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**Implications of WTO/GATS on Higher
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TABLE OF CONTENT

Chapter 1
UNESCO's role in the development of higher education
of Asia and the Pacific Region in the 21st Century

Lee Hyun-chong, Ph.D.
Secretary-General,
Korean Council for University Education (KCUE),
Republic of Korea

I.   INTRODUCTION

This 21st Century is a century of an information and knowledge society, with the information and knowledge network as its supreme trend, in which (i) internationalization; (ii) informationalization and (iii) customization of higher education, flow and play leading roles. This is a century with a collection of networks between the West and the East, with mutual educational recognitions and co-operation (Lee Hyun-chong, 2005); characteristics which solicit a new century's paradigm.

In particular, rapid changes are foreseen in the functions and roles of universities which necessitate paradigm shifts in line with this new century.

In a knowledge-based society, all activities of life are largely influenced by the innovation of knowledge. It is at this point that knowledge creation and knowledge management become very important to the education system and its functions, which require a structure and system innovation favourable to a knowledge-based society.

Therefore, the issues which are most sought after, as a strategy for educational development of universities, should be considered to be the construction of the knowledge 'efficient' based society and knowledge creation itself.

For these reasons, the university functional changes of the 21st Century should be based on new educational examples, servicing as patterns for countries worldwide in order that all nations and societies put every effort in constructing a most efficient 'Knowledge Web'.

In this connection a national development strategy framework for the preparation of a knowledge-based society, in the 21st Century, should be focused on the strategic planning of societies and countries and, without doubt, among the various social organizations the

increased competitiveness of higher education systems should be top priority – taking knowledge creation and application as major functions.

However, as these changes and competitive efforts of the higher educational paradigm cannot be made on a one-country basis, the expansion of cross-border education (CBE) or transnational education should be the first priority and considered as a major trend. These trends of 21st Century education, with the expansion of multinational or global culture, should involve taking practical action *vis-à-vis* a human resources utilization system; this system should be appropriate to fundamental conditions conducive to a powerful knowledge-based state for the construction of a knowledge-based society; as well as establishing an efficient *internationally-linked education system* to facilitate knowledge distribution.

These changes of higher education in the 21st Century are also closely connected to the present higher education system in Asia and the Pacific Region.

One notes two major trends in Asia and the Pacific Region in accordance with these 21st Century paradigm shifts: (1) Universities in the region have made outstanding advances in internationalization, and (2) the size of the region and diversity of systems and cultures have suppressed mobility.

All over the world, universities have their own problems and crises according to their educational environments and physical locations. This region also requires paradigm shifts in order to cope with the very same issues and changes.

The higher education system of Asia and the Pacific Region is foreseen to have self-help characteristics of its own in order to pursue not only the transferring system to make educational reconstruction according to environmental changes, but also, a future oriented self-development and survival system by converging together the socio-economical, cultural and political changes in its structure. Considering the nature of the education system it would be preferable to change to an "Open Higher Education System" to carry out most efficiently the following four functions. Namely, it is expected to perform functions such as the (i) Moral enterprise: to cultivate the 21st Century-type global citizen; ii) Academic enterprise: to lead advanced study; iii) Professional enterprise: to employ professional workers and (iv) Service enterprise: to lead social service learning. In order to perform these four functions over the changing time period, the higher education system should be preconditioned to focus on the standpoints of internationalization and quality management.

The global enterprise function should also be considered, with a mission to focus on the flexibility, variety and speciality of the system according to its own traditions or value systems (Lee Hyun-chong, 1997b). On this point, UNESCO's roles should be reconstructed. UNESCO should be viewed as an organization with 'pivotal' functions to satisfy the 21st Century changes of higher education in Asia and the Pacific Region.

II. ENVIRONMENTAL CHANGES AND HIGHER EDUCATION IN ASIA AND THE PACIFIC REGION IN THE 21st CENTURY

1. *Changes of the 21st Century university environment*

The changes of the 21st Century university environment can be summarized largely under three characteristics: (1) de-schooling education, (2) learning-oriented digitalization and (3) borderless internationalization. In this sense 'the campus-less college', 'book-less library' and 'professor-less classroom' would suffer major innovations (Lee Hyun-chong, 1996). Thus, the characteristics of 21st Century higher education could be summarized as follows:

• *First,* there will be a change from the closed system to the open system. The total administrative regulations ranging from entrance to graduation will have flexibility and variety in terms of student educational needs and the nature of students, since the "household–school–workplace" will be switched to the "learning–chain system" in line with an educational course – it will deviate from the current strict rules and regulations – which is needed for a flexible open system.

• *Second*, it will switch from the *educational provider's concept* to the *client-centered concept*. This change means the entrance of 'student consumerism' and changes to the 'student-oriented curriculum and course' will become inevitable.

• *Third,* the change from the teaching-oriented system to the learning-oriented system will be dominant. In the roles of teaching, adoption of textbooks and utilization of new teaching methods, big changes are inevitable. These changes are thought to actually generalize non-formal, digitalized and individualized self-paced learning –leading to changes in the learner-centered system.

• *Fourth*, the change from the national standpoint to the international standpoint is foreseen. This is a change reliant on communication development, technology, virtual reality, teaching and learning methods, and the global university system in which the world becomes an educational community where educational resource centres will be established. Of course, furthermore, the introduction of a global learning society in which the world becomes a supreme learning complex is foreseen.

•   *Fifth,* the change from a university administrative system to a strategic university management system will be made. Even in university management, factors such as a business strategy and educational managerial leadership will be emphasized. Accordingly, a system which demands various college management techniques such as (i) web management, (ii) student management, (iii) teaching management and (iv) strategic management will be constructed.

•   *Sixth,* the dual system which dualizes a "traditional university and non-traditional university" is also foreseen. That is to say, it is foreseen that there will be coexistence with another non-traditional university system – different from a traditional university.

•   *Seventh,* it will show the mobility of the college population, joint utilization of resources and quality-assured systematic characteristics. This college mobility phenomenon will bring about the **growth** and **fall** of universities. Also, it is foreseen that while the growth of the small-scale specialized university group and large-scale prestigious university group will be brought about, the decline of universities which failed in the survival strategy will be prominent. Therefore, the functional changes of university education, once known as an "Ivory Tower" will change to an "Educational Industry" (Lee Hyun-chong, 2001b) and will be summarized as follows:

1.   *Expansion* of university autonomy.
2.   *Reinforcement* of lifelong higher education.
3.   *Conversion* to the consumer-oriented education system.
4.   *Expansion* of the international education programme.
5.   *Expansion* of continuing and licensed-centered cyclic education function.
6.   *Increase* of self-directed learning function.
7. *Reinforcement* of just-in-time education functions required in the field.
8. *Expansion* of the quality management system for quality assurance of university education.

As a result of the worldwide emphasis on the above-mentioned the expansion of university autonomy, functional categorization and programme specialization will be the basis of these important paradigm shifts.

2. *WTO system and international co-operation*

In the 21st Century, one can see that international co-operation will increase and multinational and multiracial co-operations will expand. In the fields of industry and trade, international co-operation has already been commonized and the opening-up of educational services is in progress according to the WTO negotiations. Accordingly, the 21st Century is advancing towards an age of global schooling and could be named "The Century of Educational Mobility" (Lee Hyun-chong, 1997; 2001).

The issues of internationalization and educational openings, in particular, are global issues rather than issues of a single country. The survival and development plans cannot fall behind the current development level but will enter a country's long-term goals and strategies.

In general, the issues of internationalization and educational openings enormously influence the educational-related systems such as (i) politics; (ii) economy, and (iii) culture.

Particularly Korea, faced with educational openings, looks forward to the opening-up of educational contents and education systems – as well as mobility of students and faculties – which will inevitably be *spread worldwide* due to transference to a global education system.

With reference to the above, educational openings go hand-in-hand with dual problems of 'educational adaptation' and 'cultural encounter' and a new paradigm or system establishment is foreseen and evident, according to the World Trade Organization (WTO).

However, as an educational opening is not a simple 'systematic opening' but related to the recognition of degrees, diplomas and system changes, a pragmatic preparation will be necessary when analyzing the university educational phenomena and university reform plans.

Notwithstanding these WTO schemes, universities in contemporary society have been the 'converging points of major revolutionary forces' as well as 'springboards' for the emergence of viable ideas for improving human and educational welfare.

Furthermore, for the survival of humankind in this 'Global Village Arena', the university mission cannot be limited to its national contexts but must be expanded overlapping the international level. In the ambiguous but irresistibly determining world of

our time, a vital university must have the institutional dynamism to adapt its programmes to the rapidly changing demands of a society of global interdependence.

These waves of globalization are adding to educational changes regionally as well as globally. Within the notion of globalization, it is clear that fundamental shifts in international relationships are emerging more than ever in educational fields within countries in Asia and the Pacific Region.

Accordingly, the major characteristics of the 21st Century university environment changes can be summarized as follows:
- **Globalization/internationalization** of higher education.
- **Educational industry** and student marketing (Lee Hyun-chong, 1993).
- **University paradigm shifts**: Mega University (MU).
- **Learning mobility**/learning network/e-learning.
- **Cultural interdependency**: cultural migration and global culture.
- **Information** and knowledge network.
- **Self-help higher education expansion/growth**: high education-for-all (EFA).
- **Quality Assurance** (QA) of higher education: global standard and accreditation.

Among these changes, 'quality management' and 'mutual credit recognition' are emerging as important key points in international co-operation under the WTO system. Accordingly many different higher educational institutions, which are analyzing and reviewing higher education today, stress the need for defining standards and establishing criteria for the quality assurance of programmes.

OECD, WTO, EU, UNESCO, the "Washington Accord" related organizations, and the "Bologna Process" of over 40 countries, are greatly concerned about accreditation of higher education institutions. International recognition of studies and qualifications in higher education by all competent authorities and institutions is under consideration by UNESCO, Quality Assurance Agencies (QAA), and the Organisation for Economic Co-operation and Development (OECD) as a means of increasing learning mobility in higher education.

The OECD and UNESCO are now preparing the global standard of accreditation of higher education entitled "The UNESCO-OECD Joint Guidelines" for quality assurance of higher education. Both UNESCO and OECD have been working on the issue of quality assurance of cross-border higher education for some years.

Accordingly, as for international co-operation under the WTO system various educational exchanges and co-operations are being negotiated ranging from Asia and the Pacific Region level of co-operation by multinational agreement, along with the establishment of international standards and criteria for co-operation between interested member countries.

The trend to control this higher education quality, according to the WTO system, has big influence on the higher educational development of the region in both a direct and an indirect way. In particular, due to this region being considered as an immense educational market not only regarding *educational enthusiasm* but also *educational population*, the duties of international organizations, including UNESCO, have paramount significance.

III. WTO SYSTEM AND HIGHER EDUCATION REALITY IN ASIA AND THE PACIFIC REGION

Asia and the Pacific Region can be regarded as the "Heart of the World", the "Eye of Global Culture" and an "Educational Blast Furnace". It is a region which has a huge and varied geographical area and has long way-back cultural traditions regarding culture and education. As much as over half of the world population and race live in this region and it is composed of more than half of the nations worldwide and controls more than half of the world's economies-of-scale.

In order to understand the current higher education system of Asia and the Pacific Region, its common environmental characteristics need to be understood. It is much more comprehensive than other continents and has disparate characteristics. Above all, the common characteristics (i) multi-culture, (ii) multi-languages, (iii) multi-religions, (iv) multi-races and (v) multi-systems, which may be thought to be five 'too-many' characteristics and has two extremities such as (i) much poverty and population/illiteracy explosion and decline and (ii) high public educational enthusiasm or 'education-fever'. As populations of developed and developing countries are living alongside one another, the region also has complicated social and cultural issues such as the problems of (i) environment; (ii) peace; and (iii) public health. With the result that the gap of academic achievement levels and economic differences between developed and developing countries is widening.

In considering the above-mentioned, these characteristics could be summarized as follows:

• *First,* it could be thought of as a "3M-Multi Region", meaning *"3M Multi-Culture; Multi-Ethnical; Multi-Language Region"* which means that it has very great variety in all aspects of language, culture and race.

• *Second*, in reality due to such characteristics such individual societies, environment and population, it could be recognized as a so-called "6P-Problem Region" meaning *"Population Density Problem", "Public Schooling Problem", "Illiteracy versus Education-Fever Problem", "Public Health Problem", "Peace-related Problem", "Poverty versus Prosperity Problem".*

In addition to these socio-cultural issues, there are education-related problems. These problems are identified by, the: (i) learning gap; (ii) achievement gap; (iii) information gap as well as the (iv) educational quality gap.

According to John Naisbitt the 21st Century will be "The Age of Asian Renaissance". The modernization of Asia will forever reshape the world as one goes forward to the next millennium. At the same time as Asia is modernizing Asian consciences are awakening. It is, without a doubt, the "Asianization of Asia".

The author of this keynote speech is more and more convinced that this Asianization movement is a good sign and an important organizational model for the 21st Century:

> *"A collection of networks, between the West and the East, with mutual educational recognitions and co-operation".*
> Lee Hyun-chong, Secretary-General, (KCUE), 2005.

The networking between the West and the East is an extremely powerful phenomenon. One of the significant powerful phenomena is recognition of studies, diplomas and degrees in higher education activities, which will make strong higher educational linkages among WTO member countries.

Furthermore, higher education institutions in Asia and the Pacific Region are faced with a number of emerging issues of international education.

As we all know, almost two million students worldwide are currently involved in formal education outside their own countries and the international market for education services is expected to triple in size over the next 20 years (Calderson & Tangas, 2004),

considerably faster than growth in the previous 20 years when there was a doubling in size (OECD, 2004).

While, on the one hand, this active educational mobility phenomenon contributes to the development of higher education in Asia and the Pacific Region, on the other hand, issues such as 'brain drain' or 'shrinkage of one's own country's higher education' and 'cultural imperialism' comes about. Especially more problems are involved, considering that Asia and the Pacific Region is wide-ranging with various cultures and linguistic backgrounds.

Of course, at present as the construction of international educational co-operative systems become active, it is very fortunate that these problems can be solved in order to strive for mature educational co-operation and higher educational development of the region.

A recent international Free Trade Agreement (FTA) could be mentioned as a good example.

Bilateral agreements have proliferated in Asia and the Pacific Region, since the Asian financial crisis – with Korea and Japan leading the way (see *Table 1*).

Table 1.　Bilateral agreements in Asia and the Pacific Region

Completed	Under negotiation	Under study
Bangkok Treaty (1976) ASEA FTA (1992) Singapore-NewZealand (2001) Japan-Singapore (2002) Singapore-Australia (2003) China-Hongkong (2003) Singapore-US (2004) Korea-Chile (2004) Australia-US (2004)	Japan-Mexico Korea-Japan Japan-Thailand Japan-Philippines Singapore-Canada Singapore-Mexico Singapore-Hongkong Hongkong-European FTA China-ASEAN Thailand-Australia Australia-China	Japan-ASEAN Japan-Taiwan Japan-Australia Japan-Chile Korea-ASEAN Korea-Singapore Korea-Australia Korea-New Zealand Thailand-Australia Thailand-US Singapore-Chile Singapore-Taiwan Singapore-India ASEAN-India ASEAN-US Thailand-India

Source: Calderson & Tangas (2004). p. 10.

These trends open up chances to increase interdependency between higher educational institutions of the region and promote development of educational exchanges.

According to Knight (2004), who studied internationalization concerning the education system in institutions in 66 countries, the following ten 'messages' related to internationalization can be identified as follows:

(1)　*Mobility* of students and professors is the most important reason to promote internationalization.

(2)　*Brain drain* and the issues of cultural identity are the factors to be most concerned with.

(3)　*Important benefits* from internationalization are faculty development, quality management effect and international co-operative study.

(4)　*Financial security* for international education is the most important key factor for the success of international education.

(5)　*Distant education* and ICT utilization are appearing as new areas.

(6)　*Recognition* of teaching and learning plays a decisive role to activate internationalization.

(7)　*Even through* universities' international strategies, the budget or　administrative support system is not well prepared.

(8)   *Prior goal* of internationalization is on academic considerations rather than on political or economic.

(9)   *Inter-regional* co-operation is the most important internationalization   strategy and even Asia and the Pacific Region is no exception.

(10)   *Important* issues are shown as co-operative system construction,   quality management, budget security and academic co-operation (Knight, 2004).

The trend   of   internationalization   and   multi-national   co-operative   system constructions of higher education are proof that the world is converting to a global educational community.   In spite of the variety of regional characteristics, Asia and the Pacific Region is a region which has a desperate need of borderless education under the auspices of the WTO system. The 21st Century university environmental changes, such as the rapid development of IT technology, the conversion of the consumer-oriented education system and the expansion of internationalization, are considered to largely influence the education system changes of Asia and the Pacific Region, which has long cultural tradition and educational enthusiasm.

Needless to cite Arnold J. Toynbee's cyclic perspective of history:

> *"... nowadays the centre of civilization is widely regarded to shift to a place where we are now discussing together the Asia-Pacific Region, there are sufficient reasons for the seemingly hopeful view. Historically, our various ancestors who lived in the region developed more brilliant culture and heritage than any other region at that time. We can expect*
> *the virtue of our cultural tradition to play a great or timely role from now on, for many people begin to cognize the limitation of the westernculture and the necessity of and alternative for their cornucopian ethic".*

Economically, Asia and the Pacific nations have achieved a really spectacular growth rate during the last three decades. Furthermore, the countries are deemed to progress quickly enough in the forthcoming century. This may be evidenced by the plethora of economic advantages: the size of potential markets, demographical components, and skills of labour force.

However, the author of this keynote speech certainly does not think that these 'global education opportunities' are going to become realities all by themselves. In order to maximize these opportunities several measures have to be deliberated – by all member countries – in terms of higher education and university co-operation in Asia and the Pacific Region.

In other words, the exchange of human resources, sharing of learning resources, enhancing intercultural understanding, and joint learning efforts among universities in the region will, as well, improve the quality of higher education and enhance mutual understanding. These opportunities will also strengthen the sustaining trend of economic development and open up the *Golden Age* of the "Asia-Pacific Scheme".

IV.   UNESCO's NEW ROLE AND TASKS

The rapid economic growth and accelerating pace of sub-regional and regional integration in Asia and the Pacific Region require greater mobility and recognition of higher education qualifications by universities in the region. Accordingly, the role of UNESCO is gathering impetus in importance.

Aware of the importance and urgency involved in ensuring international recognition of degrees and diplomas awarded by higher education institutions, many organizations and agencies such as the Korean Council for University Education (KUCE), the Australian Vice-Chancellors' Committee (AVCC), the Association of Southeast Asian Institutes of Higher Learning (ASAIHL), the Association of Universities in Asia and the Pacific (AUAP), the United Nations University (UNU), the Southeast Asian Ministers of Education Organization & Regional Centre for Higher Education and Development (SEAMEO RIHED), ASEA-UNINET, UNESCO-PROAP (Principal Regional Office for Education in Asia and the Pacific) and University Mobility in Asia and the Pacific (UMAP) are closely co-operating with each other to facilitate learning mobility in this region.

In the area of higher education, under the umbrella of UNESCO, the Regional Committee for implementing the "Convention for Higher Education Quality and Mobility" plays an important role. (Lee Hyun-chong, 1997c). In addition, UNESCO plays a major role in promoting recognition *via* the UNESCO Chairs/UNITWIN Networks (Lee Hyun-chong, 1997a) a programme established in 1992.

UNESCO has wide-ranging roles to play, not only regional educational co-operation and promotion of co-operative study and pursuance of Education for All (EFA) but also the educational innovation and cultural exchange of each Member State *vis-à-vis* the educational mobility of the 21st Century *via* direct higher educational co-operation.

But in order for the higher educational development of Asia and the Pacific Region to come about, there are some other issues to be considered.

- *First*, issues of conformity with diversity: The improvement of educational quality, raise of efficiency and the assurance of educational quality suitable to a new age can be promoted by educational conformity. But when a specific education system of a certain nation in Asia and the Pacific Region is transplanted as it is, the deepening of educational monopoly or educational dependency is obvious. However, conformity of the variety of this region should be respected by sufficiently considering the aspects of educational traditions and values of each nation.

- *Second*, issues of productive co-operation are important: Considering the situation of each country's co-operative system, construction or multi-national co-operative construction, the meaning of productive co-operation is very important. Productive co-operation means that co-operative countries should be able to create "Win-Win" situations through mutual educational co-operation according to UNESCO's role. As mentioned earlier, Asia and the Pacific Region have serious issues of wide education, information and knowledge gaps among its nations. On this issue when educational co-operation between a developing country and a relatively underdeveloped country is attempted productive exchanges between both countries should be tried. As there is a deficit in Korea concerning 'brain drain' and educational exchange it proves that this wild-goose family phenomenon needs this kind of productive co-operation (Lee Hyun-chong, 2004).

- *Third,* issues of quality with quantity: One of UNESCO's major duties is to accomplish Education for All (EFA), i.e. (i) expansion of educational opportunities for all, (ii) wiping out illiteracy and (iii) expansion and growth of higher educational institutions. At the same time, the efforts for proper quality management are treated as important matters. Accordingly, it is important to keep on balance the ascension of educational quality and quantitative expansion.

- *Fourth*, the notion of recognition/sharing/exchanges*:* It is important to mutually recognize and co-operate with, and share, degrees, licenses and educational achievements. Of course, for recognition, sharing and exchanges a standard for co-operation should be established and consistent mutual efforts be made.

- *Fifth*, build up the Asia-Pacific Spirit: One of the most important obligations of the Organization is to construct regional solidarity and co-operation through educational networks for comprehension and respect of disparate culture. The most important thing at this time is to establish an Asia-Pacific Spirit. Asia and the Pacific Region is the region where the Orient and the West meet-up and educational Interlinks exists.

Maybe, it is a region where educational linkages among different nations and cultural exchanges are abundant. In order for these exchanges to interact with UNESCO's Spirit, the Organization should be connected up with the Asia-Pacific Spirit. The sense of joint ownership as an "East-West Melting Pot" is what is needed.

UNESCO's roles are not unrelated to higher educational development and paradigm changes of Asia and the Pacific Region in the 21st Century. Meanwhile, the Organization has experienced mutual co-operation, exchanges and educational achievements through various activities. Now, it is believed that focused on the rapid changes of the 21st Century higher educational environment, UNESCO's roles have to be rethought and reorganized to solve these issues:

• *First of all,* by going only through UNESCO there are limits for complying with university environmental changes of the 21st Century. A strategy of going 'Beyond UNESCO' is essential by establishing an interactive co-operative system among some of the various institutions implanted in Asia and the Pacific Region. It is necessary not only to reinforce the original activities of government-related areas such as education, science and culture but also strengthen solidarity among institutions. With this in mind a "UNESCO Educational Summit" may be planned. The United States of America (USA) is of the opinion that an educational summit would exemplify 19 such summits in the mid-west areas and be a follow-up example of the ASEAN countries' ministers of education conference.

• *Second,* for higher educational development of the region, international seminars, information pools and human resources development focusing on the problems to be solved for current world higher educational co-operation are essential. For instance, it is important that a multi-national conflict management system be established in order to minimize various issues such as: (i) 'brain drain' and 'brain gain', (ii) issues of educational exporting and importing countries, (iii) solution of language and cultural barriers, (iv) quality management of higher education, (v) mutual recognition of degrees and credits, (vi) the impediment factors of faculty and student exchanges, and (vii) financial security for international education.

- *Third,* another of UNESCO's roles, conducive to the 21st Century, would be to construct a co-operative system fusing on-line education and distance learning. This 'invisible education' is believed to be one of the core concerns influencing higher educational co-operation and development in a region with serious low educational achievement and wide information gaps. Accordingly the Organization's mission, apart from the existing "educational, cultural and scientific" co-operation, should be to rethink and reorganize tasks suitable to a new higher educational paradigm in the 21st Century.

V.   CONCLUSIONS

As mentioned above, Asia and the Pacific Region is a cultural reproduction region of the new century, a melting pot of the West and the East, corresponding to the global community of the 21st Century. It will be a region of educational innovation through educational exchanges recognized as the region of "World culture and educational capital". Even though Professor Altbach indicates the 21st Century as '*the imperialism of the English language'*, it is believed that the region will benefit more with the expansion of spoken English. It is also believed that the overcoming of language barriers among nations, minimizing educational and information gaps will play a catalytic role for the establishment of transnational education in this region.

UNESCO's roles for higher educational development in Asia and the Pacific Region should be examined based on the following criteria:
- *First,* co-operative philosophy which harmonizes tradition and innovation is necessary.
- *Second,* harmony of growth of higher education and intercultural balance is required.
- *Third,* harmony of quantitative expansion and qualitative improvement is needed.
- *Fourth,* pursuit for the harmony of material culture and spiritual culture is obligatory.
- *Fifth,* based on the common problems of humankind, UNESCO's paradigm changes together with the changes of the 21st Century should be energetically pursued.
- *Sixth,* the redesign, not only of the multi-national co-operative system but also of the so-called 'Tri-Belt' – which is made up of the *learning belt,* the *research belt* and the *cultural belt* of this region.

As the UNESCO Spirit came to the rescue of education, science and culture when humankind was demoralized discouraged and in great difficulty, the moment has come – and it is about time – that the educational problems at this huge turning point of the 21st Century were solved giving priority to Asia and the Pacific Region.

Coming now to the conclusive focal point of this presentation is the area of co-operative awareness.

The French anthropologist Teihard de Chardin wrote:
"The Age of the Nation is past; it is time to build the Earth".
But the question is:
"*How does one go about building the Earth?"*
It is certainly an extremely noble ideal which suggests a Global Village but:
"*Just where does one begin?"*
Now today, the author of this Keynote Speech would like to make a suggestion:
"*Let us build an Asia-Pacific Community, let us construct*
Asia-Pacific Colleges without walls".

* * *

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Chapter 2
Cross-border education: developments and implications in the Asia and the Pacific Region

Jane Knight, PhD.
Centre for Comparative, International, Development Education,
Ontario Institute for Studies in Education,
University of Toronto, Canada

1. INTRODUCTION

It is true that academic mobility and education exchange across borders have been central features of higher education for decades, if not centuries. In fact, the fact that 'universe' is the key to the concept of university demonstrates the presence of the international dimension since the founding of universities as institutions of higher education and research. Yet, it is only during the last two decades that education has been thought of as a commodity or service to be traded on a commercial basis across borders. And, it is only in the last several years that trade agreements have clearly identified education provision as a lucrative trade sector (Larsen et al., 2002). Thus, as of the beginning of the 21st Century, international educators are needing to become more aware of the new opportunities and potential risks, that trade liberalization can bring to higher education, and in particular to the cross-border movement of students/researchers/professors, education pro-grammes and institutions/providers.

The fact that several of the Regional seminars organized by the UNESCO Forum on "Higher Education Knowledge and Research" are all addressing the General Agreement on Trade in Services (GATS) is concrete evidence that the higher education sector has become increasingly aware and involved in thinking about GATS. In fact, the African Regional Seminar produced a much publicized Declaration on GATS and the Internationalization of higher education (AAU, 2004 a&b). Many stakeholder groups are talking about risks and benefits, potential new opportunities and are actively speculating on different countries' negotiating positions for increased liberalization of trade in education services. In short, GATS has served as an important wake-up call. It has forced the education sector to carefully examine two separate but related issues. The *first* is the significant growth in cross-border education (both commercial and 'non-profit') which is happening irrespective of trade agreements. The *second* issue is the impact of the multilateral trade rules of GATS on domestic and cross-border higher

education and the further liberalization or promotion of commercial trade in education services.

At the same time, many trade experts and educators note that international mobility of students, teachers, education and training programmes has been happening for a very long time, and therefore question why there is such interest in the prospect of expanding import/export of education services. The answer partially lies in the fact that while cross-border education is an important aspect of the internationalization of higher education, it has not been subject to international trade rules and until recently, has not really been described as commercial trade. GATS, which clearly identifies education as a service sector to be liberalized, is relatively new territory for the education sector. This is why the debate within national and international education communities is necessary and welcomed. However, the discussions need to move from speculation towards informed analysis. The introduction of GATS serves as the catalyst for the education sector to examine how trade rules may or may not influence higher education policy; and secondly, to determine whether the necessary national, regional and international education frameworks are in place to deal with the implications of increased cross-border education, including commercial trade.

This background paper is provided to help workshop participants discuss and determine the key issues and actions for research, policy analysis, capacity building, consultation and advocacy on the complexities and policy implications of cross-border and commercial education in the context of new trade policies and regulations.

There are a number of assumptions on which this report is based. First is that this paper is written from an educator's point of view, not from an economic or trade perspective. An international approach is emphasized meaning that implications for the higher education sector in both developed and developing countries are noted. It raises questions for regional education leaders, experts and policy-makers to address.

It is recognized that trade issues are closely related to the larger issues of commercialization and commodification of cross-border education. The paper therefore focuses on the complexities and challenges related to cross-border education especially in the light of new trade agreements and rules. More attention is given to the delivery of education/training courses and programmes across borders than to the movement of students to study in foreign countries. The intention is to take a balanced approach in discussing the risks and benefits, new opportunities and challenges involved in cross-border education, and in particular increased commercial trade in education services.0

2.   TRADE OF EDUCATION SERVICES IN CONTEXT

A few comments about the use and meaning of terms used in this paper may help to provide some context. When terms from the trade sector migrate to the education sector and *vice versa,* there is fertile ground for confusion and misunderstanding. This is to be expected. Therefore, it is important to lay out how the principal concepts are interpreted and used by these two sectors. Three common terms used by the education sector to describe the international nature of education are (i) internationalization; (ii) cross-border education; and more recently (iii) trade in education. There is a hierarchy to these terms, with 'internationalization of education' being the most comprehensive, 'cross-border education' being one component of internationalization and then 'trade in education' being used to characterize some, but not all, cross-border activities.

