educational programs offshore, Australia has perhaps been the most innovative, entrepreneurial, and aggressive. Australian universities have forged a bewildering array of relationships with a whole range of institutions, from universities and colleges to educational agents and large corporations.

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According to a report by the Australian Vice Chancellors Committee (AVCC), the number of offshore programs of Australian universities has risen from just 25 in 1991 to almost 1,600 in 2003. The number of international students enrolled in offshore programs of Australian universities now exceeds 70,000. More than 85 percent of these programs are in China (including Hong Kong), Singapore, and Malaysia, with the remaining much smaller programs scattered around the world, from India and Indonesia to Canada and South Africa.

The institutions that were once colleges of advanced education and were granted university status only after 1988, following the introduction of market-orientated reforms to Australian higher education, have been among the most active players in offshore education. Universities such as Curtin, the Royal Melbourne Institute of Technology (RMIT), Southern Queensland, and South Australia have viewed offshore education as essential to their growth and profile. On the other hand, with the exception of Monash, elite universities such as New South Wales, Sydney, Melbourne, Queensland, and the Australian National University have only belatedly joined the business of offshore education, after initially expressing major reservations about its financial and academic viability.