The relationship among the concepts of globalization, internationalization, cross-border education and trade is both complex and confusing. A brief overview of the evolution and meaning of these terms may help to clarify some of the misinterpretations and misunderstandings that surround the discussion of commercial trade in education services (Knight, 2004b).

2.1   Globalization

Globalization is not usually seen as a neutral concept. It engenders strong reactions, both supportive and critical of its process and impact. In this paper, globalization is described as "…the flow of technology, economy, knowledge, people, values, ideas...across borders. Globalization affects each country in a different way due to a nation's individual history, traditions, culture and priorities" (Knight & de Wit, 1997, p. 6). This definition acknowledges that globalization is a multi-faceted process and can impact countries in vastly different ways – economically, culturally and politically – but it does not take an ideological stance or a position as to whether this impact has positive and/or negative consequences. A key aspect of this definition is that it refers to borders of countries and infers a worldwide scope and movement and is decidedly different from the term internationalization, which emphasizes relationships between and among nations. There are a number of factors which are closely related to this worldwide flow and which are seen as key elements of globalization. These include the 'knowledge society', 'information and communication technologies', the 'market economy', 'trade liberalization' and 'changes in governance structures'.

It can be debated whether these are catalysts for globalization or whether they are consequences of globalization, but for this discussion they are presented as elements of globalization which have an impact on the education sector

Why is internationalization seen as being both a response to and a catalyst for globalization? The 'response to' position is, first of all, based on the fact that higher education needs to prepare students for living and working in a more connected, interdependent and globalized world, and secondly, that research and scholarship need to contribute to national and international issues.   On the other hand, internationalization is seen as an agent of globalization, especially economic globalization and trade, because higher education is becoming more active in the 'for-profit' side of foreign student recruitment and commercial cross-border delivery of education.

2.2   Internationalization

A review of reports and articles by trade experts reveals that often when they talk about internationalization of education they actually are referring to international trade in education services. When educators talk about internationalization they are talking about a broad range of activities some of which would have absolutely nothing to do with trade.

Only in the last two decades has the term internationalization been an important part of higher education vocabulary. Prior to this time, the key concepts used to describe the kind of international activities that post-secondary institutions were engaged in, were international development co-operation, international academic affairs and foreign students.

Beginning in the mid-eighties internationalization of higher education, interpreted in the broadest sense, started to increase in importance, scope and volume. Evidence of this includes:
- the growing numbers of students, professors, and researchers participating in academic mobility schemes;
- the increase in the number of courses, programmes and qualifications which focus on comparative and international themes:
- more emphasis on developing international/intercultural and global competencies;
- stronger interest in international themes and collaborative research;
- growing number of cross-border delivery of academic programmes;
- the development of new international networks and consortia;
- increase in campus based extra-curricular activities with an international or multi-cultural component;

- the impetus given to recruitment of foreign students;
- the rise in number of joint or double degrees;
- the expansion in partnerships, franchises, offshore satellite campuses;
- the establishment of new national, regional and international organizations focused on international education;
- new regional and national level government policies and programmes supporting academic mobility and other internationalization initiatives.

The definition of internationalization has evolved from an 'activities approach' where internationalization was described in terms of the number of study abroad programmes, development projects or international students; to one which takes a 'process approach' of integrating an international/intercultural or global dimension into the purpose, functions (teaching, research, service) and delivery of higher education (Knight, 2004b). More and more, internationalization is being seen to consist of two streams or components. The *first* is 'internationalization at home' which refers to the international and intercultural dimension of curriculum, the teaching/learning process, research, extra-curricular activities, in fact a host of activities which help students develop international understanding and intercultural skills without ever leaving the campus. The *second* component is 'internationalization abroad' that is cross-border education (often referred to as transnational education) which involves students, teachers, scholars, programmes, courses, curriculum, projects moving between countries and culture, in short, across borders.

2.3   Cross-border education

.   In the past decade, the interest and growth in international academic mobility has exploded. It involves the movement of students, teachers, institution/provider, programme and/or curriculum and of course knowledge, across borders. This increased mobility is reflected in the introduction of new terminology to try to describe or characterize this delivery of education internationally. Transnational education is a term that has been used by UNESCO and the Council of Europe in the "Code of Practice on Transnational Education", which they have developed. The term is defined to mean all types of higher education study where the learners are located in a country different from the one where an awarding institution is based (UNESCO/Council of Europe, 2001). Transnational is also used in Australia to describe the delivery of programmes off shore and is differentiated from international student mobility. As the international movement of programmes and providers increases there is a proliferation of new terms and concepts, thus causing more confusion in terms of language and meaning, especially whether one is referring to private, public, 'for-profit', ''non-profit'', corporate, state providers.

The term 'Borderless Education' first appeared in an Australian report by Cunningham *et al*., (2000) and was followed by a similar type of study in the United Kingdom (UK). Basically, the term borderless education refers to the blurring of conceptual, disciplinary and geographic borders traditionally inherent in higher education (CVCP, 2000). It is interesting to juxtapose the concepts of borderless education and cross-border education. The former term acknowledges the disappearance of borders while the latter term actually emphasizes the existence of borders. Both approaches reflect the reality of today. In this period of unprecedented growth in distance and e-learning education, geographic borders seem to be of little consequence. Yet, on the other hand, we can detect a growing importance of borders when the focus turns to regulatory responsibility, especially related to quality assurance, funding and accreditation. Cross-border seems to be emerging as the more widely used generic term and refers to the movement of education – whether it is people, programmes, providers or projects – across a jurisdictional or national border

2.4   Trade in educational services

It is therefore clear that cross-border education is a term which educators are using to capture a wide range of education activities that are part of international academic linkages and agreements, international development/aid projects and international commercial trade initiatives. 'Trade in education services' is usually interpreted by educators as a subset of cross-border education, and for the most part is described as those activities that have a commercial or 'for-profit' nature or purpose to them. This interpretation is much narrower than one used by economists or the trade sector. From their perspective, even if a cross-border education activity is seen to be non-commercial in purpose – for instance the exchange of students or professors for a semester – there is still export value in a country's balance of payments from accommodation, living, and travel expenses and therefore there are commercial implications (Larsen & Vincent-Lancrin, 2002).

It is not an easy task to have a clear and shared interpretation of what trade in education services really means across the two sectors. It may be dangerous to oversimplify how the different sectors perceive and use the term 'trade in education services' but the clear message is that more effort is needed to help the two sectors understand the different approaches to using and defining trade in education services. It is equally important to have clarity and assurance as to which international cross-border education activities would fall under the purview of international/regional trade agreements and be labelled as trade. As will be noted later, there is ambiguity in GATS on this point.

For the purposes of this paper, the term 'trade in educational services' is primarily used in the trade and GATS sense, that is commercial and 'for-profit'. The term 'cross-border education' is used to depict a broad range of education activities which move across borders some of which are commercial trade in nature and purpose and most of which are not.

The next section provides basic background information on GATS in order to understand the issues and implications that need to be examined in terms of 'trade in educational services'.

3.   OVERVIEW OF THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

It is easy to be overwhelmed with the legal and technical complexities of the GATS. The purpose of this section is to provide a clear and concise explanation of GATS and to review some of the key and more controversial articles of the agreement. Readers who are familiar with the basic structure and principles of GATS may want to skip the first four sections which provide background information and focus on *Section 3.5* which addresses the more controversial aspects of the agreement.

3.1   Structure and purpose of GATS

The GATS is the first ever set of multilateral rules covering international trade in services. Previous international trade agreements covered trade in products, but *never* services. The GATS was negotiated in the Uruguay Round and came into effect in 1995. It is administered by the World Trade Organization (WTO) which is made up of 146 member countries. The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the majority of the world's trading nations and ratified in their parliaments. The GATS is one of these key agreements and is a legally enforceable set of rules (WTO, 1999). The GATS has three parts. The *first* part is the framework, which contains the general principles and rules. The *second* part consists of the national schedules that list a country's specific commitments on access to its domestic market by foreign providers. The *third* part consists of annexes that detail specific limitations for each sector and can be attached to the schedule of commitments. This will be discussed in more detail later, but first it is essential to understand what kind of education services will be covered by GATS and what is meant by higher education services.

3.2 Modes of trade in services

The GATS defines four ways in which a service can be traded, known as 'modes of supply'. These four modes of trade apply to all service sectors in GATS. *Chart One* provides a generic definition for each mode, applies them to the education sector and comments on the relative size of the market supply and demand.

Chart One: Mode of supply

GATS: Mode of supply	Explanation	Examples in higher education	Size /potential of market
Mode 1: **Cross Border Supply**	-the provision of a service where the service crosses the border (does not require the physical movement of the consumer).	-distance education. - e-learning. -virtual universities.	-currently a relatively small market. -seen to have great potential through the use of new ICTs especially the Internet.
Mode 2: **Consumption Abroad**	-provision of the service involving the movement of the consumer to the country of the supplier.	-students who go to another country to study.	-currently represents the largest share of the global market for education services.
Mode 3: **Commercial Presence**	-the service provider establishes or has presence of commercial facilities in another country in order to render service.	-local branch or satellite campuses. -twinning partnerships. - franchising arrangements with local institutions.	-growing interest and strong potential for future growth. -most controversial as it appears to set international rules on foreign investment.
Mode 4: **Presence of Natural Persons**	- persons travelling to another country on a temporary basis to provide service.	-professors, teachers, researchers working abroad.	-potentially a strong market given the emphasis on mobility of professionals.

Source: Knight, 2002.

3.3   Categories of services

GATS covers 12 service sectors including for example, transportation, communication, finance, tourism, health and education. These 12 sectors are sub-divided into 160 sub-sectors. The four modes of supply described above apply to all 160 sub-sectors.

Trade in education is organized into five categories or sub-sectors of service (WTO, 1998). These categories are based on the United Nations Provisional Central Product Classification (CPC) and are described in *Chart Two*. The three categories that are most relevant to this report are 'higher', 'adult' and 'other'.

Chart Two: Classification system for education services

Category of education service	Education activities included in each category	Notes
Primary Education (CPC 921)	-preschool and other primary education services. -does not cover child-care services.	
Secondary Education (CPC 922)	-general higher secondary -technical and vocational secondary. -also covers technical and vocational services for handicapped.	
Higher Education (CPC 923)	-post secondary technical and vocational education services. -other higher education services leading to university degree or equivalent.	-types of education (i.e., business, liberal arts, science) are not specified. -assumes that all post secondary training and education programmes are covered.

Adult Education (CPC 924)	-covers education for adults outside the regular education system.	-further delineation is needed.
Other Education (CPC 929)	-covers all other education services not elsewhere classified. -excludes education services related to recreation matters.	-needs clarification re coverage and differentiation from other categories -for example: are education and language testing services, student recruitment services, quality assessment covered?

Source: Knight, 2002.

Critics of this classification system believe that it is out-of-date and does not reflect the reality of today where non-traditional and private providers exist and alternate forms of delivery using new technologies are being used. However, countries are able to add their own qualifications or supplements to the United Nations' CPC classification scheme and therefore, in principle, should not be limited by the scheme.

3.4   Key elements and rules of the GATS

The overall framework contains a number of general obligations applicable to all trade in services regardless of whether a country has made a specific commitment to sectors or not. These are called unconditional obligations. Each WTO member country lists in its national schedules those services for which it wishes to provide access to foreign providers. In addition to choosing which service sector/s will be committed, each country determines the extent of commitment by specifying the level of market access and the degree of national treatment they are prepared to guarantee. *Chart Three* lists the key elements of the GATS and provides brief explanatory notes.

Chart Three: Key elements and rules

GATS Element/ Rule	Explanation	Application	Issues
Coverage	All internationally traded services are covered in the 12 different service sectors (e.g. education, transportation, financial, tourism, health, construction).	Applies to all services - with two exceptions: i) services provided in the exercise of governmental authority; ii) air traffic rights.	Major debate on what the term 'exercise of governmental authority' means.
Measures	All laws, regulations and practices from national, regional or local government that may affect trade.	A generic term that applies to all sectors.	
General or Unconditional obligations	Four unconditional obligations exist in GATS: -Most Favoured Nation (MFN). -Transparency. -Dispute Settlement. -Monopolies.	They apply to all service sectors regardless of whether it is a scheduled commitment or not.	Attention needs to be given to 'most favoured nation'.

Most favoured nation (MFN) treatment	Requires equal and consistent treatment of all foreign trading partners. MFN means treating one's trading partners equally. Under GATS, if a country allows foreign competition in a sector, equal opportunities in that sector should be given to service providers from all WTO member countries. This also applies to mutual exclusion treatment. For instance, if a foreign provider establishes branch campus in Country A, then Country A must permit all WTO members the same opportunity/ treatment. Or if Country A chooses to exclude Country B from providing a specific service, then all WTO members are excluded.	May apply even if the country has made no specific commitment to provide foreign access to their markets. Exemptions, for a period of 10 years, are permissible	MFN has implications for those countries who already are engaged in trade in educational services and/or who provide access to foreign education providers MFN is not the same as national treatment
Conditional Obligations	There are a number of conditional obligations attached to national schedules: -market access; -national treatment.	Only applies to commitments listed in national schedules. Degree and extent of obligation is determined by country.	GATS supporters believe that a country's national educational objectives are protected by these two obligations.

National Treatment	Requires equal treatment for foreign providers and domestic providers. Once a foreign supplier has been allowed to supply a service in one's country there should be no discrimination in treatment between the foreign and domestic providers.	Only applies where a country has made a specific commitment. Exemptions are allowed.	GATS critics believe that this can put education as a 'public good' at risk.
Market Access	Means the degree to which market access is granted to foreign providers in specified sectors. Market access may be subject to one or more of six types of limitations defined by GATS agreement.	Each country determines limitations on market access for each committed sector.	
Progressive Liberalization	GATS has a built in agenda which means that with each round of negotiations there is further liberalization of trade in service. This means more sectors are covered and more trade limitations are removed.	Applies to all sectors and therefore includes education.	

'Bottom-up' and 'Top-down' Approach	Bottom6up approach refers to the fact that each country determines the type and extent of its commitments for each sector. Top-down approach refers to the main rules and obligations as well as the progressive liberalization agenda, there will be increasing pressure to remove trade barriers.		Sceptics maintain that the top down approach will have increasing importance and impact thereby increasing pressure to liberalize

Source: Knight, 2002.

3.5   Controversial questions and issues

The GATS is described as a voluntary agreement because countries can decide which sectors they will agree to cover under GATS rules. This is done through the preparation of their national schedules of commitments and through the 'request-offer' negotiation rounds. However, there are aspects of the agreement that question its voluntary nature, notably the built-in progressive liberalization agenda and other elements described in this section.

- Which education services are covered or exempted?

One of the most controversial and critical issues related to the agreement is the meaning of *Article 1.3*. This article defines which services are covered or exempted.

According to the WTO, the agreement is deemed to apply to all measures affecting services *except* 'those services supplied in the exercise of governmental authority'. But what does 'exercise of governmental authority' mean? GATS supporters (Ascher, 2001) maintain that education provided and funded by the government is therefore exempted. Sceptics question the broad interpretation of the clause and ask for a more detailed analysis.

The agreement states that 'in the exercise of governmental authority' means the service is provided on a 'non-commercial basis' and 'not in competition' with other service suppliers. This begs the follow-up question: What is meant by non-commercial basis and not in competition? These are the core issues at the heart of much of the debate about which services are covered. Education critics of the GATS maintain that due to the wide-open interpretation of 'non-commercial' and 'not in competition' terms, the public sector/government service providers may not in fact be exempt. The situation is especially complicated in those countries where there is a mixed public/private higher education system or where a significant amount of funding for public institutions is in fact, coming from the private sector. Others ask whether charging tuition fees makes it a commercial operation. Another complication is that a public education institution in an exporting country is often defined as private/commercial when it crosses the border and delivers in the importing country. Therefore, one needs to question what 'non-commercial' really means in terms of higher education trade.

The debate about what 'not in competition' means is fuelled by the fact that there does not appear to be any qualifications or limits on the term (Gottlieb & Pearson, 2001). For instance, if non-government providers (private 'non-profit' or commercial) are delivering services, are they deemed to be in competition with government providers? In this scenario, public providers may be defined as being 'in competition' by the mere existence of non-governmental providers. "Does the method of delivery influence or limit the concept of 'in competition?" Does the term cover situations where there is a similar mode of delivery, or for instance, does this term mean that public providers using traditional face-to-face classroom methods could be seen to be competing with foreign 'for-profit' e-learning providers? There are many unanswered questions that need clarification.

Supporters of the GATS emphasize that education is to a large extent a government function and that the agreement does not seek to displace the public education systems and the right of government to regulate and meet domestic policy objectives (Sauve, 2002). Others express concern that the whole question of the protection of public services is very uncertain and potentially at risk by the narrow interpretation of what governmental authority means and a wide-open interpretation of what 'not in competition' and 'non-commercial basis' mean. Clearly, the question – which higher and adult education 'services exercised in governmental authority' are exempted from GATS? – needs to be front and centre in the debate on the risks and opportunities associated with the agreement.

- What does the principle of progressive liberalization mean?

GATS is not a neutral agreement as it aims to promote and enforce the liberalization of trade in services (EI/PSI, 1999). The process of progressive liberalization

involves two aspects- extending GATS coverage to more service sectors and decreasing the number and extent of measures that serve as impediments to increased trade. Therefore, in spite of the right of each country to determine the extent of its commitments, with each new round of negotiations, countries are expected to add sectors or sub-sectors to their national schedules of commitments and to negotiate the further removal of limitations on market access and national treatment.

The intention of GATS is to facilitate and promote increasingly more opportunities for trade. Therefore, countries that are not interested in either the import or export of education services will most likely experience greater pressures to allow market access to foreign providers. The GATS is a very new instrument and it is too soon to predict the reality or extent of these potential opportunities or risks.

- What are the implications of negotiating across sectors?

At the 'request-offer' stage of the process, there are bilateral negotiations on market access and national treatment commitments. The key point at this step is that sectors for which access is sought do not have to correspond to those for which requests are made. So Country 'A' may request of Country 'B' greater access to transportation services. Country 'B' can respond by requesting access to education services. It is up to each country as to where they are willing to make concessions on foreign access to domestic markets. This situation applies to all sectors and may be of greatest concern to countries developing or developed which have not made commitments to open up education services and might therefore consider their education service sector vulnerable to negotiating deals across sectors. This is an issue that requires the education sector to be in close consultation with the trade experts to monitor and whether higher education is positioned as a 'trade off' for gains in another sector.

These issues relate to the mechanics and legalities of the agreement itself.   Each one raises questions, which need further clarification and analysis and collectively they serve to wave the red flag that more attention needs to be given to these matters.

In addition, there are other aspects of the GATS such as the dispute mechanism, subsidies, treatment of monopolies which are controversial and apply to all sectors and which need further study. *Article 6.4* which addresses measures relating to qualification requirements and procedures, technical standards and licensing requirements may have serious implications for education and requires further clarification. It must be remembered that GATS is still an untested agreement and a certain amount of confusion exists on how to interpret the major rules and obligations. It took many years to iron out the inconsistencies in the General Agreement on Tariffs and Trade (GATT) and the same will

likely be true for GATS. While trade specialists and lawyers need to review the technical and legal aspects of the agreement, it is educators who need to study how the agreement applies to and impacts education services. Most importantly, there needs to be closer consultation between the trade and education sectors and experts.

4.0   GATS COMMITMENTS FOR TRADE IN EDUCATION SERVICES

The purpose of this section is to provide information on the timeline for GATS negotiations and a brief overview of the commitments made by countries, especially those from Asia and the Pacific Region.

4.1   Key dates and actions

Chart Four: Key dates and actions of GATS

DATE	Action	Notes for Education Sector
1995	Initial commitments were made when GATS was founded.	44 countries (if you count the EU as one country) made commitments to Education. Of these 44 countries, 35 included commitments to higher education of which 7 are from Asia and the Pacific Region.
December 2001	Negotiating proposals due.	Four countries- USA, Australia, New Zealand and Japan submitted a proposal outlining their general positions related to commitments in the education sector. Japan's proposal was remarkably different as their statement highlighted quality assurance, recognition of credentials and distance education as key issues which required further consideration.
June 2002	All requests for access to foreign markets due.	To date, there have been only 37 official requests tabled. It is not mandatory for a country to publish their tabled requests for market access in other countries and thus the substance of the requests is not known. However, there were leaks and it is known that the EU and USA made substantial requests of other countries to remove barriers to enable greater access to higher, adult and other education services.

March 2003	Offers from each country to provide access to their domestic market due	As of end March 2005, only 53 countries out of 146 have submitted their offers. It is not necessary for a country to publish their offers. To date, 23 offers are confidential, 12 are public and 18 have been informally leaked.
to May 2005	Countries can continue to submit requests and improve their offers until the end of the Doha round.	The end date of the Doha round was originally planned for January 1, 2005 but has been extended given the significant delays in the tabling of both requests and offers. The next Ministerial meeting is in Dec. 2005 in Hong Kong. Further rounds will occur. It is important to note that offers made during the negotiation phase of the Doha round are conditional up to the conclusion of the negotiating round and at that time, final offers are included in a country's schedule of commitments.

Source: Knight, 2004a- updated 2005.

4.2 Status of existing commitments and new offers

Chart Five includes all the countries in Asia and the Pacific Region which have tabled offers and summarizes the education commitments that have been made. In total, only 44 countries made a commitment to education, of which 35 involved higher education. It is interesting to note that there is a great deal of speculation about the level of knowledge and 'rationality' behind some of these commitments. This is because they were made in the early nineties during a period when few trade teams were well-informed about trade and education services and secondly, there was little consultation with education experts on the commitments. As illustrated in *Chart Five* seven countries from Asia and the Pacific have made a commitment to higher education to date. This includes the original commitments from the Uruguay round and the planned commitments from the Doha round.

Chart Five: Existing commitments for foreign access to domestic education markets

Country	Primary	Secondary	Higher	Adult	Other
Australia		x	x		X
China	x	x	x	x	X
Fiji					
Hong Kong					
India	x	x	x	x	
Indonesia					
Japan		x	x	x	
Macao				x	
Malaysia					
New Zealand	x	x	x		
Singapore					
South Korea			x	x	
Sri Lanka					
Taiwan		x	x	x	X
Thailand	x	x		x	
Asia-Pacific Total	**5**	**7**	**7**	**7**	**3**
Other Countries	27	29	28	27	16
TOTAL	**32**	**36**	**35**	**34**	**19**

Source: Knight taken from Latrille (2004a) updated in 2005.

It is important to remember that negotiations involve both offers and requests. An offer is usually responsive to another country's request for access to the domestic market through the removal of a barrier or a most favoured nation exemption. However, it is very difficult to obtain solid information on which countries are making requests and what is the content of the request. This is because the requests are on a bilateral basis and it is not necessary to make them public.

First of all, *Charts Four* and *Five* show that education has not been a priority sector at all for the GATS trade negotiations. Secondly, only a handful of countries have tabled their requests or offers by the targeted dates; and thirdly, there is very little concrete

information on access to education markets. The targeted end date for this round of negotiations was 1 January 2005 and so this has been extended with no final date set due to the fact that the total number of submissions is so low. However, this will allow the time needed by the education sector to become better informed and prepared for the potential implications of increased trade. In some cases, this will mean countries can take whatever steps are necessary to ensure that trade in higher, adult and other services is done within the parameters of necessary national, regional or international education regulatory frameworks.

While the low and slow response rate is providing time to become better informed and prepared, it can also be troublesome. It should be noted that there are very few developing countries that have submitted either their requests or offers. There are several possible reasons for this situation. *First,* there is the question of capacity. All in all, there are 160 sub-sectors covered by GATS and it takes both time and extensive knowledge to be informed on all sub-sectors. Some technical assistance is available to developing countries through multi-lateral agencies and bi-lateral donors but the level of expertise and the time commitment should not be underestimated. *Secondly,* there is an element of 'wait and see' in many countries' trade negotiating strategies. Given that commitments on market access made for one country are automatically applied to all WTO members (due to the most favoured nation obligation), it is not necessary for all countries to make official requests. It is clear that the majority of WTO member countries are not ready, or are hesitant, to table their offers. This means that to date, it is the quad – the four most influential countries – USA, Japan, European Union (EU) and Canada plus several other OECD member countries who are taking the lead and shaping the substance of the negotiation process. This may not be a surprise but it may have some unintended consequences

At the last WTO Ministerial meeting in Cancun, the group of 22 developing countries lead by Argentina, Brazil, China and India took a firm stand on the issue of the agricultural subsidies which is part of the GATT (products) negotiations but has important ripple effects for the GATS (services) round. There are very complex issues at play here – technical, legal and political – but the net effect is a greater awareness of the implications and often inequalities for the poorer countries of the world; and in general, there is a significant slow down on the pace and number of requests and offers being tabled during the Doha round. The next ministerial meeting will be held in Hong Kong in December 2005 but it is too soon to speculate on the outcomes of this meeting.

4.3   Removal of barriers

The purpose of GATS, as stated by the WTO, is to reduce or eliminate barriers to promote further trade. It is important to note that national policies and regulations that have been established by some countries in order to control the import of education and training services into their country are in fact seen by exporting countries as trade barriers that need to be removed. One of the GATS principles is that countries can determine the degree of market access they will give to foreign providers. This is seen as a certain kind of 'safeguard'. However, safeguards can be interpreted as barriers. Therefore, when one considers the GATS principle of progressive liberalization, one questions whether these so called 'safeguards' will in fact be able to withstand the pressure of liberalization in future rounds of negotiations. It should also be noted that barriers to trade seen from the exporting country's point of view, may be seen by the importing country as fundamental aspects of domestic higher education policy.

**5.0   NEW DEVELOPMENTS IN CROSS-BORDER EDUCATION IN
        ASIA AND THE PACIFIC REGION**

5.1   New Initiatives

The Global Student Mobility 2025 Report (IDP Education Australia, 2002) predicts that the demand for international education will increase from 1.8 million international students in 2000 to 7.2 million international students in 2025. By all accounts these are staggering figures and present enormous challenges and opportunities. It is not known what proportion of the demand will be met by student mobility but, it is clear that there will be exponential growth in the movement of programmes and institutions/providers across national borders. New types of providers, new forms of delivery and new models of collaboration are being developed in order to take education programmes to students in their home countries.

The Asia and the Pacific Region is the real hotbed of activity and innovation for new developments in cross-border education (McBurnie & Ziguras (2001). Not only is there an increase in the amount of institution/provider and programme cross-border activity, there is a remarkable growth in new types or providers and innovative partnerships between local/ foreign and public/private partners. The IDP Report on "Global Student Mobility, 2002" indicates that Asia will represent approximately 70 per cent of the global demand for higher education in 2005 and so it is clear that this is the region to watch for new trends and developments.

One of the major challenges in trying to analyze the implications of cross-border education is the lack of data. While there is more reliable information and informed analysis on the movement of students across borders, the paucity of information on programme mobility creates an undesirable environment of speculation, confusion and even misinformation. This can have negative consequences in terms of confidence in the quality and dependability of cross-border education provision and impedes the analysis needed to underpin solid policy and regulatory frameworks. That being said, countries in Asia and the Pacific Region, especially Australia, Singapore, Hong Kong and Malaysia are the leaders in terms of having up-to-date and fairly comprehensive data from universities on the volume, types, and award level of programme delivery. It is important to note though that universities represent only one type of cross-border provider and only a portion of the total cross-border activity. For instance, in 2002, Australian universities had over 97,000 students enrolled in 1569 cross-border programmes and of course, this is in addition to the foreign students at Australian based institutions (AVCC, 2003). As of June 2003, Hong Kong had 858 degree level programmes from 11 different countries operating in SAR and Singapore had 522 degree level programmes from 12 foreign countries (OBHE, 2003). There is no solid longitudinal data, but these figures provide a good baseline for future monitoring of the volume and types of cross-border programme mobility.

Examples of some of the most recent cross-border developments in Asia and the Pacific Region include the following initiatives that have been reported on by the Observatory on Borderless Higher Education in the UK. (OBHE, 2003; 2004).

Viet Nam is an emerging player with the development of the 100 per cent foreign owner branch campus of RMIT from Australia. The International College of IT and Management, established by Troy State University from the USA is another example of a foreign branch campus in Viet Nam. The number of active partnerships is growing. The University of Hue recently developed a franchised/joint degree bachelor's programme in tourism with the University of Hawaii, and Hanoi University of Technology is currently offering masters and bachelors degrees with higher education institutions from Belgium (1), France (8), Germany (1) Singapore (2) and the USA (1). The Vietnamese Government recently announced the development of the "International University in Viet Nam" as another initiative to increase national capacity for higher education. It is expected that half the university teaching staff will be Vietnamese and the other half from foreign universities. The involvement of foreign institutions will build on and expand from the current links of Ho Chi Minh City National University (OBHE, January 2004).

Thailand is another country of increasing importance for cross-border education and is an appealing destination for institutions and providers from Egypt, China, Australia, and the US. For example, the Egyptian Al-Azhar University and Jinan University from China both plan to open a branch campus in 2005. Swinburne University of Technology (Australia) has been operating a branch campus since 1998, although it is changing its focus to industry training only. Troy State University from the USA has a teaching site in Bangkok for its MBA programme and students can transfer to the USA depending on funds and visa requirements. Other institutions operating in Thailand include the Thai-German Graduate School of Engineering as well as 13 Australian and nine UK universities (OBHE, March 2004).

In Singapore, the University of New South Wales (Australia) will establish the first 100 per cent foreign owned higher education institution. They received full approval to do so by the Singaporean Government. It plans to offer undergraduate and graduate level programmes and to develop a strong research capacity. Other well respected foreign institutions offering education programmes and training in Singapore through joint ventures, exchanges and branch campus models include the Chicago University of Graduate School in Business, Shanghai Jiao Tong University, Standford University, John Hopkins University, the German Technische Universitat Munchen and Technishce Universiteit Eindhoven from the Netherlands (OBHE, April 2004).

It is also interesting to note the exporting activities of Singapore institutions. For example, the National University of Singapore has developed a joint MBA with Fudan University aimed at both Chinese and Singapore students. It is also embarking on a new graduate school initiative for Chinese students to be located in Suzhou Graduate Town that is part of the Suzhou Industrial Park (OBHE, September 2003).

Raffles La Salle Limited from Singapore is a publicly trade company very active in providing programmes in fashion and design in many Asian countries. It has a number of very innovative partnership arrangements and spans many countries (OBHE Dec. 2003) describes it as "a remarkable instance of international partnership, combining a Singapore firm with branches in Australia, China, Malaysia and Thailand, accreditation from an Australian state and a Canadian province, degrees from an Australian and a UK university, and a number of in-county university and college partners". Raffles La Salle is only one of the private companies based in Singapore; Informatics and Hartford are two other companies very involved in higher education programmes and services.

The speed of change and innovation in India's higher education sector is unprecedented and includes both the import and export of programmes and services. One of the more interesting initiatives is the partnership between the Caparo Group, a UK firm with interests in steel, engineering and hotels and Carnegie Mellon University (USA) to set up a new campus in India (OBHE, July 2003). The Pune based International Institute of Information Technology (IIIT) plans to offer its Masters and PhD. courses through the newly established Russian-Indian Centre for Advanced Computer Research in Moscow. Furthermore, the renowned International Institute of Information Technology (IIIT) from India is establishing a teaching centre in Moscow to offer its Masters and PhD. programmes.

Another interesting and recent development is the fact that the George Washington University is one of the first higher education institutes (HEIs) planning to open a branch in South Korea in 2006, now that the Government of South Korea has changed its regulatory system to permit foreign providers. There are several examples of USA programme mobility into Korea through partnerships with local institutions and companies. For instance, Syracuse University, in conjunction with Sejong University in Seoul, offers a specially designed MBA programme for Korean students. Duke and Purdue Universities are also offering MBAs in Korea, and Stanford University is delivering online graduate and post-graduate courses and uses alumni as local tutors (OBHE, August 2004).

In early 2004, the Canadian International Management Institute (CIMI), a private post-secondary institution that represents the recruiting interests of 10 Canadian universities and colleges, signed a 'Memorandum of Understanding' with the Chinese Scholarship Council to offer a foundation and credit transfer programme to students in China wanting to gain Canadian University degrees. It is a five-year programme during which students will be based in China for foundation studies, cultural adjustment and language training for the first three years. If students meet grade requirements they can continue their studies either in Canada or China for the final two years. The China based partner for this initiative is the Shougang Institute of Technology, which is a municipal managed higher education institute specializing in manufacturing, business and services disciplines (OBHE, June 2004).

These are only a few examples of the hundreds of new cross-border initiatives in Asia and the Pacific Region. They are meant to illustrate the variety of education institutions and providers active in cross-border education and the different types of arrangements that are being established.

Typologies for cross-border providers and mobility

Given the increase in demand for higher education, there are new providers, new delivery methods and new types of programmes. These new providers include media companies such as Pearson (UK), Thomson (Canada), multinational companies such as Apollo (USA), Informatics (Singapore) and Aptech (India), corporate universities such as those run by Motorala and Toyota, and networks of universities, professional associations and organizations. Generally, these new commercial providers are mainly occupied with teaching/training or providing services and do not focus on research *per se*. They can complement, co-operate, compete or simply coexist with the traditional public and private higher education institutions whose mandate is traditionally the trinity of teaching, research and service. However, it is not just 'for-profit' companies that are becoming increasingly interested in commercial cross-border initiatives. Conventional higher education institutions, both private and public, are also seeking opportunities for commercial delivery of education programmes in other countries as illustrated in the previous section. The majority of these are *bona fide* institutions that comply with domestic and foreign regulations (where they exist), but there is also an increase in rogue or low quality providers who are not recognized by *bona fide* accreditation/licensing bodies. In addition, there is a worrisome increase in the number of 'degree mills' operating around the world. These are often no more than web-based companies that are selling certificates based on 'life experiences' and are not delivering education programmes at all.

The expansion in numbers and types of entities that are providing education courses and programmes across borders is causing some confusion and chaos. This also applies to the modes of cross-border programme mobility and provider mobility. This general state of flux may well indicate progress and innovation but it also begs for some kind of classification system or typology in order to make sense of the new 'playing field' of cross-border education.

The following section present a first attempt at developing three distinct typologies for the different types of providers, the different means of programme mobility and the various ways that providers are moving across borders. A key factor underlying these typologies is that the type of provider is purposely separated from the mode of mobility. To date, much of the discussion about programme and provider mobility has consciously or unconsciously linked the type of provider with a certain mode of delivery. This is one of the reasons for the state of confusion and therefore, a generic classification system for cross-border providers is proposed. A second typology on the different modes of programme mobility is presented. It is important to emphasize that the different forms of programme mobility can apply to any or all of the providers. A third typology focuses on the ways that providers move across borders.

This typology rests on the assumption that the movement of 'individual or a set of programmes' needs to be differentiated from the movement and presence of 'providers'. Again, the third typology is applicable to the full range of providers.

Typology of Providers

The term provider is used as a generic term to include all types of higher education institutions as well as companies and networks involved in cross-border education. It is an attempt to conceptually map the diversity of actors and to separate the type of provider from the form of cross-border delivery. The key factors used to describe each category of provider and to distinguish one category from another are the following:

- Recognized by a *bona fide* national licensing/accrediting body.
- Part of the national 'home' higher education system.
- Public, private or religious.
- 'Non-profit' or 'for-profit'
-

The proposed typology is purposely rather generic and does not provide specific details on the characteristics of each category of provider. The typology is oriented to international academic provision but may have some relevance for domestic delivery as well. There seems to be a continual flow of announcements about new providers and new forms of partnerships between providers. It is an evolving field that needs to be monitored and this is why the typology is a work in progress.

Chart Six: Typology of cross-border/international <u>Providers</u>

Category	Status	Orientation	Notes
Recognized HEIs	Can be public, private or religious institutions. Usually part of home national education system and recognized by national bona fide licensing/ accrediting body.	Can be 'non-profit' or profit-oriented.	Known as traditional type of HEI focusing on teaching, research and service.

Non-recognized HEIs	Usually private and not formally part of national education system. Includes HEIs that provide a course of study but are not recognized by national bona fide licensing/ accreditation body. If the non-recognized HEIs are of low quality they are often referred to as 'rogue' providers	Usually profit-oriented.	'Diploma mills' sell degrees but do not provide programmes of study and are related to cross-border education but are not a true provider. 'Rogue providers' are often accredited by agencies that are selling accreditations (accreditation mills) or by self-accrediting groups or companies.
Commercial Company HEIs	Can be publicly traded company (see Global Education Index of OBHE) or privately owned. Includes: 1. Companies that establish HEIs that may or may not be 'recognized' by bona fide licensing/ accrediting bodies and 2. Companies that focus more on the provision of services. Usually not part of 'home' national education system.	Profit-oriented	Known as type of 'new or alternative provider'. Can include variety of companies (i.e. media, IT, publishing) who provide education programmes and support services. Can complement, co-operate, compete or co-exist with more traditional HEIs.

Corporate HEIs May be difficult to identify home country	Not Part of home national education system Usually part of major international corporation and outside of national education system. Not usually recognized by national bona fide licensing/ accreditation body	Not relevant	Known as type of 'new or alternative provider' Often collaborate with traditional HEIs especially for degree awarding power
Affiliations /Networks	Can be combination of public/public or public/private or private/private organizations and HEIs The affiliations/networks may or may not be part of home national education system; and they may or may not be recognized by national bona fide licensing/accreditation body. However some of the individual partners may be.	Usually profit-oriented in purpose	Known as type of "new or alternative provider"
Virtual HEIs	Includes HEIs that are 100 per cent virtual May or may not be part of home national education system and may or may not be recognized by national bona fide licensing/ accrediting body.	Usually profit oriented if delivering cross-border	Difficult for receiving national education system to monitor or regulate international virtual HEIs due to distance delivery methods
Footnotes	*Home country means country of origin or sending/ source country. Host country means receiving country.*	.	

Source: Knight, 2005.

The description and classification of the different types of new cross-border providers is rather challenging. The tendency is to use the factors inherent to traditional HEIs and apply them to new providers. This may change over time.

One of the more central issues is who recognizes and gives the provider the power to award the qualifications in the 'home or sending country' and/or in the 'host or receiving country'. However, as previously pointed out some of the 'new providers' are not part of, or are not recognized by, a 'home' national education system. Another challenge in developing a typology is that the terms 'public, private and religious' are interpreted and used in different ways among countries (and sometimes within countries as well). The emergence of new trade regulations applying to education services usually means that all commercial cross-border providers are considered to be private by host/receiving country regardless of their status at home. This adds yet another complicating dimension to the task. Furthermore, the definition of the terms 'for-profit' and 'non-profit' also varies among countries. It is interesting to follow the changes in national regulatory systems for cross-border education (especially in China, India, Japan, Malaysia) in terms of these issues, and especially how 'for-profit' and 'non-profit' education entities and services are defined.

Typology of <u>Programme</u> Mobility

Cross-border mobility of programmes can be described as 'the movement of individual education/training courses and programmes across national borders through face-to-face, distance or a combination of these modes. Credits towards a qualification can be awarded by the sending foreign country provider or by an affiliated domestic partner or jointly. Programme mobility can involve the delivery of individual courses and programmes of a comprehensive HEI thus the cross-border profile of an institution/provider may be different from the home profile. On the other hand, programme mobility can also involve the only programme or course offered by a provider. Franchising, twinning, double/joint and other articulation models are the more popular methods of cross-border programme mobility.

Chart Seven: Typology of cross-border <u>programme</u> mobility modes

Category	Description	Comments
Franchise	An arrangement whereby a provider in the source Country 'A' authorizes a provider in another Country 'B' to deliver their course/programme/service in country B or other countries. The qualification is awarded by provider in Country 'A'.	Arrangements for teaching, management, assessment, profit-sharing, awarding of credit/qualification etc are customized for each franchise arrangement.
Twinning	A situation whereby a provider in source Country 'A' collaborates with a provider located in Country 'B' to develop an articulation system allowing students to take course credits in Country 'B' and/or source country A. Only one qualification is awarded by provider in source Country 'A'.	Arrangements for twinning programmes and awarding of degree usually comply with national regulations of the provider in the source country A.
Double/Joint Degree	An arrangement whereby providers in different countries collaborate to offer a programme for which a student receives a qualification from each provider or a joint award from the collaborating providers.	Arrangements for programme provision and criteria for awarding the qualifications are customized for each collaborative initiative in accordance with national regulations.
Articulation	Various types of articulation arrangements between providers in different countries permit students to gain credit for courses/programmes offered/delivered by collaborating providers.	Allows students to gain credit for work done with a provider other than the provider awarding the qualification.
Validation	Validation arrangements between providers in different countries which allow Provider B in receiving country to award the qualification of Provider A in source country.	In some cases, the source country provider may not offer these courses or awards themselves.

| Virtual /Distance | Arrangements where providers deliver courses/programmes to students in different countries through distance and on-line modes. May include some face to face support for students through domestic study or support centres. | |

It is clear that a key factor in programme mobility is 'who' awards the course credits or ultimate credential for the programme. As the movement of programmes proliferates, there will undoubtedly be further changes to national, regional and even international regulatory frameworks. The question of 'who grants the credits/awards' will be augmented by *'who recognizes the provider'* and whether or not the programme has been *'accredited or quality assured'* by a bona fide body. Of critical importance is whether the qualification is recognized for employment or further study in the receiving country and in other countries as well. The perceived legitimacy, recognition and ultimate mobility of the qualification are fundamental issues yet to be resolved.

Given that several modes for programme mobility involve partnerships there are questions about who owns the intellectual property rights to course design and materials. What are the legal and moral roles and responsibilities of the participating partners in terms of academic, staffing, recruitment, evaluation, financial, and administrative matters? While the movement of programmes across borders has been taking place for many years, it is clear that the new types of providers, partnerships, awards and delivery modes are challenging national and international policies and regulatory frameworks and that there are more questions than answers at the present time.

Typology of __Provider__ mobility

Cross-border mobility of provider can be described as 'the physical or virtual movement of an education provider across a national border to establish a presence to provide education/training programmes and/or services to students and other clients.'   The difference between programme and provider mobility is one of scope and volume in terms of programmes/services offered and the local presence (and investment) by the foreign provider.

Credits and qualifications are awarded by the foreign provider (through foreign, local or self-accreditation methods) or by an affiliated domestic partner or jointly. Forms of cross-border provider mobility include branch campuses, mergers with or acquisitions of domestic providers, independent institutions, study and support centres plus other types of innovative affiliations. A distinguishing feature between programme and provider mobility is that with provider mobility the learner is not necessarily located in a different country than the awarding institution.

Chart Eight: Typology of cross-border <u>Provider</u> mobility modes

Category	Description	Examples
Branch Campus	Provider in Country 'A' establishes a satellite campus in Country 'B' to deliver courses and programmes to students in Country 'B'. (may also include Country 'A' students taking a semester/courses abroad). The qualification awarded is from provider in Country 'A'.	Monash University from Australia has established Branch campuses in Malaysia and South Africa. University of Indianapolis has a branch campus in Athens
Independent Institution	Foreign Provider A (a traditional university, a commercial company or alliance/network) establishes in Country 'B' a stand alone HEI to offer courses /programmes and awards.	The German University in Cairo, Phoenix Universities in Canada and Puerto Rico (Apollo Group).
Acquisition/Merger	Foreign Provider A purchases a part of or 100 per cent of local HEI in Country 'B'.	Laureate (formerly Sylvan Learning Systems) has merged with and/or purchased local HEIs in Chile, Mexico and other LA countries.

Study Centre/ Teaching Site	Foreign Provider A establishes study centres in Country 'B' to support students taking their courses/programmes. Study centres can be independent or in collaboration with local providers in Country 'B'.	Texas A&M has 'university centre' in Mexico City. Troy University (USA) has MBA teaching site in Bangkok.
Affiliation/Networks	Different types of 'public and private', 'traditional and new' providers from various countries collaborate through innovative types of partnerships to establish networks/institutions to deliver courses and programmes in local and foreign countries through distance or face to face modes.	Partnership between the Caparo Group and Carnegie Mellon University to establish campus in India. Netherlands Business School branch campus in Nigeria in partnership with African Leadership Forum (NGO).
Virtual University	Provider that delivers credit courses and degree programmes to students in different countries through distance education modes and that generally does not have face to face support services for students.	International Virtual University, Hibernia College, Arab Open University.

Source: Knight, 2005.

The next section of the paper takes a broader and deeper look at some of the issues and implications (Knight, 2003b) involved in this dynamic but rather muddled arena of cross-border education and the potential influence of GATS rules and regulations.

6.0   IMPLICATIONS FOR HIGHER EDUCATION POLICY

6.1   Role of government

In most, if not all countries of the world, the government plays a critical role in regulating, funding, and monitoring the provision of higher education. This applies where education is more or less publicly-funded and also where there is a mixed public/private higher education system. One has to ask whether trade liberalization will affect a mixed system differently than a public system and whether the role of government will change measurably? Inherent in these questions, is the issue of just what services are covered or exempted from GATS.

There is an implicit understanding that public services will be exempted, but close scrutiny of *Article 1.3* raises several related questions and concerns. Legal opinion (Gottlieb & Pearson, 2001) and the general consensus in the higher education sector is that there is so much 'wiggle room' in the definition that one should not count on government funded and mandated institutions being exempted from GATS rules unless a country stipulates this in their commitments.

The second point relates to GATS *Article 6.4* which addresses domestic regulations and a country's ability to set qualifications, quality standards and licences. The article reads that "qualifications, requirements and procedures, technical standards and licensing are not more burdensome than necessary to ensure the quality of the service". The language is purposely vague and there are no definitions for terms such as 'more burdensome than necessary' or for 'quality of services'. This leaves the higher education sector troubled about the potential impact of this statement on quality assurance and accreditation procedures. There is also concern about the implications of this article on the regulation of the professions given the increasing mobility of skilled and professional workers across borders (Powar, 2002). This is one of the articles which is 'still under development'. Direct questions to trade specialists do not yield any concrete answers other than 'it is still being developed' and it is a wait and see situation. However, they state strongly that it is certainly not the intention of GATS to limit government's role in the regulation of quality assurance of education or the professions. Clearly this article, part of which is often referred to as the 'necessity test', merits close monitoring by the education sector given that a country's ability to establish quality assurance and accreditation policy for domestic and foreign providers is central to the question of the role of government.

Much discussion about the impact of globalization on governance has focussed on the 'push up' factor from national to international levels and the 'push down' factor from national to sub-regional to local, thereby leaving the scope of national governance in question and perhaps diminished. A topical subject of debate in the public sector is the impact of GATS rules on a nation's ability to determine and implement policy/regulations for post-secondary education. Trade analysts and WTO staff are quick to alleviate any concern that the role of national government will change in terms of policy objectives and regulations but the 'jury is still out' on this issue until there is further clarification and development of *Articles 1.3* and *6.4.*

6.2   Student access

Demographic changes, lifelong learning, changing human resource needs created by the knowledge economy as well as increasing number of graduates from secondary level education are increasing the unmet demand for post-secondary education and training. GATS supporters maintain that increased international trade will help countries satisfy this growing demand for further education. Public and private higher education institutions also recognize this need and are increasingly involved in cross-border education through development projects, linkages and commercial ventures. Private commercial providers who are primarily concerned with teaching (meaning limited attention is given to research and service) are targeting niche markets of these learners and responding to a clearly identified need. Therefore, GATS supporters believe that increased student access to education and training is one of the strong rationales and articulated benefits linked to trade liberalization. GATS critics question why there need to be trade rules to regulate this when cross-border education is already occurring outside of a trade regime and can be regulated through education conventions and national education regulatory frameworks. So while there is general agreement on the need for greater student access, there remains the question of whether access will be available only to those who can afford it and how will trade rules impact the service providers and the student access.

6.3   Financing

The fact that the growth rate in public funding is not keeping pace with the accelerated levels of private investment in higher education is a discernible trend in many developed and developing countries (Levy, 2003). This trend, plus the pervasive climate of stricter accountability for public support, is creating a more receptive environment for private and commercial providers of post-secondary education. As already noted, private provision of education in niche markets is increasing. These three factors are contributing to an expectation that there will be more private investment in education and more private providers in the future.

When forces for increased liberalization of trade are added to this scenario there is an expectation that private and commercial providers will be very active in the international education markets. According to Global Education Index, recently developed by the Observatory on borderless higher education (Garrett, 2003) there are currently more than 50 companies listed on the stock exchange which provide education and training programmes or services to support education and many are doing so on an international scale. This is a conservative number and does not include those companies which are not publicly listed.

The greatest fear among many education leaders is that while private investment in education rises, the public support will fall even more steeply. At this point in time, this is speculation only, but it is expected that this could also be a discernible trend before long. The role that trade plays in this scenario is that countries without the capacity or political will to invest in the physical and soft infrastructure for higher education will begin to rely more and more on foreign investors and providers; and that trade rules may have a heavy influence on the terms and use of the private investment and thereby policy for education. A review of the barriers to trade in education services show that measures relating to *Mode 3: Commercial Presence*/foreign investment are in fact being targeted for removal. Of course, a huge proviso in this scenario is that the private and commercial education providers will be able to make it economically worthwhile to deliver internationally, and if this is not the case then new questions will arise.

6.4   Registration and licensing of foreign providers
A fundamental question is whether the institutions, companies and networks that are delivering award-based programmes are registered, licensed or recognized by the receiving country. The answer to this question varies. There are many countries that do not have the regulatory systems in place to register out of country providers. Several reasons account for this, including lack of capacity or political will. If providers are not registered or recognized it is difficult to monitor their performance. It is usual practise, that if an institution/provider is not registered as part of a national system, then regulatory frameworks for quality assurance or accreditation do not apply. This is the situation in many countries in the world and hence foreign providers (*bona fide* and rogue) do not have to comply with national regulations of the receiving countries.

The questions and factors at play in the registration or licensing of foreign providers are many. For instance:

- Are there different criteria or conditions applicable to those providers who are part of and recognized by a national education system in their home country than for those providers who are not?
- Does it make a difference if the provider is 'for-profit' or 'non-profit', private or public, an institution or a company?
- What conditions apply if in fact the provider is a company that has no home based presence and only establishes institutions in foreign countries?
- How does one monitor partnerships between local domestic institutions/companies and foreign ones?
- Is it even possible to register a completely virtual provider?

Clearly, there are challenges and difficulties involved in trying to establish appropriate and effective national or regional regulatory systems for registration of non-domestic providers.

Often there are bilateral cultural/academic agreements in place to facilitate and monitor the foreign presence of education providers. However, the fact that education services are now part of bilateral and multilateral trade agreements introduces new regulations and challenges. A key question facing national governments, as well as international organizations, is to what extent will the introduction of new national regulations to license or recognize out of country providers be interpreted as barriers for trade and therefore need to be modified to comply with trade policies.

All in all, the issue of regulating and licensing providers that deliver education across borders needs further attention. Consideration of what national, regional and international policies and frameworks are necessary and feasible in light of new trade regulations merits study by the education sector. This is becoming a complex and more urgent issue to address

6.5   Quality Assurance (QA) and Accreditation

If we thought the questions related to registration and licensing were complex, it becomes even more complicated when one looks at accreditation and quality assurance of providers and imported/exported education programmes. The terms accreditation and quality assurance have different meaning and significance depending on the country, actor or stakeholder using the term. Terminology related to quality is a real minefield and the cause of much debate and confusion at the international level.

For the purposes of this paper, quality recognition and assurance is used in a general sense and includes quality audit, evaluation, accreditation and other review processes and elements. This generic approach is not meant to diminish the differences in meaning and approach used by various countries. However, a macro interpretation of quality recognition and assurance of cross-border education is needed to attract the attention that this issue deserves.

It must be noted that increased importance has certainly been given to quality assurance at the institutional level and at the national level in the past decade (Van Damme, 2002). New quality assurance mechanisms and national organizations have been developed in over sixty countries in the last decade. New regional quality networks have also been established. The primary task of these groups has been quality recognition and assurance of domestic higher education provision by primarily public and private higher education institutions. However, the increase in cross-border education by institutions and new private commercial providers has introduced a new challenge (and gap) in the field of quality assurance. Historically, national quality assurance agencies have generally not focussed their efforts on assessing the quality of imported and exported programmes, with some notable exceptions such as the United Kingdom (UK). The question now facing the sector is how does one deal with the increase in cross-border education by public and private institutions, in particular by the new private commercial companies and providers who are often not part of nationally-based quality assurance schemes? (Middlehurst & Woodfield, 2003).

It is probable that sectors, in addition to education, will be interested in developing international quality standards and procedures for education. ISO standards, or other industry –based mechanisms such as the Baldridge Awards are examples of quality systems that might be applied or modelled for cross-border education. The education sector has mixed views on the appropriateness of quality standards being established for education by those outside the sector, some see merit to this idea and others see problems. At the same time, there are divergent opinions on the desirability and value of any international standards or criteria for quality assurance as this might jeopardize the sovereignty of national level systems or contribute to standardization, not necessarily quality standards. This issue is complex and there are many different actors and stakeholders involved. However, given the realities of today's growth in the number and types of cross-border education providers and the prospect of increased trade and new trade rules, there is a sense of urgency to the question of how to ensure the quality of imported and exported education providers and programmes.

It is also important to acknowledge that there is a great deal of cross-border mobility of students, teachers and programmes through non-commercial initiatives. Education activities that are part of development aid projects and international academic linkages and networks are good examples. Therefore, international trade of education services is not the only factor driving the urgency of addressing international quality recognition and assurance. At this point, it must be clarified that GATS or other bilateral trade agreements do not claim to be establishing rules for quality assurance and recognition of education but they are important catalysts for more urgent attention being given to the issues at hand (Neilson, 2004).

As the discussion moves forward it will be of strategic and substantive importance to recognize the roles and responsibilities of all the players involved in quality assurance including individual institutions/providers, national quality assurance systems, non-government and independent accreditation bodies, and regional/international organizations, all of whom contribute to ensuring the quality of cross-border education. It will be important to work in a collaborative and complementary fashion to build a system which ensures the quality and integrity of cross-border education and maintains the confidence of society in higher education. It is timely that this question is currently being addressed by the UNESCO Forum on "International Quality Assurance, Accreditation and the Recognition of Qualifications", and through a joint UNESCO/OECD Working Group that has produced a set of "Guidelines on Quality Provision in Cross-border Education". In addition, several international/regional/national NGOs have produced declarations and positions papers on the issues related to quality cross-border education and GATS.

6.6   Diversity and commercialization of accreditors

The increased awareness of the need for quality assurance and/or accreditation has lead to several new developments in accreditation, some of which are helping the task of domestic and international recognition of qualification, some of which are only serving to hinder and complicate matters. First, it is important to acknowledge the efforts of many countries to establish criteria and procedures for quality assurance recognition systems and the approval of *bona fide* accreditors. At the same time, it is necessary to recognize the increase in self-appointed and rather self-serving accreditors, as well as accreditation mills that simply sell 'bogus' accreditation labels.

Market forces are making the profile and reputation of an institution/provider and their courses more and more important. Major investments are being made in marketing and branding campaigns in order to get name recognition and to increase enrolments.

The possession of some type of accreditation is part of the campaign and assures prospective students that the programmes/awards are of high standing. The desire for accreditation status is leading to a commercialization of quality assurance/accreditation as programmes and providers strive to gain as many 'accreditation' stars as possible in order to increase competitiveness and perceived international legitimacy. The challenge is how to distinguish between *bona fide* and rogue accreditors, especially when neither the cross-border provider nor accreditor are nationally- based or recognized as part of a national higher education system.

It is interesting to note the increase in the number of *bona fide* national and international accreditation agencies who are now working in over 50 countries. For instance, the USA national and regional accrediting bodies are providing/selling their services in over 65 countries. The same trend is discernible for accreditation bodies of the professions such as ABET (Engineering) from the USA and EQUIS (Business) from Europe.

At the same time, there are networks of institutions and new organizations that are self-appointed and engage in accreditation of their members. These are positive developments when seen through the lens of trying to improve the quality of the academic offer. However, there is some concern that they are not totally objective in their assessments and may be more interested in contributing to the race for more and more accreditation 'stars' than to improving quality. While this can apply to both cross-border and domestic provision, it is particularly worrisome for cross-border provision as attention to national policy objectives and cultural orientation is often neglected. In both cases, there is no clear understanding if the accreditor is *bona fide* and if the qualifications will be able to be acceptable for academic or professional purposes.

Another related and development that is more worrisome is the growth in accreditation mills. These organizations are not recognized or legitimate bodies and they more or less 'sell' accreditation status without any independent assessment. They are similar to degree mills that sell certificates and degrees with little or no course work. Different education stakeholders, especially the students, employers and the public need to be aware of these accreditation (and degree) mills which are often no more than a web address and are therefore out of the jurisdiction of national regulatory systems.

6.7   Recognition of qualifications

The credibility of higher education programmes and qualifications is extremely important for students, their employers and the public at large and of course for the academic community itself. Additional efforts are needed at institutional, national and international levels to keep the different stakeholders cognizant of new opportunities for education and professional mobility but also new risks such as rogue providers, and diploma and accreditation mills and the more subtle issues related to new providers and new qualifications. The larger and perhaps most critical issue is assurance that the education and the qualification awarded are legitimate and will be recognized for employment purposes or for further studies either at home or abroad. This is a major challenge facing the national and international higher education sector at the present time.

UNESCO has long acknowledged the requirement of an international system to facilitate and ensure recognition of academic and professional qualifications. Regional UNESCO conventions on the "Recognition of Qualification" were established more than 25 years ago and have been ratified by over 100 Member States in Africa, the Arab States, Asia and the Pacific, Europe and Latin America. They are unique legally binding instruments dealing with cross-border mutual recognition of qualifications. There is limited general awareness of these instruments except for the European Regional Convention, which in 1997 was updated jointly by UNESCO and the Council of Europe in the form of the Lisbon Convention. In 2001, the same two organizations established a "Code of Good Practice for Transnational Education" which is now a recognized part of the Lisbon Convention. At the present time, there is discussion on how these UNESCO conventions can be used as instruments to complement trade agreements and assure students, employers and the public that there are systems in place to recognize academic and professional qualifications. Given the growth in academic mobility, the increased mobility of the labour force and the fact that GATS is encouraging greater professional mobility, there is a clear and urgent need that this issue be addressed. Questions are also being raised as to whether these UNESCO conventions could also be used to help address the quality assurance and accreditation issues as well. This idea will be certain to stir up increased interest in the subject and hopefully give the issues the attention they deserve.

6.8   Diversification of the higher education sector

The issue of commercialization has important implications for the diversification and differentiation of higher education institutions and providers and more critically the selection of academic programmes and courses being offered. There are two key aspects to this issue – which courses are offered and by what type of providers.

A market approach to higher education can lead to a situation where commercial or 'for-profit' providers offer those courses that are in high market demand such as business, information technology and communication programmes (Patil, 2002). This makes sense as the driving rationale is economic. While, this does not preclude public or private 'non-profit' institutions to provide these same high demand programmes, it does mean that some of the less popular and often more costly but equally important subjects are the responsibility of public/'non-profit' institutions. This can lead to a differentiated menu of courses between 'for-profit' and 'non-profit' providers based on discipline and profitability.

Research is also linked to this issue, as there is an indication that commercial providers, and especially foreign ones, are often not investing in the human, technical or physical infrastructure necessary to support research efforts. There are of course, important exceptions to this trend, but it is worth monitoring. Developing countries have expressed a particular concern about this potential type of diversification of the system with respect to the roles and programme priorities of domestic and foreign commercial/'for-profit' providers. Therefore, the potential diversification of the higher education system based on increased commercial cross-border education introduces important policy implications for funding, staffing, quality assurance, research, curriculum and programmes and is worthy of further investigation and analysis.

6.9   Internationalization of academic relations

In the last section, emphasis was placed on the private and commercial education providers who have a strong orientation to 'for-profit' delivery of services. There are many public and private 'non-profit' institutions that have a deep interest in the international dimension of education that goes beyond the delivery of education across national jurisdictional boundaries.

Higher education institutions are actively expanding the international dimension of their research, teaching and service functions. This is a necessity given the increasing interdependency among nations to address global issues such as climate change, crime, terrorism and health through collaborative research and scholarly activity. The international and intercultural aspects of curriculum and the teaching/learning process are important for their contribution to the quality and relevancy of higher education. One of the leading rationales at the institutional level for internationalization is the preparation of graduates to be internationally knowledgeable and inter-culturally skilled in order to live and work in more culturally diverse communities at home and abroad.

An important question to ask is how an increased emphasis on commercial trade in education and new trade regulations will affect the nature and priority given to academic, social, cultural and political rationales of non-commercial international education activities.

6.10 Cultural diversity and acculturation

The increase in cross-border education and the influence of trade and new trade regulations on the recognition and promotion of indigenous and diverse cultures is a subject that evokes strong positions and sentiments. Many believe that new ICT technologies and movement of people, ideas and culture across borders is presenting new opportunities to promote one's culture to other countries and furthers chances for fusion and hybridization of culture. Their position rests on the assumption that this flow of culture across borders is not new at all it is just the accelerated speed that has changed. Others contend that these same forces are eroding national cultural identities and instead of creating new forms of cultures through hybridization, cultures are being homogenized (in most cases interpreted to mean Westernized). Given that education has traditionally been seen as a vehicle of acculturation, these arguments are played out in terms of curriculum content, language of instruction (note increase in English) and the teaching/learning process of exported/imported programmes. Both perspectives have strengths to their arguments. However, because commercial exports are often based on surplus capacity and the bottom line, it is important to ask whether efforts are made to customize programmes to local needs and to make programmes culturally appropriate and useful?

Will commercially traded education programmes be any more or less culturally imperialistic or diversified than programmes or curriculum that cross borders as part of development projects or academic exchange programmes? There is no clear answer to this yet. Many would want to argue that 'for-profit' private providers will not be willing to invest the time and resources to ensure that courses respect cultural traditions and include relevant local content. Given that private providers are market driven there may be a demand from the students and employers for what is perceived to be modern (read western) type of education. The question of the impact of commercial trade (as well as non-commercial cross-border delivery) of education on cultural diversity requires significant study.

6.11 Higher education role and values

At the heart of the debate for many educators is 'what impact will increased commercial cross-border education and new trade policy have on the purpose, role and values of higher education?'

The discussion on GATS has up to now, focused more on the technical, legal, and economic aspects of the movement of students, programmes and providers/institutions across borders.   But, the growth in new commercial and private providers, the commodification of education, and the prospect of new trade policy frameworks are catalysts for stimulating serious reflection on the role, social commitment and funding of public higher education institutions in society.

The trinity of teaching/learning, research and service to society has traditionally guided the evolution of universities and their contribution to the social, cultural, human, scientific and economic development of a nation. Is the combination of these roles still valid or can they be desegregated and rendered by different providers? Values that have traditionally underpinned public education such as academic freedom, collegiality and institutional autonomy are being closely examined. Is education still considered to be a public good in the sense of contributing to the development of society or is it being perceived as more of a private good for consumption by individuals (Singh, 2001). Some believe that these traditional values and roles are even more relevant and important in today's environment; others suggest that there is a need for a shift away from these traditional values in light of globalization. And still others argue that if higher education is to fulfil its role as a 'public good' then it will need to move away from its traditional public funding sources in favour of more market-based approaches. Once again, the new emphasis on trade and the introduction of trade rules, serve as important factors demanding a rigorous review of the values fundamental to higher education and a nation's perception of how education meets national priorities and needs. Perhaps the issues of trade and the commercialization of higher education will eventually be critical elements that define and contrast different countries' values and approaches to the role and purpose of higher education.

6.12   Human capacity and ''brain-drain''/gain

Brain power is an increasingly important issue for many countries due to the growing mobility of professional/skilled workers and the increased pressure for trade liberalization – especially for GATS *Mode 4: Presence of Natural Persons.* The increase in cross-border movement of scholars, experts and teachers/professors is due in part to the increasing competitiveness for human capital in the knowledge economy. Not only is there a trend for higher education personnel to move from country-to-country, they are also attracted to the corporate sector where benefits can be more attractive than in the education sector. The higher education sector is affected both positively and negatively by this depending on whether a country is experiencing a net drain or gain effect and the level of brain circulation.

It is important to be aware of the long-term implications in terms of human resource capacity in specific fields at both the national and institutional levels. There are implications for education policies but also for immigration, science and technology, trade, employment and foreign relations. There are also direct links between foreign student recruitment/mobility (*Mode 2: Consumption Abroad*) and the immigration needs for skilled labour of the recruiting country. Thus the complex and increasingly inter-related dynamics between national policies for trade in education, migration policies and nation building/human capacity building efforts are areas worthy of serious investigation.

6.13   Trade creep or trade choice

The term 'trade creep' refers to the quietly pervasive introduction of trade concepts, language and policy into the education sector (Knight, 2003a). The nuance behind trade creep is an unconscious adoption of trade jargon and its underlying values. In some countries trade creep is shunned. In other countries trade creep is welcomed and there is a deliberate positioning of education as an export industry. The considerable investment of resources to promote education export is concrete proof. One would not characterize this approach as trade creep but as trade choice. For other countries and education actors there is a less visible and perhaps unwitting tendency to frame education in trade terms. Language is often the first sign of a shift and this is evident in trade creep. For many years the education sector referred to 'incoming and outgoing students or programmes'. Now we talk about the 'import and export of education services and the education market'. The 'education sector' has become the 'education industry' in some countries. The student or learner is the 'consumer'. *Mode 2: Consumption Abroad* refers to students travelling abroad to study. Reference to the four modes of trade is being used to describe internationalization in general and cross-border education in particular. The purpose of this section has been to point to some of the implications of a trade choice option and/or the less visible trade creep scenario.

7.0   ISSUES AND QUESTIONS: FOR RESEARCH, POLICY REVIEW AND CONSULTATION

The primary purpose of this section is to summarize the key issues that require further investigation and consultation with regards to cross-border education in general and commercial trade in education services in particular. The questions and issues are divided into three groups: (i) those that relate to the GATS agreement *per se*, (ii) those that are especially relevant to education policy and finally (iii) those that raise implications for other policy domains.

7.1 Issues related to GATS and trade policy

Technical Issues
- GATS is still an untested and evolving agreement. Not all of the articles and rulings have been developed and clarification is needed on several key issues. Close monitoring is important for interpretations re: subsidies, dispute settlements, *Article1.3* dealing with what services are covered and *Article 6.4* dealing with the right for domestic regulation.

Negotiations
- Requests and offers are still being tabled. To date, there is little activity in the higher education sub-sector but current and future negotiations may involve education services as part of cross-sector trading, meaning that education may be 'traded off' to permit market access in another sector. Also, given that progressive liberalization is the ultimate goal, the education sector needs to be working in close consultation with trade negotiators to monitor future negotiations that include trade in education services. It is important that the education sector be vigilant about domestic regulations that are seen as 'safeguards' for the importing country but 'barriers' for the exporting country wanting access to the market.

Benefits
- There has been more speculation than hard research on the benefits of increased trade in education and the necessity of trade regulations. It would be useful to have further analysis on the potential contribution of more liberalized trade in higher education to national goals and development in general, and the provision of post-secondary education in particular.

- Furthermore, there is little discussion, as to whether the anticipated economic and supply benefits to education are reasonable and probable. One reason for this is the lack of hard data on forecasted growth in each of the four supply modes. The movement of students to study in other countries (*Mode 2: Consumption Abroad*) is the only mode where there is good information available (OECD, 2002).

- The rationales driving trade in education are complex. They differ if one is an importing/receiving country or an exporting/sending country. Rationales differ for commercial cross-border education than for cross-border exchange partnerships or international development initiatives. More attention needs to be given to studying rationales and linking expected outcomes to the different motivations of the various types of cross-border education.

Barriers

- Further investigation into the types of barriers to trade in education services is necessary as the removal/reduction of barriers is at the core of trade liberalization. What may be seen as barriers – by a country wishing to access a foreign market – could be fundamental aspects of the regulatory system in the receiving country.

Consultation

- Dealing with the issues and implications of trade agreements and national trade policy is a relatively new policy area for the higher education sector. The same can be said for trade negotiators as they have not had extensive experience with education services. This requires closer collaboration between trade and education experts. It also requires serious consideration being given to what role universities can play in providing research and undertaking capacity building of experts who can undertake the necessary interdisciplinary analysis to guide further action.

- The wider post-secondary education sector also needs to advise and be consulted by the national government departments responsible for education as there are both national and institutional level issues and implications which need to be examined

Other education service sub-sectors

- The primary and secondary education sectors have been almost silent on the implications of GATS. There seems to be an implicit understanding or assumption that public basic education will not be covered by GATS. This may or may not be the case. Time will tell, especially for those countries that have liberalized access to basic education.

- It is the university sector within the post-secondary education category that has been most involved in discussing GATS. The professional, technical and vocational providers have not been very vocal. It would be useful to have more information and discussion with the non-university sector.

- The impact of trade rules on the regulations of the professions also merits further attention, especially given that higher education is often directly involved in the education, training and possibly certification of the professions.

- To date there has been little discussion of issues related to the 'other services' category. Increased trade in education services such as language testing or quality assessment and evaluation services will have significant implications for higher education.

- The category of 'adult education' has also not been fully addressed even though there are a number of commitments and new offers made in this category.

- Finally, there is much to be learned from how other social service sectors such as health and culture have approached the issues related to the inclusion of their services within the GATS regulations.

Other Trade Agreements – TRIPS
- TRIPS is another WTO agreement. TRIPS stands for "Trade Related Aspects of Intellectual Property Rights". Of particular interest to the higher education community are issues related to whether intellectual property rights will encourage or inhibit innovation and research, who owns copyright of materials used in e-education, and protection of indigenous knowledge

Research and development
- The focus thus far, has been almost entirely on the teaching side of education and has not addressed implications for research. Research is an integral part of a university's role and further investigation is needed into the potential impact on applied research and especially privately contracted or funded research. Do public education institutions who are undertaking research and development activities have unfair advantage over private organizations who do not usually receive public support for their activities? Could public subsidies be construed as a barrier to fair trade or under the national treatment condition be applicable to private providers.

7.2   Issues and questions with implications for education policy analysis and reform

There is much discussion and debate over four rather controversial trends or 'izations' of higher education. They are include: (i) commercialization (buying and selling including commodification); (ii) privatization (private ownership and/or funding); (iii) marketization   (allowing the market to determine supply and demand); and (iv) liberalization (removal of trade barriers).

Some would even add a fifth: Globalization and point to it as an underpinning cause for the others. These trends can be found in both the domestic and cross-border provision of higher education but this section deals only with cross-border and summarizes the major points addressed in *Section 6*. These trends or 'izations' are closely related to each other and at times it is difficult to single out and treat each one individually.

Role of Government

- Of common concern among many education stakeholder groups is that public domestic provision of higher education may be undermined by trade regulations and foreign providers and national education policy objectives may be at risk.

- A mixed private and public domestic higher education system functions in many countries but the increase in commercial cross-border mobility of students, programmes and providers requires governments to reassess their policies and practices for non-domestic 'non-profit' and 'for-profit' provision

Access

- The increasing need for post-secondary education and lifelong learning opportunities has led to a recent surge in the number and type of higher education institutions and providers, including of course those who are profit driven. The key questions are: How equitable is the increased access to higher education and also what policies are in place for loans, scholarships and bursaries to help ensure greater access to those who are not able to afford the tuition fees of domestic and foreign institutions/providers?

- Even though in some countries the demand for higher education surpasses the capacity of the domestic system, the introduction of foreign commercial providers and public/private institutions requires close monitoring in terms of equitable access for students.

Financing

- The question of applying public subsidies to both domestic and foreign providers under the GATS regulation of national treatment requires close monitoring by countries that are making commitments for foreign providers to enter into their domestic higher education market. The question of cross-subsidization is also relevant in terms of public subsidies.

- While foreign providers may help increase access and provide needed funding for higher education opportunities, there are stakeholder groups that believe the availability and reliance on private funding or 'for-profit' private institutions may eventually lead to a decrease in public funding for education.

- In countries where tuition fees are not the norm, the impact of charging tuition/user fees may introduce new precedents and new policy implications.

Registration and Licensing of Institutions/Providers

- Many educators believe that one of the negative consequences of market driven 'for-profit' education is that the number of 'diploma/degree mills'. 'canned degrees' and 'accreditation mills" will increase. This is especially worrisome if these types of providers are non-domestic. It is important that national procedures be developed which will register and license higher education providers – domestic and foreign.

- It is important to explore whether it is necessary to have regional or international systems in place to augment national ones to ensure that rogue providers delivering internationally are identified.

Quality Assurance and Accreditation

- One of the most important issues raised by a multitude of stakeholders has been quality assurance of cross-border education. This applies to any kind of academic programme or course work that is moving from one country to another; whether it is through development assistance projects; through exchange partnerships or through commercial initiatives.

- Very few national accreditation or quality assurance agencies are addressing cross-border programme and course delivery in a formalized and consistent manner. Furthermore, there are cases of franchised programmes offered internationally by providers who would not normally be reviewed or accredited by national agencies. The responsibility for quality assurance by exporting institutions, providers, and countries needs to be given more serious attention as well.

- Stakeholders have indicated that increased provision of higher education by foreign, 'for-profit' institutions/providers using new delivery methods may jeopardize consumer confidence and public trust in the quality of higher education.

- Quality assurance of distance education is of particular importance especially in terms of using new technologies like the Internet and when traditional cultural, jurisdictional and disciplinary boundaries are crossed.

Recognition of Academic Credentials
- Given the increased mobility of students taking degrees and looking for employment in foreign countries, there is increasing urgency to develop bilateral, regional and international systems where education institutions, students and employers will be able to get reliable information on the recognition of qualifications awarded in other jurisdictions and countries.

Diversification of the Sector
- A market approach to education can bring new types of providers such as commercial corporations, media companies and academic brokers to the sector. It also can stimulate new types of partnerships and mergers between traditional academic institutions and other actors such as corporations, associations and brokers. While there may be some clear benefits in terms of increased opportunities/access and innovative delivery means, there are some challenges related to increased diversification and competition within the sector.

- There is intense speculation that providers interested in trade in education services will only be interested in offering courses which generate a profit and will not invest heavily in research infrastructure. This is yet to be confirmed; however, there is concern that such a scenario may create further competition with national providers and leave the courses that require major subsidization and investment to the public sector.

Human Capacity and 'brain-drain'/gain

- In trade of services, the human element is fundamental as people are the key to providing service. *Mode 4* of GATS specifically targets the increased mobility of workers across borders. In a knowledge economy, there is more emphasis on educated and skilled workers. This has direct impact on the higher education sector in terms of the mobility of experts, scholars and teachers, but also on students as they can be seen as future human resource capacity for a receiving country, especially when they are already educated and adapted to the new culture. The potential for 'brain-drain' or gain is enormous depending on whether you are a sending or receiving country.

- There are major implications for human resource and employment policies in terms of recruitment, staffing, training, promotion, remuneration, incentive and repatriation polices at both national and institutional levels. In this way, trade regulations and increased trade in education services can have direct impact on the capacity of the higher education sector to generate research and produce knowledge as well as supply knowledge workers.

Data Deficits

- At the national, regional and often at the institutional level there is a serious lack of reliable and comparable data. This applies to all aspects of cross-border education- movement of students, staff and researchers; the sending/receiving of cross-border education programmes and courses through different delivery methods and arrangements; and the presence of foreign institutions/providers. Without good systems for data collection and analysis, the study of cross-border education will be based on speculation and informed opinion, which is not a solid base for policy development and reform.

- In addition to not having adequate infrastructures and systems in place for data collection, there is still a great deal of confusion about the meaning and use of new terms in the field of cross-border education. Further work is needed to develop typologies to clarify and differentiate concepts such as, new or non-traditional providers, private/public providers, 'for-profit'/'non-profit' providers, study abroad, international/foreign students, double/joint degrees, franchised/twinning programmes and so on.

7.3 Issues related to other policy domains

Regional Development and Integration
- Higher education is increasingly being recognized as an important actor in increasing the connectivity, collaboration and integration at the sub-regional, intra-regional and inter-regional levels. The number, diversity and influence of national, regional and international higher education actors in Asia and the Pacific Region are increasing. Regional higher education actors include intergovernmental and governmental agencies, non-government and civil society groups/networks, public and private foundations, treaties and conventions, (in addition of course to higher education institutions and providers). Their role in the promotion, provision and regulation of higher education across borders and for regional integration merits further attention.

- The role of higher education in regional education, scientific, economic, trade and cultural agreements warrants investigation as to the consequences (intended and unintended) for knowledge and technology transfer, professional mobility and regional integration.

Immigration
- GATS and other regional/bilateral trade agreements are trying to facilitate increased mobility of professional and skilled workers on a temporary basis. Cross-border education, especially the movement of students, scholars and professors will introduce new issues to immigration policies in terms of visas, working permits, residency status, and even dual citizenship. What are the long-term implications for migration patterns and immigration status?

Foreign Relations
- Cross-border education including science and technology research and development are seen as tools for strategic alliances between countries and institutions. In the past, there has been more emphasis on cultural, scientific, political alliances, but given the increasing importance of commercial trade of education services, higher education is perceived as a more important player for economic alliances as well. What is the emerging role of higher education in bilateral and regional foreign policy development?

International Development and Co-operation
- In the past, nation-building by investing in higher education through human resource development, institutional strengthening and scholarship programmes has been an important part of international development and technical assistance programmes. In the last decade, these aid-oriented initiatives have given way to projects that have been based on principles of partnership, exchange and mutual benefits. Is the inclusion of education as a tradable service, under the purview of trade agreements such as GATS, an indication of a shift away from aid and partnership towards commercial trade as a primary tool for developing higher education in developing and transition countries? What are the implications and consequences of this?

- Will the aid to trade shift and increasing role of the market place put more emphasis on international competition rather than international co-operation in terms of international higher education collaboration?

These issues address a number of critical areas for further investigation, analysis and policy reform. Clearly, the list is more illustrative than comprehensive. Further attention needs to be given to these and other aspects of education which are potentially impacted by increased cross-border education and the presence of new trade regulations.

7.3   Concluding remarks

It is probably fair to say that we are just starting to identify the key issues related to the commercialization of cross-border education within the context of new trade policies and agreements.

It is important that we approach the implications of trade agreements and increased trade with an open mind to ensure that we take advantage of the opportunities that more cross-border education may offer but also be aware of, and cautious about, any potential risks. It is equally important to recognize that perspectives and concerns will vary depending on methods of cross-border education (people, programmes, providers or projects), the rationales, whether one is interested in sending/exporting or receiving/importing, or whether one is from a developed or developing country.

As has been repeated many times, GATS is a new, untested and evolving agreement. The interpretations of existing articles and obligations can change and new disciplines can be developed. To date, there has been less action under GATS and fewer commitments to trade in education than expected. This means that there is time for the higher education sector to become better informed about how best to move forward to maximize benefits and minimize risks related to commercial trade. Working in a trade policy environment is relatively new territory for the education sector. It will take further work and analysis for the education sector to be confident and credible actors in shaping and reacting to new trade policy developments. However, the education sector has considerable experience in other policy arenas – immigration, foreign relations, culture, science and technology, to name a few. It will require that the higher education community at the national level be vigilant in monitoring new developments and working collaboratively with the government and non-government representatives from education, trade, industry and commerce and foreign affairs. There are implications at the institutional level as well.

It is important that the wider international higher education community continue to work together on these issues so that (i) educators' views and expertise come to bear on the developments in trade in education services, (ii) the higher education sector continues to work towards national/regional and international education frameworks which addresses the quality assurance, accreditation and recognition of qualifications for all types of cross-border education , (iii) further work is done on investigating the implications of trade agreements on scholarly pursuits, research and intellectual property, (iv) trade is seen as only one subset of the larger phenomenon of cross-border education and internationalization, and (v) that the impact of trade and commercial provision on the

larger more philosophical questions related to the purpose, values and role of higher education continue to be explored.

It is clear that the growth and changes in cross-border education are staggering. There are new types of providers, new methods of delivery, new learners, new partnerships, new financial arrangements, new types of awards, new policies and new regulatory frameworks. All this presents new challenges for how cross-border education is conceptualized (and regulated). Using a trade framework to categorize cross-border activity is one approach, but given these new developments, it is argued that a trade framework is too limited. Cross-border education occurs for a variety of reasons and under a diversity of arrangements; for example, through academic linkages and partnership programmes, through development/aid types of projects and through commercial trade. The GATS trade mode framework only covers commercial trade types of activities. Therefore it is proposed that the education sector begin to develop its own classification system and language to categorize cross-border education in a manner which includes all forms of mobility and all types of activities not just the commercial ventures.

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Bio-Data Dr. Jane Knight:
Dr. Jane Knight focuses her research and professional interests on the international dimension of higher education at the institutional, system, national and international levels. Her work in many countries of the world helps to bring a comparative, development and international policy perspective to her research. In addition to her involvement with regional comparative studies of international education (Asia and the Pacific Region, Europe, Latin America, and North America) with OECD and the World Bank, she is currently examining key policy issues such as cross-border education (CBE), trade agreements, brain-drain and strategic alliances. She is an adjunct professor at the Ontario Institute for Studies in Education, University of Toronto and is currently undertaking research in Mexico as part of the National Centre for the Evaluation of Higher Education (CENEVAL).

Chapter 3
Implications of the GATS in Asia-Pacific higher education Service trade frame and internationalization in higher education

Kioh Jeong, PhD.
Graduate School of Educational Policy.
Korea National University of Education (KNUE),
Republic of Korea

I.   UNIVERSITIES AND MARKETS FOR KNOWLEDGE AND CULTURE

The institutional context of higher education changes rapidly particularly in Asia and the Pacific Region where nations continuously develop diverse new initiatives in the field of higher education policy. Seemingly two factors have influence on this change – the surging up of the knowledge economy and global service trade paradigm.

Since the Uruguay Round service trade negotiation, higher education has been an important topic of trade negotiations bilaterally and multilaterally. It means that higher education is defined as a tradable market service. It was the trade authorities in national governments that introduced the new approach to higher education as a service. At present, the General Agreement on Trade in Services (GATS) has manifestly set up the purpose and the procedure of a 'progressive liberalization' of services in the form of a multilateral convention. Higher education, too, is on the progressive liberalization agenda under the GATS.

Universities are seemingly against the service trade approach. European universities have already expressed a reserved view against the service trade initiative upon the HE field and have asked governments not to make further commitments under the GATS. African universities, though not so firm, also put forward definite concern against it. However, the Asia-Pacific situation supports quite a different outlook. Strong advocates of the service trade approach and major HE traders exist in this region. On the one hand, in sum, expectation and concern simultaneously rise here in Asia and the Pacific Region.

On the other hand, the knowledge economy has become an immediate issue under debate even for the developing economies. Until the beginning of the sixties knowledge and universities mainly served public sectors, government, law, education, medicine and so on. It means then that knowledge was not an economic but a kind of state issue. However, since economy became knowledge-based, universities began supplying economic manpower and knowledge resources, and knowledge became a market issue. The issue service trade in HE emerged in this context.

Therefore, this chapter reviews the implication of GATS for Asia-Pacific HE and the changes and conflicts in higher education in terms of the bifocal relationship between knowledge and the state – and between knowledge and the universities.

II. HIGHER EDUCATION IN ASIA AND THE PACIFIC REGION: STRATEGIC REVIEW

This chapter reviews higher education in Asia and the Pacific Region in its capacity and environment, particularly in terms of trade development. Different from Europe or Africa, this region offers many possibilities and promise though, at the same time, turmoil and conflicts. This is why trade focus intensifies upon this region. For the purpose of strategic policy analysis too much data is already at hand, so one must be as precise as possible in drawing up the particular features of HE in this region.

2.1 Key Players in Asia-Pacific HE: Strength

Major host institutions for foreign students are located in this region. Australia, Canada, China, Japan and the USA are the major host countries. USA universities have already shown their competitiveness. In addition, for the English-speaking countries like Australia, Canada, New Zealand and possibly Hong Kong, India and Singapore, the language itself confers comparative advantages in the Asia-Pacific higher education markets. China has become a big exporter of higher education in this region. This is made easy for China as its cultural traditions, its language influence and political power are big advantages.

Asia-Pacific HE also has big importers within the region: China, India, Japan, Indonesia, Korea, Malaysia and so on. They have large populations and their citizens have high aspirations for quality overseas HE. As a result, over half of the foreign students in OECD countries come from Asia and the Pacific Region.

*2.2   Higher education demands, private institutions, and IT development in
Asia and the Pacific Region: Opportunity*

The Asia-Pacific region has a really fast growing big population and quite a number of mega-cities. It also has a relatively fair diffusion of secondary education and rapid economic expansion. This is why higher education marketers consider the countries as "demographic and economic drivers of the demand for higher education".

The Asia-Pacific nations have a good tradition of private initiatives and private financing in higher education and this makes them different from the countries in other regions. The service trade advocates give much attention to this characteristic.

Another important source of dynamic opportunity for HE service trade lies in the strong ICT networking potential of the Asia-Pacific countries. This region has strong providers of ICT and refined ICT-user countries. Accompanied with a big population this ICT potential can be easily transferred to possible HE service trades.

2.3   Invisible quality differentiation: Weakness

The Asia-Pacific as a promising regional HE service market has its own weaknesses. At first sight, it does not have a relatively even and common quality level of higher education. For most of the Asian countries the current form of higher education is an imported product of Western Civilization. Asian cultural traditions of high-level learning and instruction not only still continue to come out of the HE field, represented by imported modern universities, but also have influence upon the running of those institutions. 'HE quality' itself is thus a culturally-bound concept in many Asian countries. Reflecting these cultural diversities, the quality of higher education tends to be, in fact, mutually invisible and not transparent among the Asia-Pacific countries. This will put big obstacles in the way of opening the common market of HE service in this region.

2.4   Wide developmental spectrum: Threat

Countries in Asia and the Pacific Region are spread out on a wide spectrum of economic development stages. Higher education plays different roles in different contexts country-by-country. In some countries, higher education is still a prestigious opportunity, while in others there is a common life-style with a continuous process of learning. The developmental divide among countries would seriously destabilize the merit of exchange by assumed HE service trade. The issues of 'brain drain' and 'centre-periphery gap' are closely related to this divide.

2.5   Strategic deliberations

Given the strengths, weaknesses, opportunities, and threats in the HE service trade development, Asia-Pacific countries respectively develop their own deliberations. Some countries develop systematic interests in financial gain, some countries in capacity building, and a few countries in building worldwide networks. The diverging deliberations incur complicated reflection upon the ***Lists of requests, offers, and commitments*** made by member countries participating in the negotiation.

Most actors in the negotiation and related fora tend to see the strength and opportunity factors, but the weaknesses and threats should get appropriate attention. This chapter contributes particularly to discussions on the latter points.

III.   THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS): APPROACH AND LIMITATIONS IN HIGHER EDUCATION

Does the General Agreement on Trade in Services (GATS) really matter for the possible change of Asia-Pacific higher education? In the academic community, there has been a surge of protest against WTO and HE trade negotiations. Usually it is against globalization in general. On the other side, the GATS advocates used to insist that the GATS respect governments' decisions, and everything is substantially up to governments, in other words that the GATS has little impact upon the universities against a government's will. The discourses around these points seem, in many respects, to be of a misleading nature. The following are the points that need clarification:

3.1   International norms? Substantial application coverage in HE

The negotiators in the past Uruguay Round discussions of service trade liberalization raised the service mode issue at a very early stage. The mobility of persons to receive, or to provide service, constitutes the nature of service trade, which is a very different aspect from trading goods. Therefore these aspects of services drew attention from the early negotiators, they then debated on the service delivery mode issues; the GATS trend incorporates the results of this important discussion.

However, in retrospect, most of the natural persons' movement issues are linked to constitutional human rights, prior to trade issues. Therefore, as far as the outflow to consumer overseas HE is concerned, the human rights issue or actual economic capability issue comes first before the trade limits issue. In the case of the natural persons' movement for service provision, countries usually are more benevolent on issuing the immigration status for HE purposes than for business or human resources employment issues. Exceptions, if they happen, are of a political nature.

Conclusively, one must emphasize that in the case of HE service the GATS added little implications in fact upon *Mode 2: Consumption Abroad* and *Mode 4: Presence of Natural Persons*. The case of *Mode 1: Cross Border Supply* (distance education or cyber programmes) the provision as an activity itself is actually by far out- of-reach of government power, not to mention the GATS. If a national government tries to keep in check the *Mode 4* activities, the freedom to communicate will be the first question to contemplate before making an appeal to GATS.

The only action governments can take, in the above cases, is whether to give official recognition or not. However, the GATS rightly put the recognition issue up to separate inter-governmental dialogues. Even the most favoured nation (MFN) obligation does not apply on the recognized action of the signatories.

Thus, in fact, when the GATS says "something in the field of HE" it is actually only referring to *Mode 3: Commercial Presence* of services. The meaning of 'commercial presence' decides the coverage of the GATS. However, the HE communities in member countries do not share precise and common denotations from the terms. The terms definitely refer not to natural persons but the organized entities of a foreign nature running in the host country. However, in the case of higher education the meaning of 'entities' and 'foreign nature' are still unclear.

In the GATS, limitations on commercial presence is deemed directly to be the market-access limiting regulations that should be subject to progressive liberalization by successive and periodical negotiation rounds. The question, one must raise, is what kinds of HE regulations countries have which provide entities and what aspects of the regulations are of a market-access limiting nature. The following sub-section deals with these questions.

What is interesting is that developing countries in HE terms tend to make opening commitments upon the commercial presence while developed countries in HE terms tend to make reserved actions in negotiation. In fact, the developing countries are not only hostile to foreign institutions' presence on their territory but tend to rigorously invite foreign institutions even conferring reverse discrimination against domestic institutions. In short, they want foreign financial investors in higher education.

What about the intentions and interests of the assumed 'foreign investors' in higher education? Will they actively respond to the invitation? Without extraordinarily subsidiary measures, meaning reverse discrimination against domestic institutions, they would not. This is an undeniable reality because running a normal higher education institution, in most countries, statutorily requires huge land and facilities investment.

Therefore, authentic ways of market presence of normal HE institutions in other countries do not exist in the GATS framework but the country-to-country or country-to-university international co-operation arrangement does. *If the situation is as above what are the implications of the GATS?* The first answer would be: In reality the higher education of the GATS is <u>not the normal HE</u> but <u>the alternative HE.</u>

3.2   *Nature of normal higher education: Regulations and Subsidies*
The university has survived the time test of about a thousand years of long history and became a highly complex institution as it now stands. Within the institutional complex lie real various internal and external arrangements: academic freedom, the institutional autonomy from the state, financial support by the state, status in the whole school-ladder system, the physical entities embedded into the surrounding territorial community, patronage by the state, co-operative relationships with professional associations, and so on. Establishing an HE institution is commonly a highly complicated time-consuming process in which various statutory or contractual arrangements are necessary.

With the result that there are huge sets of state regulations and subsidies from the state upon universities. Since the advent of the 'nation-state', which has become the strongest *Patron* for universities, universities have incorporated strong national colour within. Under this long and strong patronage relationship the cross-border university-to-university relationship has been inevitably of an *international* nature until very recently. Therefore, the sudden change of higher education under the coverage of the GATS in the name of educational services must be embarrassing and astonishing to the academic communities.

Unfortunately to the GATS advocates, the long and old patronage relationship between state and university still holds, and goes from strength to strength in the higher education systems of developed countries. Thus the loudest voice against GATS may well come from European universities. In Asia and the Pacific Region there exists a far wider spectrum of these terms among countries. However, considering the points explained above, a fair and objective observation is that the GATS framework is still too narrow and unmeaning and even irrelevant to cover the cross-border activities of normal higher education institutions.

Considering that this matter is what it is, why is the discussion of the GATS issue on higher education never ending? What continuously fuels these seemingly unacceptable discourses? To answer this question, one has to turn one's eyes to the so-called 'Alternatives to University'.

3.3 HE service liberalization and recognition: Meaning in HE and Alternative HE

From the latter half of the eighties the discussions of *the alternatives to universities* came to the attention of the expert community in higher education. Since the beginning of the sixties non-traditional types of post-secondary education started to surface. The early beneficiaries were those who did not have access to the formal universities. After 30 years of growth the newly formed post-secondary learning sector was vaguely defined as 'alternatives' to universities. At that time the alternative sector already had grown enough to have considerable numbers of active cross-border players. Being non-recognized entrepreneurs they could not use the traditional international exchange and co-operation channel under government patronage. These actors had to find ways of cross-border activity by participating in the new trade orders.

It was then that the totally new trade negotiation round, i.e. Uruguay Round took place. The active players in the alternative sector encouraged, naturally enough, the trade authorities to include education as a tradable service. Then the trade negotiators just could not find any reason to exclude it on the *List.* At the time of the Uruguay Round, in fact, even the GATS officers in charge of the round had very little idea about the exact meaning of education on the *Service Lists.*

There is still much confusion about the meaning and coverage of higher education under the GATS. The confusion originates from the very start of the current service trade orders. To repeat, universities do not have need of the service trade orders; only the alternative actors to higher education. Furthermore, the national authorities of many countries do not regulate them, and cannot recognize them as these countries do not meet recognition requirements.

Considering the above point, one should, once more, re-examine the meaning *progressive liberalization* in the higher education field. Does it mean *progressive dismantling of the recognition system* in member countries: Absolutely not! If the alternatives want a recognized status they have to resort to ways of building a "global recognition order" instead of looking for GATS.

To make a judgment in general, the alternative higher education establishments do not, in the running of their programmes come across serious constraints from government regulations. Governments usually do not have significant motifs to check on various instruction and learning activities. Due to that, liberalization would rather make sense in a natural person's cross-border moving and travelling.

3.4   Conflicts between HE authority and trade authority, and recognition problems

States exercise their powers in many ways. For recognition-control the state recognizes land and products, etc. available for its use. For example, a newly produced or imported vehicle should be officially recognized before its circulation on the road. It is the same thing in the case of learning; in the modern states the formal education authority usually does this. States have their own ways and standards of recognition in education and learning. Typically, instead of issuing recognition person-by-person states designate the institution that can issue legitimate recognition, i.e. degrees and diplomas to students on graduation.

The recognition issue is, in fact, on the crossroads of the conflicts between education authority and trade authority. Few consultations were held between the latter and former for enlisting education on the *List of Service Trade*. Education, to the trade authorities, is just a service to trade. They usually do not take care of recognition in the trade discussions. What matters to them in services are just movement of persons, delivery media, and service enterprise.

Such an approach has made education authorities angry. In the course of the service trade negotiation, the trade authorities thus used to form a confrontation with education authorities. Education authorities usually do not understand such a stance and even feel humiliated. Conflicts between the two have deepened in most countries as the trade in education dialogues continues.

Trade authorities seem in the wrong when failing to know the importance of the recognition issue in services, particularly by far in higher education: the GATS itself provided substantially nothing on the recognition issue. One cannot imagine trade without globally accepted currencies. Therefore the GATS could not have succeeded if it were not for the IMF. Recognition being a kind of currency, cross-border delivery of education would not prosper without reliable cross-border recognitions. The point is that cross-border delivery itself does not secure cross-border recognition. The success of GATS in many services depends upon the development of cross-border recognitions.

To see the Asia-Pacific landscape as a whole, there is a wide spectrum of recognitions in higher education. Some have widely accepted *de facto* cross-border portability, and the others have just domestic portability. In the field of higher education, international trade realizes in fact only for those cross-deliveries supported by the *de facto* cross-border portability.

What constitutes the de facto cross-border portability? What does it come from? Maybe from too many factors. One must emphasize that strong international power cultural prevalence inevitably puts much influence upon it. These attributes exactly characterize current HE exporting countries in Asia and the Pacific Region.

Considering the above points education importing countries, particularly in the form of commercial presence, have to meet the difficulty of allowing foreign recognition circulate on their territories. At this point, trade authorities stand usually for *pros* while education authorities for *cons.* Though, the trade in services increases in this region and the education authorities might allow foreign providers domestic activities, they usually do not recognize them. Thus the meaning of the market presence of higher education providers under the GATS is, in fact, to participate in overseas markets in the form of unrecognized alternatives.

3.5   Emerging new trends in GATS-HE discussions

In summary, in the process of the expansion and differentiation of post-secondary education the GATS came to cover only a part of it.

The market-based nature of the GATS necessarily limits substantial coverage to market-based post-secondary education services, which still stays just on the *alternatives* status in the whole post-secondary education sector.

As a result the biggest and still legitimate part of the post-secondary education sector, the universities, largely stays out of the GATS framework. They have their own ways of international activities and seem to believe their own ways are more effective then using the GATS framework. The universities seem to prefer partnerships with national governments and public entities worldwide than to being lonely players in the uncertain and risky global markets. A possible and more viable path is that universities would have multi-faceted patronage with numbers of governments. Jane Knight is right when she points out that GATS is just one way of internationalization. The international discussions on trade in higher education began shifting into wider discussions on internationalization in higher education. Universities have real, various ways, to deal with internationalization.

Increasing numbers of universities utilize the *alternatives* form to reach out directly to the foreign students. The GATS opened the new way for the universities with this purpose in mind. Although they keep patronage relationships with their home governments, they do not have such relationships with other countries' authorities which they would like to reach. In this case they easily take the form of *alternatives*.

If a legitimate and recognized home university presents its partial activities in an alternative form on the territory of another country a problematic situation begins. Even the host country that recognizes the degree or diploma of the foreign university used to limit the recognition to the degree or diploma conferred through full stay at the home campus. Those who get the degree or diploma in an alternative way without leaving the country are frequently denied recognition. The home university would at first strengthen the effort for quality assurance overseas in this case, and would try to make a co-operation agreement with overseas institutions in the host country instead of a revised *government-to-government* agreement expanding the recognition to such cases.

IV. ISSUES AND PROBLEMS CONCERNING ASIA AND PACIFIC REGION HIGHER EDUCATION

4.1 *Profit-making institutions and fair trade practice*

For a technical reason, profit-making itself cannot be an application standard in designing the trade service frame. Therefore the tradable service includes 'non-profit' base activities too. Most higher education services in every country currently run on a 'non-profit' basis and many countries require a 'non-profit' nature of education provision as a condition for recognition as a formal institution. At least, profit-making by recognized formal learning enterprises is seldom successful.

'For-profit' or 'non-profit' does not matter in itself! It might be a matter of choice by states and institutions. If, however, a 'non-profit' higher education institution runs an overseas branch education programme on a 'for-profit' basis, one must question if such an inconsistency can be justified as reasonable. *What is the reason for 'non-profit' here* and why *'for-profit' there?* These kinds of questions are overwhelming education policy-makers particularly in Asia-Pacific developing countries. The outflow of money in the form of profit-dividend must have influence upon the quality and price of services. Developing countries in Asia and the Pacific Region have not yet developed systematic ways to control the reverse influences.

Another point in question is the concept of trade. All trade must be fair trade. The GATS also used the term 'trade' in that connotation. That is why WTO believes in the MFN (equal treatment to foreign providers), National Treatment (equal treatment between domestic and foreign providers), equal Market Access, Transparencies and so on. However what if some governments give foreign institutions special donations, special permits for profit-seeking while other domestic institutions, or other foreign institutions, are denied those grateful measures. Nobody could use the term *fair trade* in this situation. The GATS opens the way of exemption from MFN (most favoured nations) for these cases.

However one cannot from the beginning categorize such activities into the *trade in services*. Such practices used to be wrongly dealt with in the name of *trade in services*. Lots of branch campus cases by foreign institutions' in East-Asian countries are currently reported in the name of 'commercial presence'. However such cases have nothing to do with the GATS, because host countries did not just allowed the foreign institutions under the trade policy of Market Access and National Treatment, but intentionally *invited* them to achieve special national goals (for example, *national capacity building*) by giving extraordinary financial, legal incentives and other individualized arrangements.

Those cases are not so much of market trades at all but of the category of *international co-operation*. It is of the same nature as the, over 100, American branch campuses which were established in Japan in the eighties, of which Japanese municipalities offered physical campus sites and buildings to entice them.

4.2   *Privatization in HE: knowledge and states in the region*

Services, as provided by the General agreement on Trade in Services (GATS) *Article 1.3*, means non-governmental services. Higher education provision is in many countries still governmental and, even if privatized, governments exercise a very strong influence as the *Patron*. The state, as shown from historical events, always put much value upon knowledge as an important governmental resource and intervenes in knowledge production and diffusion. In that, the state by far precedes recent multinational businesses in practicing the so-called *knowledge management*.

To consider this point, a necessary question is: *How far a state could go in privatizing universities?* Universities are still the major source of knowledge production and diffusion. The mega-streams to the information society have hardly shaken the status of universities. In addition, the knowledge economy made states put far more value on 'universities' and 'knowledge'; consequently more than ever knowledge itself became a more strategic resource to states.

Knowledge as a resource is different from the other resources in that it increases with use while the others decrease with consumption. Knowledge follows **the law of increasing returns.** There are small numbers of knowledge poles in Asia and the Pacific Region, most of them being in North America. Without intervention the knowledge gap inevitably becomes wider and wider. Developing states cannot help being deeply concerned about this gap: *Does the trade in higher education help mitigate the widening gap? How does it influence upon the distribution of knowledge in Asia and the Pacific Region?*

Developing countries' expectations lie in the possibility of inviting programmes and institutions of excellence so that they may have knowledge poles within their territories. This is because they are relatively affirmative for 'commercial presence' than the other forms of service trade in HE. For this reason they are not only ready to give **national treatment** but even **especially advantageous treatment**. One can hardly be certain that developing countries' expectations will be satisfied by traders in higher education.

It is possible that such purposes, as mentioned above, can be easily achieved by directly using a nation-to-university co-operation agreement and not by the form of service trade. In the meantime governments interested in knowledge building should compare the cost-benefit of inviting overseas excellence higher education centres as a means of advancing into established overseas knowledge poles. In many cases the latter might prove more cost-effective. In that case, commercial presence into the knowledge poles would be the most important objective for the trade negotiators.

No state would let its domestic higher education run on a full market principle. Even in the English-speaking developed countries, only at best, the quasi-market management (MTM) works in this field. The market system intended by the GATS at global level is not at all realistic even in developed nations' domestic higher education systems. Therefore bilateral free trade negotiation, if compared with the GATS framework – which substantially gives little to developing countries – might offer, if backed up by successful negotiation, much room for the countries seeking comprehensive knowledge strategies; countries can adopt more targeted approaches and creative options for their higher education and knowledge development. In bilateral dialogue, one can try package deals including free trade. Therefore it will be more fruitful than the GATS for active international players.

4.3   Higher education service delivery: centre-periphery or knowledge diffusion

Frequently raised is the question: *Would trade expansion in higher education result in a new type of centre-periphery dependency?* One cannot easily answer this question. However, it would be more in line to reflect somewhat on past developments of urban economic theories and their strategies.

The growth-pole theory and strategy was frequently adopted under the assumption that capital manpower technologies and knowledge would diffuse from the pole to surrounding peripheries. This assumption, however, usually did not fulfil expectations. On the contrary much more concentration took place than diffusion. This strategic failure experience has been the subject of very many explanations; but one should point out some basic realities as follows:

At first, although financial capital is fluid enough to diffuse from centre to peripheries, concrete investment always took the form of fixed assets: land, buildings, facilities and other forms of architecture. These hard capitals are crystallized and fixed on land, in other words, not fluid enough to diffuse to peripheries.

Referring to soft capital such as technology, knowledge, and manpower; one can point out that the soft resources are also frequently tied to hard facilities. The university, a big complex of facilities, is a typical example. In addition, it is widely known that knowledge and technology innovations take place among closely interacting groups' informal networks. Therefore soft capital, also, does not diffuse without extraordinary measures taking place. In terms of finance the same is true. The studies of the flow of foreign direct investment (FDI) have consistently shown that over 90 per cent of the global flow of FDI moves to already developed area.

Turning to the topic of the services which compose over 60 to 80 per cent of developed economies, one must recognize that services develop in urbanized spaces where face-to-face delivery is possible in a easy way i.e. Modes 2, 3, and 4. Therefore the development in service trade inevitably leads to centre-oriented urbanism. It would not contribute to diffusion. Higher education as a service is not an exception. One cannot reasonably expect that trade in higher education would correct the strong deficiency of the knowledge poles in Asia and the Pacific Region. Maybe one can find hope in the development of the cyber delivery of higher education i.e. *Mode 1: Cross Border Supply.* However, giving consideration to the information divide one cannot be too optimistic.

Education itself is a diffusion activity. However diffusion is seldom a natural tendency in a market-based economic order. For this reason, people who look for hope in education wanted to organize education institutions differently from commercial enterprises. Universities, so far, have developed upon the back of the human heritage of *hope for knowledge diffusion*. Internationalization of higher education in Asia and the Pacific Region seems to be a *sine qua non* for regional development. Such internationalization, however, would hardly be achieved under the GATS framework.

4.4 Territorial limits in **Out-reach**: *two kinds of borders – Institutional and National*

Out-reach is the word characterizing contemporary universities, particularly in English-speaking countries. The university-industry partnership depends much on the out-reach efforts of universities. University is frequently just a name, an umbrella shading the *core and clouds* form of various community activities: teaching, learning, researches, conventions, and so on. Universities have their own borders within which those community activities took place. **Out-reach** programmes and activities begin when a university of the community extends out its activities across the institutional border. If a university wants commercial presence in overseas markets the out-reach activities must

first cross the institutional border before crossing the national border. Universities with enough experience in **outreach** can very easily spread that experience over the country border

Out-reach into other countries does not necessarily mean ownership of the overseas branches. Such an overseas ownership would cause too high a risk. Franchise- franchisee relationships develop to overcome such a risk in business. If an established higher education supplier exercises power to decide overseas recognition then higher education will follow the development paths of franchising. It is not clear in such cases whether charters or any type of legal instruments, conferring the university status, can be interpreted as giving the university power to do overseas franchising business. Only a few governments have started intervening into such practices.

Universities have a tradition of being self-reliant and tend to turn inwards; in many cases they resemble a kind of territorial community. Many universities in Asia and the Pacific Region are *not oriented for out-reach*, and even with the crossover of institutional borders they would encounter many difficulties. There exists very little –not to mention experience – institutional arrangements to carry outreach. As the service trade in HE develops, necessity for *capacity building* draws much attention of the developing countries of the region. In order to be an active player in the global higher education context, universities, at first, have to comprehend the way to *'reach out'*. The university administrations on the whole are not oriented for out-reach in those universities. In addition, greater parts of the obstacles frequently come from the national system of higher education.

It is not only *out-reach* but also *in-taking* that matters. Commercial presence frequently takes the form of presence in overseas universities. Being a hosting institution lots of difficulties are encountered much the same as *out-reach*. Building institutional capacity starts from internal decentralization in order that components of the university would be able to practice cross-border capability.

4.5. *Cyber-space and HE delivery*

Different from the physical space, the cyber-space characterizes itself as borderless and a-synchronic. Cyber-actors are freed from spatial and chronic constraints. The strength and weakness of the cyber-space come simultaneously from this characteristic.

All the social and political control devices that humankind has developed so far become powerless on the cyber-activities because they use spatial and chronic measures of control. Consequently the same applies to the GATS framework. The existence of GATS has hardly any influence upon the cyber-delivery of higher education.

Freedom in delivery becomes a weakness when it comes to its recognition. Recognition also is so depended upon spatial and chronic measures that cyber activities meet up with difficulty when getting recognitions. In the fields of commercial cyber-transaction, theories and practices of recognition develop rapidly. The recognition for cross-border cyber higher education is at present absolutely up to the cyber supplier itself. The recognition problem in Cyber-HE promotes cross-border conglomeration of existing universities for Cyber-HE so as to provide trust in quality, which is the best answer at present.

The Cyber-space grows and expands following its own orders; it has inexhaustible new frontiers. Cyber campuses will occupy enormous territories on the Cyber-space map. It is questionable, considering the uneven distribution of ICT infra, as to how the Asia-Pacific location of the interface could transform into Cyber-space.

4.6 Capacity building, quality higher education, and international mobility of competences

A strong advocacy of the free service trade for developing countries has been that commercial presence of the services from developed countries would aid the strengthening of productivity of host countries and that the diffusion of refined service skills would help developing countries' capacity building. Trade in services certainly would contribute to positive outcomes of the aforementioned.

However, developing countries' expectations for capacity building lies particularly in in-coming higher education. These countries do not have enough higher education supply capacity to meet growing domestic demands for higher education. A part of the demands are used for overseas study incurring 'brain-drain'. Importing foreign institutions might be an attractive alternative in this situation.

Recently, the Chinese HE authority introduced legislation for creating a private university sector. The education policy direction of the Chinese Government seems firmly opted for higher education expansion. In considering the huge size of the population in China, and the restricted capacity of higher education supply, this enhanced interest in the trade in services in higher education in Asia and the Pacific Region, seems very likely to have been boosted by the Chinese peoples' aspirations for higher education.

Rapid diffusion of tertiary education in China will, however, change higher education mapping in Asia and the Pacific Region.

The Chinese HE authorities, standing on a big buyers' position, lately began controlling the incoming flows of foreign higher education services, using registration and recognition as major devices. Such a trend is not limited to China this trend has spread also to major higher education exporting nations in the region and reflects concern, on the part of the consumer, in the quality of traded higher education services.

The concern for quality is expressed domestically as 'registration and recognition' while internationally it is expressed as 'initiative of a joint effort for quality assurance' in higher education.

One has to take note of the overflowing of similar and closely related jargons like: (i) recognition; (ii) accreditation; (iii) quality assurance; (iv) service standards and so on. Players in that field are extremely diverse: national governments, commercial businesses, mandated public entities, associations, international organizations, non-governmental organizations (NGOs) and so on. Jane Knight justly expressed grave concern over it. Making out a clear-cut answer is not easy. One would be better at this point to confirm some basic principles. *Firstly,* such a world of credit cannot be monopolized by governments: one should leave much more room for non-governmental or commercial players. *Secondly,* the national government should have the final word as a domestic inspection authority. *Thirdly,* governments should command a joint international initiative to establish an international order in this field.

The issue of international credits of higher education eventually benefits individual qualifications crediting in a world of global service markets – where workers move freely across borders. Cross-border mobility of workforce will be an inevitable reality for the future of the Asia and the Pacific Region. The current turmoil in the Asia-Pacific higher education system stems from the grave concern of governments and universities facing the immediacy of the new picture. In observing the course of international movements, on the whole, possible international progresses will not be achieved in two directions: (i) global higher education credit and (ii) international qualifications sector-by-sector.

4.7   *Languages and cultural diversity*

Education is the other side of the culture coin. Higher education too is not an exception. In addition, language is an unavoidable medium of education delivery. The dominating languages in the region are English, Chinese and Hindi respectively 1,000 and 1,000 and 900 millions of speakers. A foreseeable result from the trade in higher education services is that the ruling prevalence of English will, by far, be strengthened. The task of retaining cultural diversity places academics and educators in a difficult position in a region where oriental and western cultures stand side-by-side.

University itself is a cultural vehicle exceptionally deep-rooted in the Western tradition; and that important parts of oriental culture still transmit out of the university borders in Asia. For example, Buddhist Zen, an oriental form of learning, cannot easily be carried on by university structures. In that, the Asia-Pacific cultural diversity can be kept and diffused in the form of *alternative to university* including cyber-learning sites.

In the service industries, major competitiveness strategies come from service differentiation. Content differentiation can be an unending source of promising strategies. Therefore one could be more optimistic because the trade in services framework will create expanded opportunities for cultural diversities. Considering the aforesaid remarks the question is: C*an the university, an indigenous product depending so much upon modern western culture, adapt itself to the GATS framework*?   Maybe, but it shall be hardly possible!

V.   CONCLUDING REMARKS

As from now on it would be more appropriate if one follows visions and strategies and not just issues. The GATS will contribute global service liberalization at least in terms of nations' policy orientation. However, as far as higher education is concerned it seems over propagated. Too many pseudo-problems and unproductive issues prevail. What is necessary is to develop overarching visions and strategies not limited by the 'narrow service trade approach' that would yield little for *universities.*

As transnational enterprises become major players in the global markets, transnational universities will possibly play an important role in global society. In the trade in services framework, however, one was unable to find the way to such development. Universities have been too closely intertwined with national governments.

Therefore, separation from the national governments would lead to a disintegration of universities. The internationalization approach, instead of trade in services, would yield more fruitful prospects for higher education.

Knowledge becomes traded in the form of goods and services. Trade in services will greatly help such a transformation. However, knowledge is still something to be protected and transmitted from generation to generation. That very old political organization, the state, has always carried all the responsibility. It will do the same in the future in so far as the patronage between the universal political entity – *the state* – and the knowledge vessel – *the university* – will persist.

Finally, one has to emphasize the importance of initial education. Higher education cannot prosper without the development of primary and secondary education. Without basic initial education, higher education development will become impossible due to the problem of access to higher education.

*   *   *

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Cross-border education in Asia and the Pacific Region: international framework for qualifications

Molly N.N. Lee
Co-ordinator,
Asia and the Pacific Programme of Educational Innovation
for Development (APEID/UNESCO)
Bangkok, Thailand

Introduction

This presentation paper comprises four sections with discussions on cross-border education (CBE) in Asia and the Pacific Region and makes special reference to the international framework for qualifications. *Section I* outlines recent developments in cross-border post-secondary education in Asia and the Pacific Region. Next *Section II* shows the need for international framework/guidelines to enhance the quality of higher education provision across borders. The 1983 Regional Convention on the 'Recognition of studies, diplomas, degrees in higher education in Asia and the Pacific' is outlined in *Section III*, and note is taken care of in *Section IV* of the Eighth Session of the Regional Committee Meeting under the Regional Convention on the 'Recognition of studies, diplomas and degrees in higher education in Asia and the Pacific', Kunming, China, 24-25 May, 2005.

I.   EMERGENCE OF CROSS-BORDER EDUCATION

This presentation starts by elaborating on the concept of cross-border education taking into account that new forms of cross-border post-secondary education have emerged over the past two decades. Cross-border education is not only limited to international student mobility, but also includes the mobility of academic staff, educational programmes and institutions. By and large, student mobility has been policy-driven in Europe and demand-driven in the Asia and Pacific. Asia heads the list of regions sending tertiary-level students abroad, followed by Europe, Africa, North America and South America. About 70 per cent of all Asian students abroad study in three leading English-speaking destinations: the United States of America (USA), the United Kingdom (UK) and Australia (OECD, 2004a). In Asia and the Pacific Region, the main form of cross-border education is the acquisition of a full degree on a fee-paying basis. Programme and institutional

mobility involves lower personal costs than studying abroad though this kind of education might not offer the same cultural and linguistic experiences as foreign study.

However, off-shore programmes are meeting a great demand for foreign degrees in a number of countries in this region. In the degree-granting sector, the growth of 'for-profit' cross-border education through programme and institutional mobility is mostly driven by 'traditional' public educational institutions which are increasingly offering private provisions. mobility encompasses cross-border distance education as well as traditional face-to-face teaching offered *via* a partner institution abroad. The relationships between foreign and local institutions are regulated under a variety of arrangements, from development assistance to 'for-profit' arrangements. Commercial arrangements are becoming prominent in Asia and the Pacific Region, mainly through franchise and twinning programmes. Institutional mobility corresponds to foreign direct investment by educational institutions or companies. The typical form of institutional mobility is the opening of foreign campuses by universities and of foreign learning centres by providers. For example, there are four foreign campuses in Malaysia, namely, Monash University and Curtin University from Australia, and Nottingham University and Del Montforte from the United Kingdom (Lee, 2004).

According to a recent OECD study (2004a), there are four different, but mutually exclusive, approaches to the development of cross-border education, the:
- Mutual understanding approach.
- Skilled migration approach.
- Revenue-generating approach.
- Capacity-building approach.

The 'Mutual understanding approach' encompasses political, cultural, academic and development aid goals. It allows and encourages the international mobility of students and staff through scholarships and academic exchange programmes. Examples of countries using this approach are European Union's SOCRATES/ERASMUS Mobility Programme; Japan, Korea and Australia under the University Mobility in Asia and the Pacific (UMAP) Programme. The 'Skilled migration approach' shares the goals of the mutual understanding approach but gives stronger emphasis on the recruitment of selected international students and tries to attract talented students to work in the host country. Examples are Canada, France, Germany, Singapore (for ASEAN students), UK (for EU students) and the USA (for postgraduate students). The 'Revenue-generating approach' shares the rationales of the mutual understanding and skilled migration approaches, but offers higher education services on a full-fee basis. Examples of this approach are Australia, the UK (for non-EU students), New Zealand and the USA (for undergraduates).

The 'Capacity-building approach' encourages the use of foreign post-secondary education as a quick way to build an emerging country's capacity. This approach has two strategies, one is through scholarship programmes which support the outward mobility of domestic civil servants, teachers, academics and students to study overseas, and the other is through the encouragement of foreign institutions, programmes and academic staff to come and operate private 'for-profit' ventures in countries in this region. Such private 'for-profit' ventures include twinning programmes, credit-transfer programmes and joint-degree programmes which aim at facilitating knowledge and technology transfer between foreign and local institutions (Lee, 2004). Examples of this approach are found in South-East [Asia] like China, Hong Kong, Malaysia, the Middle East and Singapore.

(i)   Internationalization of higher education

Three broad rationales shape the internationalization of higher education in Asia and the Pacific Region, and these are: (i) the demand for foreign education by students and their families; (ii) the policies and priorities of national governments; and (iii) the interests of foreign and local institutions. Statistics show that the flows of international students out of Asia and the Pacific Region are not matched by student flows into the region (OECD, 2004a). More students from Asia and the Pacific Region leave their countries to study compared to students coming into the region.

National governments design measures and policies to advance the internationalization of higher education and research in this region to secure three broad sets of objectives, namely:

(i)   Education capacity-building objectives which are to enhance the nation's ability to meet the demand for higher education despite budgetary constraints;

(ii)   Meeting academic, political, cultural and socio-economic objectives which involve building international links in education for various purposes like promote academic exchange, facilitate diplomatic and political relationships, as well as generate closer cultural contacts.

(ii)   Establishing academic links which can provide resources, aid economic relations and develop trade relationships.

The trends on academic mobility in Asia and the Pacific Region appear to be largely demand-driven, trade-oriented mobility of people, programmes and institutions in education. Students go abroad to study because of the opportunities provided by globalization and globally mobile labour, the prestige of foreign degrees and the potential for migration to the host countries.

Programme and institutional mobility provides opportunities for students to earn a foreign degree while remaining at home, creates new forms of partnership and delivery, and is of major importance for student enrolments.

(ii)   *Educational typology in Asia and the Pacific Region*

In relation to cross-border education, countries in Asia and the Pacific Region can fall into five broad categories (OECD, 2004a):

(1)   Developed exporter nations with strong and domestic capacity and a minor role as importers of education: Australia and New Zealand;

(2)   Developed nations with a strong domestic capacity but active as importers, particularly   of English-language education: Japan and Korea;

(3)   Developed or intermediate nations with inadequate domestic capacity, active as both   importers and exporters: Hong Kong, Malaysia, Singapore and Taiwan;

(4)   Intermediate nations with inadequate domestic capacity active as importers while relatively undeveloped as exporters: Bangladesh, China, Indonesia, the Philippines, Sri   Lanka, Thailand and Viet Nam;

(5)   Relatively undeveloped nations, characterized by both low domestic participation and   weak demand for cross-border education: Cambodia, Laos, Myanmar, Papua New Guinea and small island nations in the Pacific and Indian Oceans like Maldives, the Solomon Islands, Tahiti, Tonga and so on.

No doubt cross-border education is a multibillion dollars industry. Export revenue related to international student mobility amounted to an estimated US$30 billion in 1998 or 3 per cent of global services exports (OECD, 2004a). The issue of trade liberalization in educational services has been included in the current negotiations under the General Agreement on Trade in Services (GATS) in the World Trade Organization (WTO). However, the growth of cross-border education is driven by factors other than GATS and is thus likely to continue irrespective of GATS in the short run. Whether a country decides to make GATS commitments on education or not, it will still need to deal with many of the issues and challenges that arise from the growth of cross-border education. Student visa requirements and policies regarding quality assurance (QA), accreditation and recognition of qualifications are, for example, much more important than GATS.

II.   INTERNATIONAL FRAMEWORK/GUIDELINES

The second part of this paper is on the need for international framework/guidelines to enhance the quality of higher education provision across borders. National quality assurance systems often focus exclusively on assuring the quality of programmes delivered in their country by their domestic institutions. Quality assurance and accreditation arrangements are commonly restricted to state-recognized 'public' institutions, so that foreign and 'for-profit' forms of provisions are often not covered. So there is an urgent need for international framework/guidelines on the quality of cross-border education so as to:

*   *enhance* the protection of students/learners against the risks of misinformation, low-   quality provision and qualifications of limited validity;
*   *increase* international validity and portability of qualifications by increasing their readability and transparency;
*   *increase* transparency and coherence of recognition procedures; and
*   *encourage* international co-operation among agencies. (OECD, 2004b).

There is a close link between recognition of qualifications and quality assurance and accreditation. In the field of recognition of qualifications, it is becoming more and more difficult to determine exactly what the value of a foreign qualification is. This is because of the diversification of programmes, qualifications, delivery modes and the proliferation of non-formal learning. Assessing the value of a qualification has become more complicated and yet at the same time, evaluators, employers, professional bodies, etc. become more and more interested in determining the quality of an institution, programme or qualification. Therefore, recognition and credential evaluation agencies increasingly appeal to quality assurance agencies to inform them of the quality status of an institution or programme. Thus, there is a need for cross-border co-operation and information sharing.

   •   **UNESCO Initiatives**

UNESCO's starting position is that education is a basic human right, and access to higher education is based on merit. UNESCO's aim is to make "GLOBALIZATION benefit ALL" by maximizing the opportunities and minimizing the threats. In the 1998 World Conference on Higher Education (WCHE), it has been declared that "Society as a whole must support education at all levels, including higher education, given its role in promoting sustainable economic, social and cultural development" (UNESCO, 1998). UNESCO has put forward six regional conventions on recognition of qualifications as educational agreements providing international standards in the context of trade in education. Since these six regional conventions which were convened in the 1970s and early 1980s, there are a few new developments within UNESCO, especially in recent years.

The First Global Forum on "International quality assurance, accreditation and the recognition of qualifications in higher education", Paris, 17-18 October 2002 brought together main stakeholders in higher education including representatives of new providers of higher education; the Second Global Forum was held in Paris, 28-29 June 2004. These Fora were launched as part of UNESCO's mission to respond to the emerging ethical challenges and dilemmas as a result of globalization. This initiative was a reaction to growing demands by the international community that UNESCO takes a more proactive role related to the impact of globalization on higher education, in particular the emergence of cross-border education providers that do not fall under the purview of nation-states. As a follow-up to the Global Forum initiative, the UNESCO/Norway Forum on "Globalization and higher education: implications for North-South dialogue", Oslo, 26-27 May 2003, took the debate further, by (i) giving more voices to the developing countries, (ii) placing higher education at the centre of social sustainable development, (iii) underlining the notion of 'fair trade', (iv) calling for cross-border provision, including Information and Communications Technology (ICT)-Assisted higher education, and (v) to strengthen and not weaken national capacity for higher education (UNESCO, 2004).

The 32nd Session of the General Conference of UNESCO, Paris, October 2003, adopted a Resolution whereby UNESCO was given the mandate to promote capacity building for quality assurance, qualifications recognition and accreditation in all regions of the world, in close co-operation with other international organizations. Following this Resolution, an initiative was launched to elaborate joint UNESCO-OECD Guidelines on "Quality provision in cross-border higher education" in April, 2004.

As mentioned earlier, the First Global Forum (2002) was launched as a response to the ethical challenges facing higher education in an era of globalization. The main outcomes of this meeting were:
- Creating a platform for exchange between the various partners and stakeholders in international and cross-border higher education for a period of at least four years in the first instance;
- Building bridges between education and trade in higher education services;
- Promote research on the concept of global public good and empirical evidence on the impact of borderless education on widening access to higher education so as to provide input to policy frameworks at the national level; and
- The key role for UNESCO in this aspect would be standard-setting, capacity-building and acting as a Clearing House (UNESCO, 2004).

With respect to standard-setting activities, UNESCO has initiated the revision of the regional conventions on the recognition of studies to respond to new challenges like linking recognition to quality assurance and responding to transnational education. UNESCO is also promoting research on the role of new providers in widening access to higher education and on the concept of higher education as a public responsibility, and in developing international guidelines and codes of good practice to support an international framework for national policy developments. The elaboration of the UNESCO-OECD guidelines on quality assurance (QA) in cross-border higher education provision is a development of this process. As for capacity building, the task is to develop regional and national frameworks for quality assurance so as to help stakeholders in higher education to make informed decisions. Acting as a Clearing House, UNESCO is developing information tools for students, building study abroad databases and publications as well as other databases with the objective of promoting consumer protection.

While the First Global Forum (2002) focused on the commercialization of higher education, the theme for the Second Global Forum (2004) was on "Widening access to quality higher education", highlighting on education for the minorities, ICT-Assisted learning, and lifelong learning. It also provided a particular focus on capacity building through a needs assessment study on capacity building efforts in the regions. This study will serve as a basis for developing a strategic approach to guide UNESCO's activities in capacity building in quality assurance and accreditation. This study and various consultations helped to identify areas requiring capacity building, strategies to deploy and priority projects to be undertaken at individual, institutional and societal levels.

III.   THE REGIONAL CONVENTION FOR ASIA AND THE PACIFIC REGION

The Regional Convention of "Studies, diplomas and degrees in higher education for Asia and the Pacific Region" was convened in Bangkok, 16 December 1983, where there were 14 signatories to the Convention. By 2005, 20 Member States have ratified this Convention and they are (1) Armenia, (2) Australia, (3) Azerbaijan, (4) China, (5) Holy See, (6) India, (7) Kazakhstan, (8) Kyrgyzstan, (9) Korea, PDR (10) Lao, PDR, (11) Maldives, (12) Mongolia, (13) Nepal, (14) the Philippines, (15) Republic of Korea, (16) the Russian Federation, (17) Sri Lanka, (18) Tajikistan, (19) Turkey, and (20) Turkmenistan. Those countries that still have not ratified the Convention include Japan and many of the countries in South-East Asia and the South Pacific.

The 1983 Regional Convention (UNESCO, 1997) can be considered to belong to the first generation conventions where the articles stated are very broad and general. Basically this convention states explicitly that state parties should recognize the certificates, diplomas or degrees granted by other state parties with a view to pursuing

further studies in higher education institutions in their countries; and also recognition of foreign qualifications with a view to allowing professionals to practice in their countries. This Convention underwent some kind of review in 1993 (10 years after its initial adoption in 1983) and the following specifications were added:

(1)   ***Recognition*** of secondary school certificates and other diplomas which are necessary   for admission to universities.

(2)   ***Recognition*** of partial studies carried out in higher education, something like credit transfer; and

(3)   ***Recognition*** of preparation at the higher level for the practice of a profession.

The main problem with this 1983 Regional Convention, just like those in Africa, Latin America and the Caribbean and other regions, is that it does not give concrete information about the quality of the foreign qualifications that have to be recognized by state parties. There is also the problem in the diversification of higher education institutions and programmes, and new modes of delivery. There are new higher education providers like 'for-profit' provision, cross-border provision, open and distance learning which open up a lot of new opportunities and at the same time bring along potential risks like rogue providers, degree mills and also accreditation mills. Consequently, the 1983 Regional Convention needs to be revised in view of all the recent developments in higher education in Asia and the Pacific Region.

IV.   ASIA AND PACIFIC REGIONAL CONVENTION

The Eighth Session of the Regional Committee Meeting under the Regional Convention on the 'Recognition of studies, diplomas and degrees in higher education in Asia and the Pacific' will be held in Kunming, China, 24-25 May 2005. The main topic on the Agenda for this meeting is the revision of the 1983 Regional Convention. In revising the Convention, urgent need should be given on how to:

(i)   **Enhance** the protection of students/learners of higher education from degree mills and   qualifications of limited value.

(ii)   **Establish** an international database, or databases, on recognized higher education institutions.

(iii)   **Establish** and strengthen comprehensive quality assurance and accreditation systems   at the national level.

(iv)   **Strengthen** international co-operation and networking of quality assurance and accreditation agencies, recognition and evaluation agencies and professional bodies.

Concluding remarks

Cross-border post-secondary education may be as important economically to importing as to exporting countries. Some Asian countries have shown how cross-border education could be used for their economic development. However, developing countries should be aware of some risks involved in cross-border education. Developing countries should ensure that foreign provision meets their needs and quality requirements, and that it leads to actual spill-over which can help improve the quality of local provision. Cross-border student mobility might in some cases involve a risk of 'brain drain' for the 'sending country'.

Therefore, to sum up:
- UNESCO instruments for cross-border education are the revised conventions which serve as regional frameworks to promote capacity in quality assurance and qualification recognition.
- UNESCO-OECD guidelines for quality in cross-border provision which serve as an international framework.
- UNESCO activities focus on capacity building for quality assurance and qualifications recognition by (i) assessing needs, (ii) identifying regional partners and international networks and (iii) raising funds with donors.

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Biography Professor Molly N.N. Lee

Ms. Molly N.N. Lee is the Co-ordinator of the Asia-Pacific Programme of the Educational Programme for Development; and Programme Specialist in Higher and Distance Education at the UNESCO Asia and Pacific Regional Bureau for Education, Bangkok. Prior to joining UNESCO Bangkok, she has been a Professor of Education in University of Science, Malaysia, Penang. She holds a Ph.D. in International Development Education and a Master degree in Sociology from Stanford University, a Master degree on Education Planning and Development from University of London Institute of Education. Her research interests are on higher education, teacher education, globalization and education as well as gender and education. She has published extensively on issues and topics relating to education in Malaysia.

Chapter 5

Implications of WTO/GATS on quality assurance of distance education (including e-Learning) for higher education

Insung Jung, Ph.D.
Professor of Educational Technology and Communications,
International Christian University,
3-10-2 Osawa, Mitaka-shi,
Tokyo 181-8585, Japan

Abstract

Cross-border education (CBE) is a reality today. And it is certain that information and communication technology will be used to a growing extent for cross-border education. Distance education including e-learning will develop alongside and as part of traditional cross-border education. In this context, there is an urgent need to review the existing quality assurance mechanisms of distance education for higher education at the national and institutional level, discuss new challenges of a changing environment in an international context, and build a capacity for quality assurance (QA) to enhance the quality provision in a globalized higher education market. This paper discusses recent developments of quality assurance systems (QAS) in distance teaching universities and e-learning institutions at higher education level in the context of cross-border education, and draws certain implications of GATS on quality assurance in distance education for governments and distance education (DE) providers.
Keywords: *quality assurance (QA), distance education (DE), e-learning, cross-border education (CBE), GATS on Educational Services, Mega University (MU).*

1.   Introduction

During the 1970s and 1980s, many countries and territories in the Asia-Pacific (AP) region established distance education (DE) institutions at the higher education (HE) level to meet the educational needs of a variety of groups of people such as working adults, high school graduates, teachers, and housewives. Distance education is defined as a form of education whereby students may complete all, or part, of their course of study in a geographical location apart from the education provider or the teacher.

DE includes three modes: (i) a conventional mode of distance education in which printed materials, audio and video (or radio and TV), and/or face-to-face tutorials are used; (ii) an e-learning mode in which the Internet is used as a main delivery means of instruction and interaction, and (iii) a mixed mode which incorporates conventional media with the Internet.

Almost all the countries and territories in Asia and the Pacific Region have at least a distance teaching university and some countries such as Australia, Canada and the USA offer DE programmes within on-campus universities. The Asian Region, especially, has the largest number of adult learners attending distance teaching universities compared with other parts of the world and seven mega-universities (those with an enrolment of at least 100,000) across China, India, Indonesia, Iran, Korea, Thailand and Turkey (Shive & Jegede, 2001).

Since the mid-1990s, many conventional distance education institutions have begun to introduce information and communication technology (ICT) mainly as a supplementary mode of instruction. But some institutions have created e-learning programmes. Examples include the e-MBA programme of the Anadolu University in Turkey, the online Lifelong Education Graduate School at the Korea National Open University in Korea, the online MBA of the Athabasca University in Canada. Besides these e-learning graduate programmes, several distance teaching institutions have incorporated e-learning components in their existing programmes. Online tutoring and online discussion groups are popular among those e-learning components (Jung, 2004a).

In parallel with the development of distance education and the increased use of ICT, cross-border educational activities have grown. In the past ten years or so there has been a noticeable surge in the export and import of educational services around the world. DE is one of all the manifestations of the current trend and has been steadily gaining ground. For example, universities in Australia, UK, USA, and Canada have more actively exported their DE programmes including e-learning to other parts of the region. China, Hong Kong (China), India, Malaysia and Singapore, in Asia and the Pacific Region have been among major importers of those programmes. However, among those importers, Hong Kong (China), India and Malaysia have also exported their programmes to other countries such as Bangladesh, China, Indonesia and Sri Lanka. Overall, the development of e-learning has contributed to the growth of transnational education. In this chapter translational education is defined as education offered across countries through a variety of arrangements, including *via* distance education or e-learning.

All these trends challenge the existing quality assurance (QA) frameworks of DE, which have given more focus on 'widening access' than on 'assuring quality', and often do not address 'for-profit' and cross-border education (CBE). Especially in the context of growing globalization in distance education, there has been an urgent need for international initiatives to review quality assurance mechanisms of DE for higher education at the national and institutional levels, discuss new challenges of a changing DE environment, and build a capacity for QA to enhance the quality provision in a globalized higher education market.

This paper discusses recent development of QA systems in distance teaching universities and e-learning institutions at higher education level in the context of cross-border education, and analyzes implications of GATS on current and future development of QA mechanisms of distance education. Even though the term for quality assurance in DE vary across countries and DE institutions, in this report, QA is defined as planned activities carried out with the intent and purpose of maintaining and improving the quality of learning rather than simply evaluating activities.

2.   National Quality Assurance Frameworks (QAF) for distance education (DE)

Recent studies (Jung, 2004a; 2004b; Stella, 2004) show that whereas QA frameworks of traditional higher education are well established in most of the countries of Asia and the Pacific Region, those of DE are at an early and therefore crucial stage of development. It is also observed in the studies that a quality culture has been emerging, if not fully integrated, in most distance teaching institutions investigated.

(i)   Within the QAF for higher education

In most of the countries around the world, DE including e-learning has been evaluated within QA frameworks of higher education based on the belief that DE and e-learning do not need to have separate QA standards and existing ones are flexible enough to adapt to new developments (Van Damme, 2002). Examples include:

- *Australia:* Australian Universities Quality Agency (AUQA), founded as an independent agency in 2000, promotes, audits and reports on QA in all Australian higher education. There is no national QA framework only for DE. Universities in Australia undertake QA activities for DE that satisfy the expectations of external quality review agencies including AUQA.

- *China:* Distance teaching universities (such as CCRTVU and SHTVU) and online programmes offered in traditional universities are evaluated by the national and local QA bodies for higher education. The national QA bodies include the Academic Degrees Committee of the State Council, the Committee for Higher Educational Evaluation, and the Institute for Assessing the Quality of Degree and Graduate Education in Institutes of Higher Education and Research. Separate evaluation criteria for assessing the quality for DE have not been reported in these cases.

- *Hong Kong (China):* The HKCAA (http://www.hkcaa.edu.hk/), established in 1990 as the only independent statutory accreditation authority, oversees the quality of educational programmes of DE and other non-UGC (University Grants Commission) funded higher education institutions.

- *Indonesia:* The National Accreditation Board for Higher Education (BAN-PT) accredits DE programmes using the instrument different from the one used for on-campus higher education institutions. However, no specific quality evaluation instrument for e-learning has been created by the BAN-PT.

- *Malaysia:* Similarly, distance teaching universities such as Open University Malaysia (OUM), need to be accredited by the National Accreditation Board (NAB) and evaluated by the national QA standards for private DE set by the Department of Private Education of the Ministry of Education (MOE), the body constantly monitoring the quality of every private institution in Malaysia.

- *Japan:* Establishing a new DE institution or programme is regulated by the University Establishment Standards and related regulations. In the recent system, standards and regulations to establish new universities were loosened and a new higher education quality assurance system was proposed. This new quality assurance system requires that all the universities (including DE institutions) in Japan be evaluated at the time of their establishment and re-accredited every seven years following establishment (Wong, & Yoshida, 2001).

- *Korea:* In principle, the establishment of a conventional distance teaching university is required by the Higher Education Law to be approved by the MOE. However, the Korea National Open University (KNOU) has been the only conventional distance teaching university established in Korea under this Higher Education Law. The establishment of other distance teaching universities or virtual universities is required by the Lifelong Education Law, issued in 1999, to be approved by MOE. The revised "Lifelong Education Law" allows private institutions to establish degree-granting virtual universities using advanced technologies.

- *United Kingdom (UK):* QA system of any DE is closely linked to the national QA framework for universities and colleges. A distance teaching university or programme is subject to at least three forms of external assessment undertaken by the Funding Councils (FC) and the Quality Assurance Agency for Higher Education (QAAHE) just like any other HE institutions. Three kinds include assessments of: (1) subjects or teaching; (2) research, and (3) institutional performance and management.

- *United States of America (USA):* DE programmes and institutions are accredited by the accreditation organizations recognized by the Council for Higher Education Accreditation (CHEA) and the USA Department of Education. For example, the Penn State University's PS World Campus is periodically evaluated by the Middle States Association of Colleges and Schools. Within the QA framework of traditional HE, CHEA has developed specific QA guidelines for DE programmes. Out of nineteen accreditation organizations recognized by CHEA, 17 have evaluated DE including e-learning. The Distance Education and Training Council, a 'non-profit' association founded in 1926, gained approval from the CHEA and the USA Department of Education as a nationally recognized accrediting agency solely for DE.

(ii)   Separating QAF for DE

Only few cases have developed a separate national QA framework for DE. Turkey and India have a separate committee or agency for assuring and managing the quality of DE.

- *India:* The Distance Education Council (DEC), a national apex body for distance education in India, was established in 1992 within the Indira Gandhi National Open University (IGNOU) with the mandate to promote open and distance education networks, and to plan and implement schemes for ensuring quality in distance education in close collaboration with NAAC (Khan, 2001). As of 2005, one national distance teaching university (IGNOU), 10 state open universities, and 104 institutes of distance education within the conventional universities and colleges are under the supervision and financial support of the DEC. Within the DEC, the Open and Distance Education Assessment and Accreditation Board was created to appraise a distance education institution at intervals of five years, to see whether the institutions or their programmes meet the prescribed norms and standards set by the DEC.

The DEC has developed the "Handbook" of recognition process for distance education institutions and programmes. The Handbook includes criteria set for the approval of a new conventional distance education institution or programme. A distance education institution or an open university that considers application for approval or recognition is requested to fill out three kinds of forms, Form I for institutional details, Form II for assessment details, and Form III for impact of grants/audits (Details can be found at http://www.dec.ac.in). Major evaluation criteria of Form II include: curricular aspects; teaching, learning and evaluation; research, consultancy, and extension; infrastructure and learning resources; student support services; organization and management, and healthy practices.

- *Turkey:* Anadolu University (AU), one of the Mega Universities, reports that its QA system complies with the standards and requirements of the national QA body for distance education, that is, the Informatics National Committee (INC). (http://www.ii.metu.edu.tr/EMK/enfyoneng.htm).).

This Committee is a sub-committee of the Higher Education Council which oversees the quality of higher education in Turkey. A DE course is evaluated based on the quality and quantity of the course material, its structure, the use of interactive examples and questions, and the effectiveness of the components it incorporates for monitoring learning.

2.   QA mechanisms in Mega Universities (MU)

The results of a survey with nine Mega Universities (Jung, 2004b) shows that there exists a variety of QA systems of distance education even though the globalization and competitiveness of higher education and the development of technology have brought distance teaching universities closer together in terms of developing a common quality culture. Nine Mega Universities include: the Allama Iqbal Open University (AIOU, Pakistan); the Anadolu University (Anadolu, Turkey); the China Central Radio and TV University (CCRTVU, China); the Indira Gandhi National Open University (IGNOU, India); the Universitas Terbuka (UT, Indonesia); the Korea National Open University(KNOU, Korea); the Sukhothai Thammathirat Open University (STOU, Thailand); the Open University (OU, UK); and the Shanghi TV University (SHTVU, China). This section compares and contrasts QA systems in these nine Mega Universities and highlights recent developments in QA measures.

(i)   QA   organizations

Several Mega Universities have set up a centralized total quality management system to co-ordinate and oversee the implementation of QA activities university-wide based on policies and guidelines formulated by QA-related boards or committees. Those centralized units are operated based on university revenue. Examples include UT (Indonesia)'s QA Centre, STOU (Thailand)'s Educational QA Co-ordinating Centre, AIOU (Parkistan)'s Research and Evaluation Centre, and OU (UK)'s QA team and a Pro-Vice-Chancellor for Learning and Teaching (Brennan, Hollow, & Shah, 2001).

A QA system of some universities has been set and run by the boards, the councils, and/or the committees rather than an independent QA unit in administration. Each body has distinctive roles in different stages of QA processes or in different areas of QA activities. For example, at IGNOU (India), School Boards, Planning Committees, and an Academic Council are responsible for overseeing QA policies and implementations. At Anadolu (Turkey), the University Senate, University Executive Board, Academic Advisory Board, Course Accreditation and Review Committee, and Instructional Design Committee play a significant role in QA and accreditation.

There are Mega Universities where QA is a part of the responsibilities of one or more related administration offices. At CCRTVU (China), the units responsible for assuring quality of distance education include the Educational Administration Division, the Centre of Learning Support Service, the Centre of Examination, and the Academic Assessment Office. KNOU (Korea) has a QA system where quality is not a specified responsibility of any particular post or office; rather it is a responsibility of all related offices and academic divisions. SHTVU (China) assigns QA responsibilities to the Department of Teaching Affairs (DTA). But specific QA activities are assigned to all related units of the university.

(ii)   QA areas and criteria

Even though core areas – such as course and programme development and delivery – for QA are similar in most Mega Universities, some QA areas draw more attention than others. In some institutions, assessment of staff performance and tutoring services is emphasized whereas in other institutions, learner assessment or monitoring of e-learning courses gets more attention. Most of the Mega Universities tend to have more detailed criteria especially for QA areas such as Programme/Course Design and Development, Learner Supports, and Assessment. These areas are more directly related to student learning. AIOU, IGNOU, SHTVU, and KNOU put a great emphasis on QA in the areas of course/materials production and student support services. Detailed QA criteria are provided in several Mega Universities surveyed.   For example, IGNOU lists

QA criteria for developing DE materials in self-instruction mode. All materials to be transformed in the self-instructional mode have to meet the criteria of self- explanatory, self-contained, self-directed, self-motivating, self-evaluating, and self-learning. The faculty members are requested to transform the content into distance mode ensuring the following unit structure of : (1) introduction, (2) objectives, (3) content exposition, (4) revision questions, (5) in-text questions, (6) summary, (7) terminal exercises, (8) supplementary material, (9) assignments, (10), suggested readings/reference materials, (11) learning activities, and (12) key words.

KNOU puts an emphasis both on content and instructional design of the materials. QA criteria for the content include: (i) appropriateness of objectives; (ii) specification of objectives; (iii) accuracy and how recent the content is; and (iv) clear organization of the content. QA criteria for instructional design include: appropriateness of teaching-learning strategies, effectiveness of utilizing multimedia, appropriateness of screen interface, and convenience of course management. Other institutions have also devised similar detailed QA criteria for course development.

QA criteria during the delivery of DE programme have been reported in a few cases including UT, OU-UK and IGNOU. One example can be found at IGNOU. The Indira Gandhi National Open University (IGNOU) has suggested QA criteria such as timely dispatch of course materials, training of tutors and counsellors in providing support to students, timely delivery of multimedia packages to study centres, regular tutorials and counselling sessions, timely feedback on assignments, timely response to students queries, feedback to students on their performance and progress, and facilitation of peer group interaction.

The Open University (OU), UK provides detailed QA criteria for services to students in regional centres. All the regional centres need to carry out an annual review of key activities such as course choice, enrolment and fees, careers guidance, outreach and promotion, preparation, induction and learning skills development, student progress and retention, special needs, examinations and assessment, and exceptions and complaints. The findings of these reviews are shared between regions. Other activities, managed centrally or regionally, are reviewed on an *ad hoc* basis from time to time. Examples include: support for students with disabilities, the promotion of equal opportunities, marketing and collaborative provision (OUUK, 2004).

(iii)   QA methods

A variety of QA methods are observed in the Mega Universities. The popular methods of QA include providing a wide range of opportunities for training workshops, conducting evaluation research, introducing internal review processes, and inviting external audits and assessments. In some cases, detailed guidelines or directions for assessing quality in selected key areas of distance education at the course and programme level are also provided.

The most prevalent method of QA is to provide training and professional development opportunities to faculty and staff including part-time tutors. The clearest examples are shown in several cases. OUUK specifies initial induction and training, and continuous staff development opportunities for its salaried staff, academic staff, and associate lecturers in the "Guide to quality and standards". Formal training sessions, workshops, resources, moderated online courses, and seminars are offered. SHTVU has offered a series of training to its young instructors, academic staff, and part-time lecturers covering topics in course development and learner supports. Each institution at UT sets out personnel development programmes to equip its staff with competencies for effective task performance. IGNOU, KNOU and AIOU organize a series of workshops on course development for teachers.

Some Mega Universities go beyond internal training activities. For example, UT (Indonesia) has sent a selected number of its staff to a three month training workshop in the Netherlands in co-operation with the Netherlands' International Development Agency (NUFFIC) and Southeast Asian Ministers of Education Organization (SEAMEO) and other various international conferences, workshops and training on QA. International organizations such as UNESCO and COL have provided online training manuals and face-to-face training opportunities to distance educators.

Evaluation and monitoring of staff performance is another method to ensure the quality of distance education. Some DE institutions such as Athabasca, OUUK, and UT have developed specific performance indicators so that they can monitor their performance against organizational objectives and key principles of their plan. AIOU monitors routine duties of its staff and also prepares a formal Annual Confidential Report that includes evaluation of staff performance by each section head in charge. CCRTVU uses feedback from teachers and students to assess the quality of courses and teaching activities. KNOU evaluates performance of tutors based on students' evaluation of their services and tutorials. OUUK implements a period of probation to all staff joining the University. During the period, the head of each unit is required to carefully and continually monitor the work of probationers.

UT requests each unit to undertake self-assessment and self-monitoring, have a university-wide quality audit team visit, and finally receive feedback from top management (Zuhairi, Pribadi, & Muzammil, 2003).

The internal quality assurance system during the development of courses/programmes and materials is well integrated into the whole operations of most distance teaching universities. Whereas, the quality assurance procedure during assessment and examinations development is laid out in a few distance teaching universities. OUUK operates an Examination and Assessment Board for every course. At IGNOU, a marking scheme is prepared and made available to all examiners to avoid inter-examiner variability. AIOU reviews the process of student evaluation and makes suggestions for improvement.

Involvement of external reviewers or/and experts during course development and material production is also a popular method of assuring the quality in most of the Mega Universities surveyed. KNOU, AIOU, IGNOU, UT, and STOU invite external experts in their QA processes. CCRTVU involves external experts, professors from national universities, and persons in charge of e-colleges to review its quality of programmes, courses, tutoring, and other services. OUUK seeks the three main external inputs to QA processes: the External Assessor for course in development, the External Examiner for examination at course level, and the External Advisor appointed at award level.

4. QA for E-Learning

E-learning, a relatively new form of DE, is rapidly becoming the dominant form of distance learning delivery especially in developed countries. And private or 'for-profit' e-learning providers have expanded locally and internationally. This section discusses the emergence of cross-border e-learning providers in Asia and the Pacific Region and analyzes QA mechanisms for e-learning at the national and institutional level.

(i)   Growth of e-learning providers

Over the recent years, many DE providers have turned to ICT to improve their teaching and learning process, bridge the gap between increasing demand for education and limited resources, and export their programmes cross their own border.

In Asia and the Pacific Region, main providers of the cross-border education or e-learning include universities in Australia, the UK, and the USA and global education providers such as Thomson Learning, Apollo International, and UNext. Hong Kong (China), India, Korea, Malaysia and Singapore seem to be main importers of those cross-border e-learning programmes. However, these countries and territories are also exporters of their e-learning programmes.

As from June 2000, in Hong Kong (China) around 550 cross-border educational programmes were provided by non-local providers. The UK's programmes made up the largest share of 288 programmes (57 per cent), followed by Australia with 157 programmes (31 per cent) (Jegede, 2001). Canada, China, Ireland, Macau (China) and USA made up the rest. OUHK imports courses from the Open University UK, and Curtin University of Technology and University of Wollongong in Australia.

As one of the providers of cross-border education, Curtin University of Technology, a Western Australia's largest university, has established partnerships not only with OUHK but also other HK institutions such as Management Association, Informatics Open Institute, and University of Hong Kong. Besides these Hong Kong (China) institutions, this university provides offshore DE to several countries in Asia and the Pacific Region – China, Indonesia, Malaysia, Singapore, Sri Lanka, Thailand and Viet Nam.

In 2003, OUUK had about 30,000 (14 per cent) students who were located outside the UK. The University of Phoenix has 60,000 online students, with 4,000 from outside the USA (OECD. 2004). Cardean University, a 'for-profit' e-learning organization, has one-third of its students outside the USA. In Latin America, the Technological and Higher Education Institute of Monterey (ITESM), a private university, has offered totally online degree programmes at both undergraduate and graduate levels to a good number of Lain American countries.

'For-profit' providers have expanded internationally. For example, in collaboration with Cardean University and Thomson Learning, EducAsia provides e-learning programmes in business and management to companies in Asia. Its programmes incorporate content from Cardean University and Thomson Learning, and are developed in association with leading universities around the world — including Stanford University, Columbia Business School, University of Chicago, London School of Economics, and Carnegie Mellon. EducAsia has offices in Korea, Singapore, and USA.

Apollo International, Inc., as an independent company by Apollo Group, Inc., provides higher education programmes for working adults in the USA and several other countries. Drawing on the experience of Apollo Group's subsidiaries, the University of Phoenix, Inc., Western International University, Inc., the Institute for Professional Development, and the College for Financial Planning, it has already established two operations in India and is developing joint venture plans with China.

Universitas 21 Global, a joint venture between a Universitas 21 (consortium of 16 research universities including National University of Singapore, the University of Hong Kong, Korea University in Korea, and the Fudan University in China) and Thomson Learning is a new e-University with online MBA and other corporate training programmes, aiming primarily at students in Asian countries. It has its headquarters in Singapore and offices in Dubai, Hong Kong (China) and Malaysia. The MBA programme is awarded by Universitas 21 Global which is registered by the Singapore MOE as a distance learning programme. In addition, the quality of courses offered by Universitas 21 Global is reviewed by U21 pedagogica, an independent accreditation body owned by Universitas 21. (http://www.universitas21.com/u21pedagogica.ht)

(i)   QA for e-learning at national level

At the national level, some countries have developed QA guidelines for e-learning to provide supports to e-learning institutions, accreditation agencies and external reviewers. Examples in USA include:

- The American Distance Education Consortium (ADEC)'s Guiding Principles for Distance Learning.
  (http://www/adec.edu/admin/papers/distance-learning_principles.html)
- The Institute of Higher Education Policy Quality (IHEPQ)'s On the Line: Benchmarks for Success in Internet-Based Distance Education.
  (http:/www/ihep.org/Pubs/PDF/Quality.pdf)
- DETC (Distance Education and Training Council)'s Accreditation Handbook (http://www.detc.org/acredditHandbk.html) and
- 8 regional accrediting commissions Best Practices for Electronically Offered Degree and Certificate Programs.
  (http://www.ncahigherlearningcommission.org/resources/electronic_degrees/Best_Pract_DEd.pdf.).

QAA in UK has developed guidelines on the quality assurance of distance learning (http://www.qaa.ac.uk/public/dlg/contents.htm), and the Joint Information Systems Committee has provided guidelines for e-Learning and Pedagogy as well.
 (http://www.jisc.ac.uk/elearning_pedagogy.html).

Those guidelines, in general, suggest nine categories constituting the quality of e-learning (Frydenberg, 2002): institutional commitment, technology, student services, instructional design and course development, instruction and instructors, delivery, finances, regulatory and legal compliance, and evaluation.

In Japan, standards for establishing a distance teaching university or a distance education programme within a conventional university specify methods of delivery, calculation of a unit of credit, requirements for graduation, and inclusion of a variety of interaction mechanisms in case of e-learning (Jung, 2004a). The standards for offering asynchronous distance education such as e-learning require the institutions to provide opportunities for interaction through: interactive Q & A between teachers and students, discussions among students, an online advising system, quizzes, and a learning space for group activities.

Korea provides detailed criteria for quality assurance and accreditation for e-learning in the context of higher education. Unlike for conventional distance education, detailed criteria for establishing a virtual university (VU) and guidance for operating the university were specified in the "Lifelong Education Law" and its regulatory rules (MOE, 2003, Korea). In addition, the regulatory rules under the "Higher Education Law" have included specified criteria for establishing e-learning programmes such as online graduate schools within conventional universities. Major QA areas for establishment of a new virtual university cover: hardware and network establishment, course development system, quality assurance mechanism, student support services, vision and missions, and administration. Under each area, detailed evaluation criteria or standards have been set up. Criteria for establishing online graduate schools within conventional universities are found to be similar to those for virtual universities except tutor and student ratio of 1:20 is recommended to maintain highly interactive quality of graduate programmes.

The Distance Education Council (DEC) in India provides the "Handbook" and forms that specify quality assurance and accreditation criteria for conventional distance education institutions. However, those QA criteria and forms are not suitable for the assessment of e-learning programmes. In fact, no separate quality assurance and accreditation criteria for a virtual university or an e-learning programme have been developed in India. The NetVarsity, India's virtual IT education institution operated by a global information technology solutions corporation called the National Institute of Information Technology was not authorized to award degrees. The current requirements for accreditation include such factors as faculty qualifications, staff-student rations, and space that are inappropriate for a virtual institution such as the NetVarsity (Mitra, 2003).

(iii)   QA for e-learning at institutional level

A recent study reports that at the institution level, a separated QA system for e-learning has not been developed in most of the DE institutions including Mega Universities investigated (Jung, 2004b). Instead, most cases adopt the same QA criteria as they use in QA for conventional DE to assess and manage the quality of e-learning programmes or courses.

KNOU, however, has developed more detailed criteria to monitor the quality of its e-learning courses and services. Besides its conventional DE courses, KNOU has offered 60 online courses on the Web. Three QA measures are taken during the development and delivery of e-learning courses. *First,* before developing any e-learning course, a review team, consisting of content experts and design experts, will evaluate the appropriateness of e-learning development and objectives, accuracy of the contents, and structure of the contents. *Second*, the review team, once a certain course is accepted as an e-learning course, will assess its pedagogical strategies, multimedia components, user interface, and course management functions. *Third*, two formal evaluation sessions will be administered during the development process. The e-learning site under development will be open to the pubic and the review team to be monitored. Comments from the public (including students) and the experts will be collected and used to improve the e-learning course.

Whereas KNOU has developed totally online courses, Open University Malaysia has integrated e-learning components into its conventional courses and thus introduced different QA measures for these e-learning components. During the course development, e-Module components will be examined by moderators and modified based on the comments given. Revised versions have to be approved by faculty. Monash has the Educational Design Group within its Centre for Learning and Teaching Support. This Group specifically assists with the evaluation of e-learning design. AIOU has adopted QA process in developing multimedia contents for its courses.

Even though some universities such as OUUK, Athabasca, CCRTVU, and SHTVU are actively incorporating e-learning components in their DE programmes, not specific QA measures for e-learning components have been provided. Anadolu University offers an e-MBA programme and is working on the details of a QA system for e-learning. PUCRS Virtual (Brazil) uses a commercially available virtual learning management system, WebCT, for its e-learning activities along with other advanced technologies. However, specific QA arrangements have not been reported in the survey questionnaire except the provision of pedagogical principles emphasized in the development and implementation of e-learning.

Besides these distance teaching universities, 'for-profit' e-learning providers have developed QA measures as well. As mentioned above, the quality of faculty appointments, subjects, and degree programmes offered by Universitas 21 Global is reviewed by U21 pedagogica. In addition, U21pedagogica offers services to a wide variety of clients, including universities, higher education consortia, and government agencies.

5.   Implications of GATS on QA in DE

From the discussions above, one can conclude that QA systems of cross-border distance education are at an early stage of development and specific QA procedures and guidelines for DE including e-learning are yet to be developed.

Cross-border education is a reality today. And it is certain that ICT will be used to a growing extent for cross-border education. E-learning will develop alongside and as part of traditional cross-border education. In fact, many of the current cross-border activities and related policies are unconnected with, or unaffected by, the GATS. Even if a country decides not to make any commitments under the GATS on education services, trade in education will grow. In fact, education services rank amongst the least committed of all sectors under the GATS. Policies regarding QA and accreditation are always important in educational trade with or without the GATS. What GATS commitments mean to cross-border distance education would be to put *pressure* on governments and DE providers to (a) tackle QA issues, (b) to promote transparency in cross-border activities, and eventually (c) to protect learners from receiving poor quality distance education in cross-border. Implications of GATS on QA in distance education including e-learning can be discussed from the following four aspects.

(i)   To review and strengthen existing national QA framework

GATS creates increasing pressure for augmented efforts in reviewing the existing QA frameworks of DE at national and institutional levels, and maybe in strengthening them in view of cross-border challenges. Quality is a common concern both in exporters and importers of cross-border education. Especially, given the increasing number of 'for-profit' providers and ICT-based innovative delivery, quality is becoming the most pressing issue in recent distance education including e-learning. And fraud by degree mills or accreditation mills is more serious with cross-border e-learning since e-learning institutions can more readily than traditional organizations escape the QA regulations. In these regards, QA of international DE programmes, and private and 'for-profit' DE services need to be addressed in the national QA frameworks.

Some countries have recognized the shortcomings of their national QA systems for DE with regard to transnational trade in education and e-learning, and begun to create new QA arrangements (Van Damme, 2002). For example, UK has developed specific guidelines for QA of DE even though it has treated all distance teaching institutions the same as other traditional institutions. The US Department of Education recently has developed the database which lists approximately 6,900 postsecondary educational institutions and programmes including DE institutions, each of which is accredited by an accrediting agency or state approval agency recognized by the US government. At the institutional level, several distance teaching universities and e-learning institutions have developed a more coherent and comprehensive QA organizational structure to coordinate and oversee their various QA activities. Examples include UT in Indonesia, OUUK, universities in Australia and some 'for-profit' e-learning providers.

In the future, distance education including e-learning will certainly dominate the cross-border post-secondary arena and continuing education market of the professional development. There will be more and more requests to *validate the credentials* of cross-border DE institutions and the quality of programmes and services in those institutions. One important implication of GATS on cross-border DE in this context is to urge governments and DE institutions *to review* own QA frameworks and *to develop* appropriate QA regulation before market opening.

(ii) To promote cross-border QA activities

It is certain that GATS promotes informal and formal, and regional and global networks of QA activities of national QA agencies and DE institutions. Since 1995 when educational services became subject to the GATS, many countries and QA agencies have been more actively discussing several issues including QA and accreditation related to cross-border education. Some countries such as USA have developed international database of QA agencies and information. Some countries such as UK and Australia have made their own QA system for higher education including DE known to the world. Regional QA arrangements have been discussed as well. At the international level, the International Network of Quality Assurance Agencies in Higher Education (INQAAHE), the most representative QA association with a worldwide membership, has lead debates, created QA related projects, and fostered QA data sharing. And UNESCO and OECD have developed new guidelines and elaborated existing conventions on trade in educational services.

A variety of these cross-border QA discussions and projects have focused on trade in conventional higher education. It is only recent efforts that challenges with QA in distance education have been included as an agenda for international debates. It is surprising that increased international competitiveness and transnational services in higher education only had a marginal impact on cross-border QA activities in distance education; even so there have been increasing international debates on QA issues in DE. As results, several international guidelines, conventions and best practices have been developed and reported. Examples include: UNESCO/OECD guidelines on quality provision in cross-border higher education, UNESCO's the Open and Distance Learning (ODL) Knowledge Base project, COL' Perspectives on Distance Education: Quality assurance in higher education – selected case studies; COL's Policy for Open and Distance Learning; OECD Forum on Trade in Education Services; and World Bank's the Global Distance EducationNet (Global DistEdNet). Recent UNESCO/OECD guidelines for quality provision in cross-border higher education provide recommendations for six stakeholders. However, we still need to ask whether these international efforts are sufficient to meet the need for commonly accepted conventions and standards of quality DE including e-learning. The key to successful QA activities in the future lies in commitment of distance education institutions and governments to international debates and international decision making processes related to QA issues.

(iii)   To promote capacity building

It is apparent that the GATS negotiations have impacts on liberalization in education markets. A country that decides to make commitments under the GATS on education services is free to set restrictions or develop new regulatory structures with regard to the liberalization of education services. The existing QA regulations often do not address challenges in recent and future cross-border DE markets. In order to set appropriate restrictions and develop effective regulatory QA frameworks for distance education, countries and DE institutions need to build a regulatory capacity before market liberalization. In this context, GATS promotes capacity building for QA in DE.

Capacity building in QA for DE is especially important since DE provides higher education to millions of students around the world with collaboration or in competition with 'for-profit' or cross-border providers. One survey (Jung, 2004b) finds that at least half of the Mega Universities have provided continuous staff development opportunities to their academic and administrative staff in pursuit of quality improvement. International organizations such as UNESCO, COL, OECD and World Bank have provided useful QA training resources or workshops for distance educators.

But still many countries and institutions face challenges in terms of lack of QA regulatory capacity in DE including e-learning. GATS promotes capacity building efforts of governments and DE institutions so that the QA regulatory framework needed can be in place before decisions about liberalization.

(iv)   To protect DE learners

It seems that one of the most important implications of GATS lies in 'consumer protection'. Especially from the viewpoint of countries importing DE services, learner protection is a main reason for QA concerns. Those countries need to ensure that their people receive quality education when they enrol in those invisible DE or e-learning programmes. In fact, learner protection rationales extend to the socio-economic level. Those who have been trained in fraudulent or poor quality DE institutions may damage the societies for which they work (OECD, 2004). Countries providing cross-border DE have adapted QA standards to innovative delivery or developed new guidelines to ensure the quality of DE in order to address the concerns of receiving countries and to maintain their brand image in providing high quality DE. For example, UK's QAA produced the Guidelines on the Quality Assurance of Distance Learning in 1999 (QAA, 1999), and the New Zealand Universities Academic Audit Unit issued the guide to "External Quality Assurance for the Virtual Education in 1999" (Van Damme, 2002).

Establishing databases on QA frameworks and accreditation in DE including e-learning is one way to share information with potential learners worldwide and to promote transparency in domestic QA regulations. Such efforts have been made in a rather limited capacity by some countries such as USA, UK, and Australia. INQAAHE has compiled information on current and developing theory and practice in QA in higher education. UNESCO has been discussing the development of a database on QA agencies and accredited higher education institutions including DE institutions in pursuit of learner protection in a cross-border educational environment.

Finally, there is an issue of fraudulent DE providers. The invisible and transnational nature of DE including e-learning sometimes makes it difficult for learners to find out whether a foreign DE institution really exists and what its quality is. And even worse is that when fraud cases happen, learners have no place to go. With the increase trade in education, we need to address those challenges in QA of DE from international learners' point of view.

6.   Conclusions

QA practices in DE including e-learning reported in this paper show an increasing convergence in a quality culture in DE and at the same time a diversity in QA systems and standards at the national and institutional level. The GATS on education services has facilitated international discussions on QA issues in cross-border education in general.

To develop reasonable solutions to important QA issues in cross-border DE, one needs to:

•   ***Collect comprehensive*** and reliable statistics on the delivery of DE and e-learning   programmes in cross-border.
•   ***Share QA practices*** in DE institutions and learner experiences with cross-border DE   programmes, and
•   ***Develop more transparent*** and fair QA procedures for domestic and foreign DE   providers.

All these are asked for strengthening international co-operation and networking, and sharing information on QA frameworks.

*   *   *

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[Dr. Insung Jung is currently serving on the faculty of the International Christian University (ICU), Tokyo as an Education Technology and Communications Expert, with many years of experience in distance education institutions in Korea and in an international context. Before joining ICU as a full professor of the Division of Education in 2003, she served as Director of the Multimedia Education Center, Ewha Women's University, Seoul, Korea. The Center was established to develop, deliver and manage e-learning programmes for the University, and Dr. Jung established numerous collaborative relationships with national, regional and international institutions to deliver courses and degree programs to professional women in the region and throughout the world. From 1992 through 2000, Dr. Jung was on the faculty of the Korea National Open University (Korea's premier distance learning institution), and has served as a consultant and technical advisor in distance learning to numerous national and international institutions, including: UNESCO, the APEC ICT Human Capacity Building and Facilitation of Human Resources Exchange, and the Advisory Committee of World Bank's GDLN project in Korea. Moreover, she has been involved in Korea's national policy development in distance education, and has evaluated a number of initiatives in which information and communications technologies (ICT) have been used in the K-12, tertiary, teacher training, and corporate education sub-sectors. As a member of numerous committees in various Korean ministries, she has accumulated professional knowledge and experiences in policy formulation and implementation in the field of educational technology and distance education. She has conducted extensive research in distance education and has an impressive list of professional publications. For many years, Dr. Jung has conducted research projects on the use of new information and communications technology in education, on instructional systems design for distance learning and on educational policy development and cost-effectiveness analyses in distance education and e-learning in particular. Her current research interests at ICU include the development and evaluation of virtual learning environment, the quality mechanism for distance education and e-learning, the interactive instructional design, online collaboration and communication, cost-effectiveness studies, the application of instructional theories to the development of learning materials, media literacy and the use of AV materials for learning].

Chapter 6
UNESCO-OECD guidelines on quality provision in cross-border higher education

Antony Stella
Advisor, National Assessment and
Accreditation Council (NAAC),
Bangalore-560010,
Karnataka, India

Abstract

Cross-border education through movement of students across borders has been an age-old phenomenon. But cross-border education (CBE) through mobility of programmes and institutions is of recent origin (except for some traditional forms of distance education using print media) and it has increased significantly during the last two decades. With the developments in ICT, the cross-border educational delivery has become more complex, thereby increasing the risk of stakeholders falling victim to low-quality provisions and qualifications of limited value. Further, in the globalized era, mobility of professionals has also grown considerably which demands recognition of qualifications across borders. All these developments pose new challenges to the national policies and quality assurance frameworks. In many countries the national capacity to face these challenges is limited. Even in nations where there are well-established quality assurance frameworks, the CBE providers are not adequately covered. The uneven development in the national capacity has resulted in gaps in international co-operation in quality assurance of CBE and the academia stand divided on how to face these challenges. Among the conflicting views expressed by academia, there is consensus that the interest of stakeholders should be protected and that quality assurance frameworks have to pay serious attention to the quality of CBE. This paper explores these views and the common challenge that connects them, namely, concern for the quality of CBE, for which the UNESCO-OECD Guidelines provide further directions.

1.   Introduction

Academia the world over express conflicting views in the ongoing debate about cross-border educational services. Between enthusiastic views of the trade promoters at one end and the sceptical reflections of the academics of traditional outlook at the other, there are many different viewpoints; at least four major views deserve a mention. *Firstly*, there are those who support public policies that foster internationalization in higher education and they defend cross-border education in all forms on academic, cultural, social and political grounds. *Secondly*, academics who support the view that education should not be treated as a tradable commodity, argue that cross-border education would always have a revenue-generation approach that would be to the disadvantage of the developing countries. *Thirdly*, there are trade enthusiasts who are convinced that commercialization of higher education at the global level is unavoidable in the near future and it is up to the countries to prepare themselves to benefit from the new opportunities of the global market. *Fourthly*, there are those who suggest that the implications of trade in CBE would not be serious in the near future, due to the low volume of trade that involves programme or institution mobility. But in all the four views, irrespective of the stand taken, there is a consensus that the interest of stakeholders should be protected and that quality assurance frameworks have to pay attention to the quality of CBE.

2.   Major views on cross-border education (CBE)

2.1.   *Internationalization viewpoint*

The broader stream of internationalization of higher education has two major dimensions. One dimension of internationalization is purely domestic and refers to the international and intercultural dimensions of curriculum, teaching, research and helping students develop international and intercultural skills without ever leaving their countries. This can be referred to as internationalization at home. The second dimension of internationalization refers to the movement of the teachers, students, programmes, institutions, providers or course materials across national borders. It is called cross-border education and is growing in importance, especially at the higher education level. Depending on who or what crosses the border, cross-border education can take different forms – a person can go abroad for educational purposes (people mobility); an educational programme can go abroad (programme mobility) or an institution or provider can go or invest abroad for educational purposes (institution mobility).

From an academic viewpoint, both the dimensions of internationalization in higher education affords the country's higher education institutions (HEIs) intellectual enrichment, and gives a stimulus to academic programmes and research. From the cultural point of view, it facilitates better understanding of other cultures. Possible ties between the political and economic elite of the host and sending countries gained through internationalization activities in higher education can enhance mutual understanding and social cohesion in increasingly multicultural societies. Till recently, the mutual understanding approach to cross-border education has been the common historical basis of internationalization policies for higher education. It is due to one or more of these reasons that every country finances cross-border education through the mobility of people, via university bursary schemes, bilateral or multilateral agreements and policies to promote mobility. These rationales and the attendant policies are still present today, but they have been complemented by new trends and rationales (OECD/Norway, 2003).

This view is supported by the examples from the North America as seen from the country reports and desk study overviews presented in the various UNESCO-OECD forums that were held during the past two years. Among the three countries of the North America that have signed the North American Free Trade Agreement (NAFTA) – Canada, Mexico and the United States of America (USA) – the analysis of public policies of internationalization indicates that the trade point of view is not prominent. In Mexico, internationalization is seen as a means for international co-operation, student mobility and academic exchange to strengthen the Mexican higher education institutions. The findings of the survey conducted by the Association of the Universities and Colleges of Canada (AUCC) in 1999 demonstrate that academic rationales are the key drivers for internationalization in Canada. Income generation is one motivation, but it is not the predominant one. No Canadian higher education institutions have established a branch campus in another country for multiple programme delivery (Green & Knight, 2003). In the USA, the major exporter of educational services, the off-shore or cross-border operations serving local students are uncommon in traditional USA universities. It is the 'for-profit' institutions that engage in trade point of view.

The supporters of this view point out that with unprecedented developments in science and technology, there is increasing emphasis on the role that CBE can play in knowledge development and therefore to human resource development. Developments in ICT have resulted in new forms of delivery of educational provisions. A course offered by a university can be delivered in any part of the world by optimum utilization of technology and this provides new opportunities for learners. The 'death of distance' helps research groups in different parts of the world to engage in collaborative research on more pressing issues of the global society.

If managed appropriately, and if encouraged in areas that are of relevance to the partnering countries, these opportunities can bring mutual benefits and strengthen the countries' national systems of education.

In practice, there are many obstacles to academic rationale driven CBE, especially in terms of rigidity in the qualifications framework. The obstacles exist in all countries and the difference is one of degree. The globalize scenario has already resulted in an increasing demand for international transferability and recognition of qualifications. In the simplest form, cross-border education through collaborative arrangements between two countries, 'for-profit' or 'non-profit', implies the need for recognition of quality and of qualifications in both the countries. The increasing number of joint awards, (they may not have any profit motive and they may be based on mutual co-operation and collaboration between two academic groups), which are given by institutions in different countries, has given rise to similar needs for mutual recognition of the qualifications between countries. This requires an appropriate and reliable mechanism to reassure the stakeholders that the courses, programmes and degrees offered by the cross-border arrangements meet acceptable academic and professional standards and that they will be of value in other countries also. Thus, the long-term benefits of academic rationale driven CBE demand a more positive approach to reduce the obstacles and facilitate recognition of academic and professional qualifications and programmes across borders. In most countries this would require a re-look at the national policy frameworks that might affect CBE related issues.

At the same time those who believe that the academic rationale has long ago been over taken by income generation rationale look at the threats related to trade point-of-view, especially to the developing countries.

2.2. *CBE as a disadvantage to the developing countries*

At the root of this view is the fundamental issue of the capacity of the developing countries to participate effectively in the global trading system (Knight, 2002). Although mutual understanding and international co-operation in teaching and research rank high on many countries' internationalization agenda, economic and revenue-generation rationales have become much more important recently and have sometimes become primordial. Today, CBE has a tilt towards the revenue generation approach. It has the connotation of being a commercial activity.

Those who consider that education is not a tradable commodity, and that higher education should remain a public good and a public responsibility, perceive CBE operations as a threat to national sovereignty and culture and as a serious attack on the core values of the system of higher education.

The reservation expressed by them is that providers from the developing countries would not be able to penetrate the education market of the developed countries. Therefore CBE would always be unidirectional and detrimental to the developmental strategies of the developing countries. The huge difference in the import-export operations among regions and countries in terms of both volume and growth bears evidence to this concern. In Australia, around one in seven university students are from overseas against one in a thousand in Mexico and Korea. In New Zealand and Sweden, foreign enrolments grew by more than two-thirds from 1998 to 2001. Further, programme and institution mobility mostly occurs in the Asia and Pacific Region, in Eastern Europe and in South America (the regions with many developing countries). It typically involves Australian, British and USA institutions operating in emerging economies.

As CBE operations increase in developing countries, the safety of national values and the increasing amount of student fee that goes into cross-border delivery offered by foreign providers that are below minimum standards are emerging as issues of concern to governments. Students who join these cross-border provisions generally do not qualify for government benefits. Students face difficulties in translating degrees obtained from cross-border providers into national equivalents in many countries. There are cross-border providers who aggressively market their courses by assuring equal treatment and recognition of their awards in the provider country. But the student experience in many collaborative ventures, as of now, indicates that the awards do not give them any competitive edge or benefit in further studies or employment in the provider country. More cases are being reported of questionable providers who collect the fees but are unreachable when the student finds out that he/she has been deceived. Thus the issue of learner protection is real and governments have been pressurized to take steps to protect the public.

Supporters of this view fear that trade protocols would only help the developed countries to export education even more than what they do now (Altbach, 2001). They also support the notion of reducing obstacles to CBE operations in higher education using conventions, agreements and multilateral frameworks outside of the trade policy regime. However, the activities developed in different multilateral frameworks and by professional organizations are overshadowed by the World Trade Organization (WTO) and the General Agreement on Trade in Services (GATS) promoting trade in educational services. The basic difference in the approach of these two groups lies in their purpose; while one is seen as promoting trade in higher education, the other supports 'non-profit internationalization' (Uvalic-Trumbic, 2002). The concern for quality of the CBE provisions and the role of quality assurance agencies (QAA) to ensure quality are well recognized in their suggestions for mutual agreements.

Quality assurance is seen as a safeguard to protect a nation from exploitation of low quality provisions from developed countries. This calls for strengthening the national policy frameworks in order to handle CBE issues.

2.3.   Trade promoters' view

Those who argue in favour of a facilitative approach to CBE cite the developments in GATS. In their opinion, CBE operations are already on the increase. Till recently, students crossing borders was taken as the proxy to indicate all cross-border education operations. With the developments in GATS, the situation is changing very rapidly. Today, the world market for higher education is not confined to student mobility in tertiary education, and the rapid growth of other forms of educational trade will make student mobility a less satisfactory proxy for cross-border education operations as time goes on.

For a country's economy, the enrolment of foreign student represents an 'invisible export': in the form of the associated income flow. All expenditures made by international students in the receiving countries are considered as 'export revenue' from the students' home country for the receiving country. Similarly, the tuition fees of a student enrolled in a branch campus of a foreign university operating in his/her country are considered as 'returns on foreign direct investment'. In Australia and New Zealand, educational services rank respectively third and fourth in terms of services exports, and fourteenth and fifteenth in terms of exports as a whole. The USA is the leading exporter of educational services. In 1998, the international market for student mobility alone amounted to around US$30 billion in exports, or 3 per cent of global services exports (Larsen *et al.,* 2002).

Trade promoters also point to the benefits of CBE – competition, motivation for traditional institutions to innovate, establishment of professional networks, providing enhanced opportunities for access to higher education, etc. The trade promoters are concerned that even the most competent provisions welcomed by learners are held up at the governmental level due to the general mistrust that CBE providers exploit learners. They argue that in the global market, learners have the right to quality education and they should be empowered to make their choices.

2.4.   Cross-border education (CBE) as a non-issue

In the fairly established higher education systems, there is also a view, of a minority of academia, that at the moment cross-border education through programme or institution mobility is not a significant activity and hence it can be left to the market forces with some amount of quality control at the national level. Academic mobility of students, scholars, teachers and knowledge workers has been an integral aspect of higher education for centuries.

The bulk of students who opt for an award from other countries travel to the provider countries and join the formal national education systems there. That is the reason for using student mobility as an indicator to estimate the overall level of trade in education. Such provisions where students cross borders are already covered by the quality assurance agencies of the providing countries and learner protection is not an issue of concern in those situations. The mode under consideration here is the mobility of programmes and institutions and according to the argument of this group, in fairly established education systems that mobility is of low volume.

This group also argues that cross-border delivery of education depends on many factors that include: (i) the size of the population; (ii) areas of study available in the national system; (iii) access parameters; (iv) unmet demand for higher education; (v) efficiency and market responsiveness of the national system; (vi) number of quality institutions in the country; (vii) unit cost of education; (viii) other services available, and (ix) language of instruction (Stella, 2004). For example, if the unmet demand for higher education is high in a country or if the national system of higher education is slow to respond to market needs, it increases the scope for cross-border operations. However, academia who do not consider programme and institution mobility as a significant activity argue that the net effect is not favourable to promote any substantial cross-border delivery (Gnanam & Stella, 2003). For them, it remains a non-issue at least as of now and, therefore, they are of the opinion that the quality of cross-border education may be taken care of by introducing appropriate checks through the already existing quality assurance procedures of a country. But the problem is that in many developing economies, there is a need to strengthen the ability to put in place sound quality monitoring at the national level. Capacity building becomes a priority in those countries. The desk study overview done for Asia and the Pacific Region merits a mention here.

3. Desk-study overview (UNESCO)

The desk study overview undertaken for UNESCO in March 2004 revealed that the quality assurance mechanisms as practised in the different countries of the Asia and Pacific Region and the developmental stage they have reached are very diverse. In most of the countries of the region, external quality assurance is of relatively recent origin. With about 20 major national quality assurance efforts currently operating in 15 countries in the region, two-thirds of the initiatives have been established only in the last decade. The variance in the developmental stage of the quality assurance mechanisms in the region calls for attention to capacity building in many vital areas of quality assurance. Even the fairly stabilized systems are in the process of redefining their roles and responsibilities especially with reference to CBE.

Overall, the capacity of the national frameworks of many of the Asia and Pacific nations to address CBE issues is doubtful. Capacity building at the national level and more international co-operation among the national initiatives are necessary. An international framework that would address CBE issues would be useful to these countries.

4.   Emerging scenario

In all the four major views, mentioned at the beginning of this chapter, there are concerns that quality of CBE should have a *decisive role*, that transparency in dealing with CBE issues should be *enhanced* and that the national policy frameworks in many countries *do not have adequate* capacity to address these issues. A survey conducted in 2004 by the Australian Universities Quality Agency (AUQA) and the New Zealand Qualifications Authority (NZQA), for the Asia-Pacific Quality Network (APQN) indicates that (among the countries that responded to the survey) only Australia, India, Malaysia and New Zealand have some mechanism in place to ensure the quality of the exports of their higher education institutions. For the import of educational services, according to the survey, "Monitoring of Transnational Activities, http://www.apqn.org/project_groups/completed/" there are mechanisms only in Australia, Hong Kong, Indonesia, Japan, Malaysia, Mongolia, New Zealand and the Philippines. But the extent to which the quality assurance has a central role in these mechanisms is not very clear. In many countries it is the ministries that have a regulatory role in CBE services. In other words, the national frameworks for quality assurance of CBE in higher education are not well developed.

Furthermore, the national policy frameworks in respect of CBE vary from country-to-country, and often they are driven by considerations other than educational. Therefore, regional capacity development has to not only target quality assurance issues, but also provide a platform to discuss the basic issues of an internationally or, at least, a regionally compatible policy framework to deal with CBE.

Thus, looking at the situation from the different points of view, there is a need to address the quality-related issues of CBE. The effort of UNESCO-OECD to develop joint guidelines is an educational response to this need.

5.   UNESCO-OECD Joint Guidelines

Both UNESCO and OECD have been working on the issue of quality assurance of cross-border higher education for some years. UNESCO Global Forum on "International quality assurance, accreditation and the recognition of qualifications" (UNESCO, 2002); UNESCO/Norway Forum on "Globalization and higher education", May 2003; OECD/CERI Experts' Group on "Mapping international quality assurance, accreditation and recognition of qualifications" (OECD/CERI, 2004); and "Quality and recognition in higher education: the cross-border challenge"   (Larsen & Momii, 2004)   are a few to mention.

The Resolution of the 32nd Session of the UNESCO General Conference "Higher education and globalization: assuring quality of global higher education and promoting access to the knowledge society as a means for sustainable development" (UNESCO, 2003); and OECD/CERI Governing Board Meeting, 29-30 October 2003, agreed to work on the Guidelines (OECD/CERI, 2003). In the OECD/UNESCO/Norway Forum on "Trade in educational services: managing the internationalization of post-secondary education", Trondheim, Norway, 3-4 November 2003, the project was launched officially (UNESCO/Norway, 2003). The 1st Draft Meeting was held at UNESCO, Paris, 5-6 April 2004, and it was followed by consultations with Experts (UNESCO, 2004). The 2nd Draft Meeting was held in Tokyo, 14-15 October 2004, and there were further consultations. The 3rd and Final Draft Meeting was held at OECD, Paris, 17-18 January 2005 (UNESCO/OECD, 2004-2005). After further feedback from Member States the Guidelines were approved by the General Conference of UNESCO, Paris, September/October, 2005 (UNESCO, 2005).

Based on the series of initiatives mentioned above, UNESCO and OECD have jointly developed guidelines for addressing the issues of quality provisions in cross-border education. More specifically, the following challenges given in the preamble of the Guidelines deserve a mention:
1. Lack of national capacity for quality assurance of CBE.
2. Lack of experience of the agencies for the recognition of qualifications across borders.
3. Increasing need for recognition of qualifications for the individuals concerned and the difficulties they have to face.
4. Need to ensure trustworthy qualifications for the professional services.

The challenges listed above increase the risk of learners falling victims to misleading guidance and information, low-quality provisions and qualifications offered by rogue providers, degree mills that offer low quality educational experience and qualifications of limited validity and accreditation mills. To tackle these challenges, the Joint Guidelines aim to provide an international framework for quality provision in cross-border higher education that would:

- **Enhance** the protection of students/learners against the risks of misinformation, low-quality provisions and qualifications of limited validity.
- **Increase** international validity and portability of qualifications by increasing their readability and transparency.
- **Increase** transparency and coherence of recognition procedures.
- **Encourage** international co-operation among agencies.

6. Scope of the Joint Guidelines

The purpose of the Joint Guidelines is to support initiatives to ensure that the quality of cross-border provision of higher education is managed appropriately to limit low quality provision and rogue providers and to encourage those forms of cross-border delivery of higher education that responds to human and social development needs, provides new opportunities, widens access and increases the possibilities for improving the skills of individual students. Central to the Joint Guidelines is the belief that quality provision is a key means to protect students seeking to receive cross-border higher education.

The Joint Guidelines recognize that the countries attach a high importance to the retention of national sovereignty over higher education. Higher education is strongly linked to national history, linguistic identity, cultural specificities, national economic development and social cohesion, and is therefore seen as a field of national policy-making. Consequently, the guidelines are based on the principle of mutual trust and respect among countries and recognize the importance of national authority.

The Joint Guidelines recognize the central role of the quality assurance systems of the countries and therefore the need for capacity building in developing countries by collaborating with other partners. Furthermore, the Joint Guidelines acknowledge the important role of various stakeholders and aim to strengthen and co-ordinate existing initiatives by encouraging dialogue and enhancing collaboration among various bodies.

All countries in the world have been invited to participate in the elaboration of these Guidelines: nearly all 30 OECD Member Countries and more than 30 non-OECD countries came to the drafting meetings. The author of this chapter, herself, was a member of the UNESCO-OECD Expert Group for drafting guidelines for quality assurance of cross-border education. National and international non-governmental (NGOs) directly participated in the drafting meetings. It should be noted that the Guidelines are not just addressed to governments they address also other groups of stakeholders.

7. Guidelines for the stakeholders

The guidelines adopt a global perspective and address the governments, higher education institutions/providers including academic staff, student bodies, quality assurance and accreditation agencies, recognition and credential evaluation bodies and professional bodies.

7.1. Guidelines for governments

Governments are either responsible for or can strongly influence the policies of quality assurance, accreditation and recognition of qualifications within their countries. In countries where the systems need new initiatives and co-ordination, governments are empowered to do so even if they are not directly involved in the management of some of the regulatory systems. In this context, the guidelines recommend that governments facilitate the system of registration of cross-border higher education providers, establish quality assurance systems, promote information dissemination on the quality of the cross-border higher education, adhere to the UNESCO regional conventions on recognition of qualifications, explore bilateral or multilateral recognition agreements for recognition of qualifications and contribute to international level of information on recognized higher education institutions/providers.

7.2. Guidelines for Higher Education Institutions (HEIs)

Recognizing that commitment to quality by all higher education institutions/providers is essential, the guidelines provide a list of recommendations for the HEIs. Higher education institutions are responsible for the quality and social relevance of education and standards of qualifications provided in their name no matter wherever or however delivered. In this context, the guidelines recommend that higher education institutions/providers delivering cross-border higher education demonstrate a strong commitment to quality and take the responsibility for delivering qualifications comparable in standard across borders. Respecting the competent quality assurance agencies of the receiving country, networking with other institutions for sharing of good practices, acknowledging each other's qualifications as equivalent, respecting the qualifications

frameworks of the receiving countries and making public disclosure of relevant information to stakeholders are recommended.

7.3. Guidelines for students

The guidelines emphasize the responsibility the students have, for carefully scrutinizing the information available and giving sufficient consideration in their decision-making process. The student bodies are encouraged to increase awareness of the students of the potential risks of low-quality provision and to guide them to reliable information sources on cross-border higher education. The guidelines also encourage students to take part in the development and implementation of the awareness and information dissemination strategies.

7.4. Guidelines for Quality Assurance Agencies (QAAs)

The guidelines for quality assurance agencies recognizes the diversity found in the various aspects of quality assurance among the national systems and calls for a co-ordinated effort at regional and/or global level, in order to tackle the challenges raised by the growth in new forms of cross-border delivery of higher education. The key recommendations are about including foreign and 'for-profit' institutions/providers as well as other non-traditional modes of educational delivery in the scope of quality assurance, strengthening the network initiatives for the quality assurance agencies to discuss cross-border education issues, information dissemination on the quality assurance mechanism and its implications, adherence to the *"Code of Good Practice",* mutual recognition agreements with other agencies, and making the assessment procedures open to international peers.

7.5. Guidelines for qualifications recognition and credential evaluation bodies

Guidelines for qualifications recognition and credential evaluation bodies is built on the UNESCO regional conventions on recognition of qualifications which are the most significant instruments for the international higher education community and governments to facilitate the fair recognition of higher education qualifications, including those resulting from cross-border mobility of students and skilled professionals. Building upon existing initiatives, for further international efforts to facilitate the process of recognition of academic qualifications the guidelines recommend regional and international networks among these bodies, co-operation with quality assurance and accreditation agencies, strengthening contacts with HEIs and other bodies, collaboration and co-ordination with professional associations, using codes of practice to increase confidence in their recognition procedures, and providing clear information on their assessment procedures.

7.6.   Guidelines for systems of professional recognition

Systems of professional recognition differ from country-to-country and from profession-to-profession. With growing professional mobility, the holders of academic qualifications, as well as employers and professional associations are facing many challenges. In response to these challenges, the joint guidelines recommend that professional bodies develop information channels on the professional recognition of foreign qualifications, maintain contacts with higher education institutions/providers as well as quality assurance and accreditation agencies and recognition and credential evaluation bodies, implement assessment procedures that accommodate learning outcomes and competence, and provide international information on mutual recognition agreements for the professions.

8.   Follow-up action: the next stages

The UNESCO-OECD Guidelines, that are non-binding and based on the principle of mutual trust, provide all necessary guidance for the various stakeholders to *ensure and enhance the quality of cross-border higher education.* The achievement of the Guidelines' objectives depends upon the: (i) dissemination efforts; (ii) implementation process; (iii) follow-up actions by various stakeholders, and (iv) networking among the countries.

It is expected that the UNESCO-OECD Joint Initiative will help:

•   **Develop** the national capacities and international co-operation especially for emerging   and developing economies.
•   **Improve** the circulation of information concerning cross-border higher education providers and their programmes.

An assessment of the implementation efforts and major revision of the Guidelines, in the light of cross-border higher education developments, will have to be made and the necessary steps taken for improvement in the future.

*   *   *

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Biodata Dr Antony Stella:
Dr Antony Stella is Audit Director at the Australian Universities Quality Agency (AUQA), an independent national agency that promotes, audits, and reports on quality assurance in Australian higher education. Before moving to AUQA, in August 2005, she worked for nine years with the *National Assessment and Accreditation Council* (NAAC), an autonomous organization that quality assures higher education institutions in India. With a Ph.D. in educational technology, she has more than 100 documents and ten books – four on educationl technology and the rest on quality assurance – to her credit. Dr Antony Stella has authored reports and training modules for the *International Institute for Educational Planning* (IIEP/UNESCO), concerning external quality assurance as well as co-editing two books on international perspectives and developments in quality assurance. Commissioned by the Higher Education Division of UNESCO, she has done desk study overviews of the quality assurance mechanisms of Asia and the Pacific Region and capacity building.

Dr Stella is the recipient of Shastri Indo-Canadian Faculty Research Award and Fulbright Post-Doctoral Fellowship, and has visited many countries to share their country experiences on quality assurance. She has worked with the UNESCO Office Bangkok and Regional Bureau for Education in Asia and the Pacific, as a Consultant for six months. She was a member of the UNESCO-OECD Expert Group for drafting guidelines for quality assurance of cross-border education, and is a member of the International Reference Group of the *Higher Education Quality Committee* (HEQC) of South Africa and the Board of the *Asia-Pacific Quality Network* (APQN).

Chapter 7
National research policy and graduate education reforms in Japan

Akira Arimoto
Director and Professor,
Research Institute for Higher Education,
Hiroshima University,
Hiroshima, Japan

Foreword

The relationship between the 'national research policy' of science and technology and the current 'higher education reforms' includes such trends as follows: a great impact of science and technology on university reforms; a globalization and knowledge-based economy faced with international competition involving institutions; the effects on the 'knowledge-based society' of university reforms; the effects of the importance of knowledge development and construction of intelligence *vis-à-vis* the expectations of higher education and development of human resources, etc. Accordingly, some discussions will be outlined about these matters as follows:

(1) Social change, scientific policy, and university.
(2) Social changes – external pressures.
(3) Logic of science and scholarship in the 'knowledge-based society'.
(4) Structure of science and technology policy.
(5) Knowledge and higher education: relationship between social condition, function, and structure of knowledge and higher education.
(6) Social change and the construction of the higher education system (see *Section II*).
(7) Problems of the present system focused on graduate school (see *Section III*).
(8) Problems of Japanese graduate education given in a comparative perspective (see *Section IV*).

Among these factors, former parts (1) to (5) inclusive above were observed at the 1st Seminar of the Global Scientific Committee for Asia and the Pacific Region held at the United Nations University (UNU) in Tokyo, 13-14 May 2004, and hence this paper intends to intensively discuss the latter parts (6) to (8) putting more focus on the institutional level than on the systems level.

I.   Introduction

As discussed in the previous presentation in Tokyo, three stages of development are distinguished in the relationship between national science and technology policy and higher education reform, especially university reform, the: (i) pre-war time; (ii) post-war time; and (iii) present time. Among these stages in this paper, attempt is made to focus on the present time. Brief consideration is made regarding the pre-war time as some characteristics are remarked in relation to describing university reform.

(1)   Science and technology were introduced to the developing country Japan taking the models from the advanced countries in the West. The intention being to catch up with Western countries and modernize Japan's higher education system, as swiftly as possible, by introducing advanced models of higher education.

(2)   The policy of internationalization by sending international students to centres of learning worldwide has been practiced to a considerable degree since the Meiji Restoration. It took some years for this policy to come about and it was changed somewhat to the self-training of scholars and students within domestic institutions.

Over a span of more than 60 years during the post-war period a sort of identity, or Japanese model, of the higher education system was intently and constantly searched for amid the conflicts among models, particularly between two models: the German and American models of higher education. In general, through this process, Japan was successful in catching up with an advanced model and reached the level of the Centre of Learning (COL), or Centre of Excellence (COE) by the exodus of periphery in the sense described by Ben-David in the seventies (Ben-David, 1977). This is actually true in the fields of natural sciences and engineering but many problems still seem to be left unsolved in the fields of humanities and social sciences in order for Japan to merit membership in the centres of excellence club in the World.

To improve the present situation, the national research policy of science and technology was intended to encourage university reforms including such trends as follows:

•   great impact of science and technology on university reforms;

•   globalization and the knowledge-based economy faced with demand of international competition involving institutions.

•   effects on the 'knowledge-based' society to university reforms;

•   effects of the importance of knowledge development and construction of intelligence *vis-à-vis* the expectations of higher education and development of human resources, etc.

II. Social change and construction of the higher education system

As can be seen in *Figure 1* of the relationship between 'knowledge', 'society', and 'university', the 21st Century higher education system is changing due to the effects of *social changes* and the *market mechanism* and also the relationship between *knowledge, government, society and university.*

Figure 1. Knowledge, society, and university
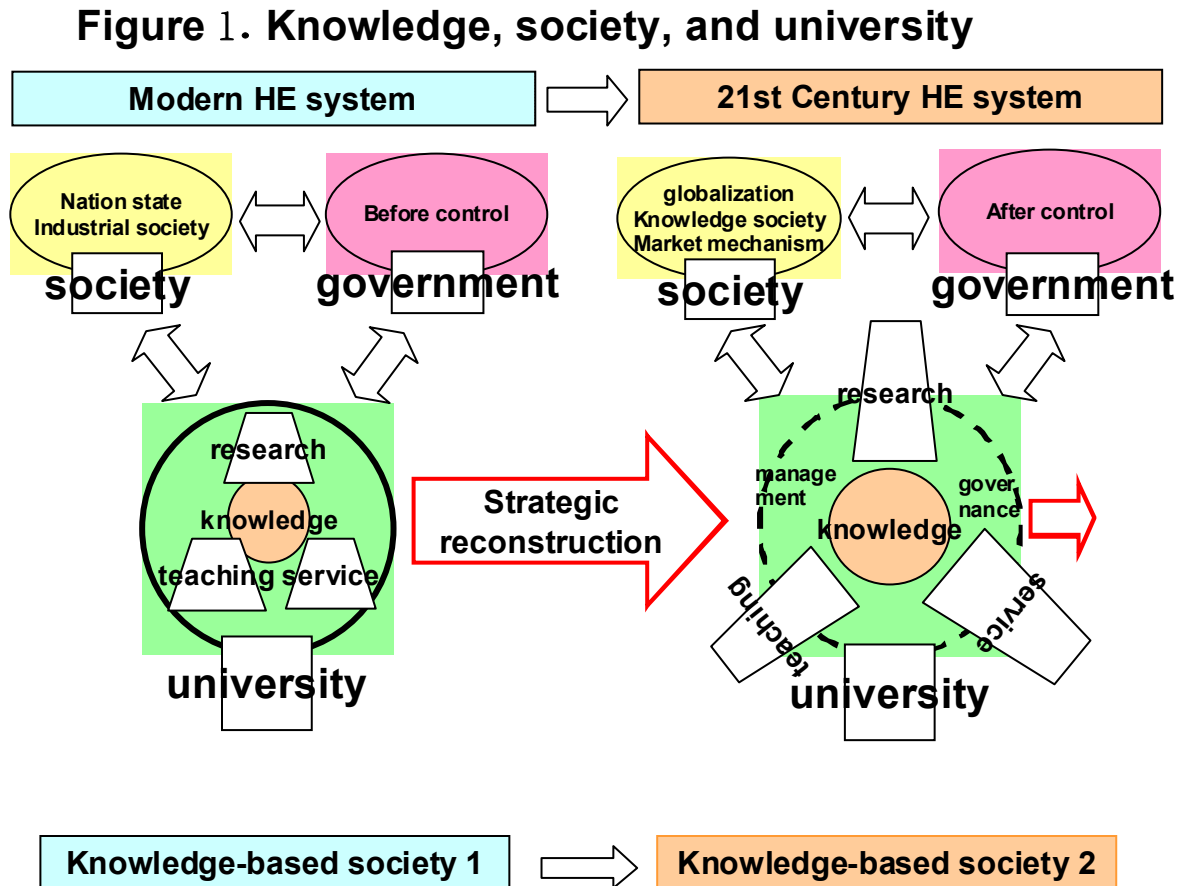
The present social change is considered to contain internationally the same kinds of phenomena such as knowledge-based society, globalization, market mechanism, and in addition to that, in Japan, to contain economic recession, population decline (NIPSSR, 2004), lifelong learning, etc., (Arimoto, 2002; Arimoto & Yamamoto, 2003). In a macro perspective, it is indispensable that the higher education system responding to industrial society should shift to the system responding to the 'knowledge-based society'. That is to say a transition from KBS1 to KBS2. The higher education system developed in the KBS1, which puts much weight on research, is to be shifted to that developing in the KBS2 which puts weight on teaching though stressing research as a basic function.

In the framework of both pressures working from social change and those from scientific change, we can gather that a triangle relationship between national government, society (or market), and university is working around expectation, pressure, and control of knowledge.

Among these, there are the expectations and pressures from the national government (Council of Science and Technology, 2003). It is not to be denied that some 200 advanced and developing nation states in the world are increasingly seeking greater expectations from higher education. Japan has attained the world standardization in quantitative development of higher education by successfully catching up the advanced countries in terms of importing their models (Arimoto, 1994). It is not an oversimplification to say that Japan is now looking for new models after reaching a modeless stage. This situation takes into account both research and teaching.

It is understandable that research is going well as far as the factor related to the number of researcher and research productivity is concerned, because the research university cluster has progressed to a considerable degree in an international perspective. At the same time, there exist quite a few problems to be resolved as soon as possible. Especially, how to enhance 'scientific productivity', or 'academic productivity' (Merton, 1973; Shinbori, 1973) which are traditionally important problems in the scientific and academic/scientific communities. In this context, it is noticeable that, in Japan, 'research productivity', 'academic productivity', as well as the research level have not attained USA level; although they had attained an internationally high standard in a short period of time following the establishment of the modern university system (Arimoto, 2004).

1.   Some indicators related to the Centres of Learning in the World

It is obvious that the leading country for international competition of academic productivity is the United States of America (USA); and Japan intends to be part of that competition by applying some of the USA's indicators.

(i)   Shift of the number of eponymy productivity in science worldwide

Shown in *Figure 2*, is the shift of the number of eponymy which moved along from the 17th right through to the 20th centuries in European countries such as France, Germany, the United Kingdom (UK) to the USA – it shows the initiative in productivity of France, and its decline up until the 19th Century and the gradual development of the USA in the 20th Century (Arimoto, 1994).

Figure 2 Shift of eponymy production by nation (physics)
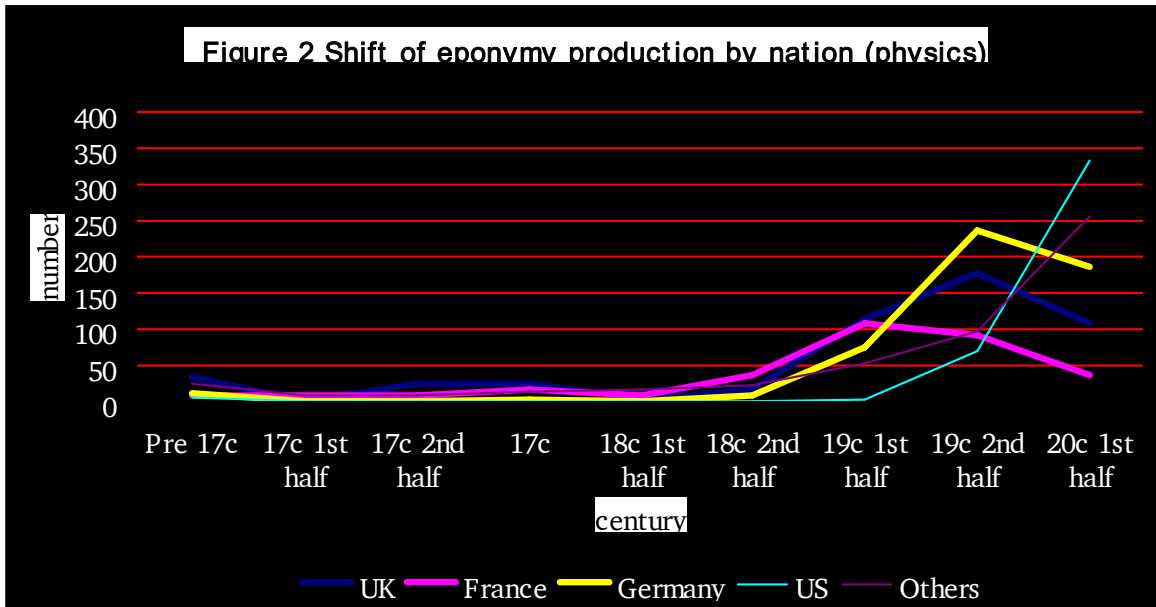
(ii) List of the number of Nobel Prize Laureates

Figure 3 shows a list of the number of Nobel Prize Laureates. The United States of America (USA) (270) is situated at the top of the stratification; followed by the United Kingdom (UK) (101); Germany (76), France (49), Sweden (30), Switzerland (22), the Netherlands (15), Russian Federation (14), Italy (14), and Denmark (13). Japan (12) is ranked 11th.

Figure 3. Number of Nobel Prize Laureates by rank and country

Rank	Country	Number of Laureates
1	United States of America (USA)	270
2	United Kingdom (UK)	101
3	Germany	76
4	France	49
5	Sweden	30
6	Switzerland	22
7	the Netherlands	15
8	Russian Federation	14
9	Italy	14
10	Denmark	13
11	**Japan**	**12**
12	Austria	11
13	Canada	10
14	Spain	6
14	Australia	6
16	Israel	5
16	Ireland	5
16	Poland	5
16	South Africa	5
16	Argentina	5
21	India	4

(iii)   *Number of Nobel Prize Laureates per capita (1901-2002)*

Figure 4 shows the number of Nobel Prize Laureates 1901-2002 *per capita* expressed per population of 1 million. Looking at this figure it may be understood that the USA is not necessarily ranked at the top level of the stratification. But even so, it is still ranked within the top 10 (0.95 per population 1 million), while Japan is ranked at 25 (0.09 per population 1 million).

Figure 4.   Number of Nobel Prize Laureates per capita 1901-2002 per capita expressed per population of 1 million

Number of Nobel Prize Laureates 1901-2002 Per capita figures expressed per 1,000,000 population.

1.   Iceland   3.56 per 1 million people
2.   Sweden   3.37 per 1 million people
3.   Switzerland   3.00 per 1 million people
4.   Denmark   2.41 per 1 million people
5.   Norway   1.75 per 1 million people
6.   United Kingdom 1.66 per 1 million people
7.   Austria   1.34 per 1 million people
8.   Ireland   1.27 per 1 million people
9.   Germany   0.93 per 1 million people
10.   United States 0.92 per 1 million people
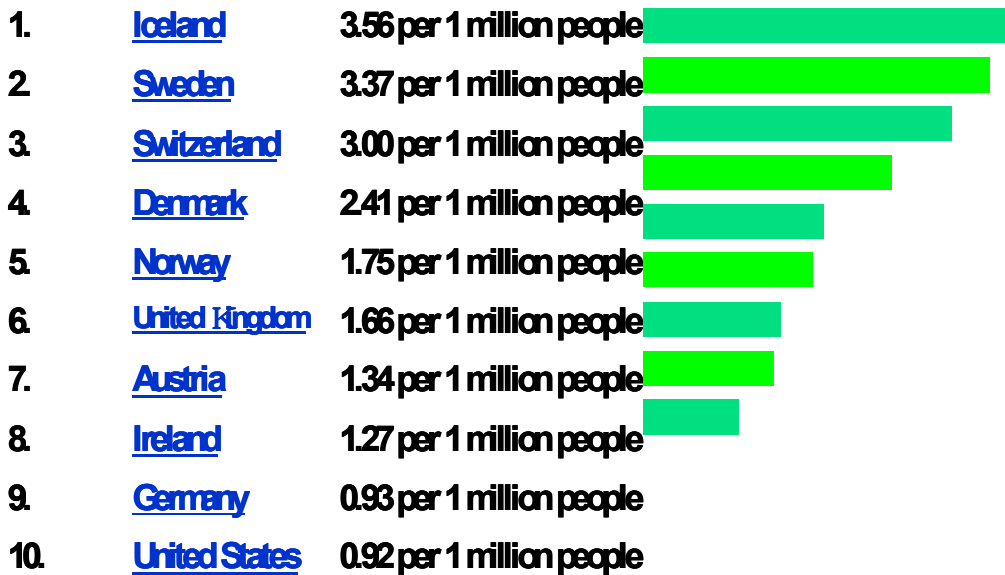
(iv) Top 500 universities worldwide

Table 1. Top 500 Universities Worldwide

Top 500 World Universities (1–100)

| World Rank	Institution	Country	Total Score	Score on Alumni	Score on Award	Score on HiCi	Score on N&S	Score on SCI	Score on Size
1	Harvard Univ	USA	100.0	98.6	100.0	100.0	100.0	100.0	60.6
2	Stanford Univ	USA	77.2	41.2	72.2	96.1	75.2	72.3	68.1
3	Univ Cambridge	UK	76.2	100.0	93.4	56.6	58.5	70.2	73.2
4	Univ California - Berkeley	USA	74.2	70.0	76.0	74.1	75.6	72.7	45.1
5	Massachusetts Inst Tech (MIT)	USA	72.4	74.1	78.9	73.6	69.1	64.6	47.5
6	California Inst Tech	USA	69.0	59.3	66.5	64.8	66.7	53.2	100.0
7	Princeton Univ	USA	63.6	61.0	76.8	65.4	52.1	46.8	67.3
8	Univ Oxford	UK	61.4	64.4	59.1	53.1	55.3	65.2	59.0
9	Columbia Univ	USA	61.2	77.8	58.8	57.3	51.6	68.3	37.0
10	Univ Chicago	USA	60.5	72.2	81.9	55.3	46.6	54.1	32.7
11	Yale Univ	USA	58.6	52.2	44.5	63.6	58.1	63.6	50.4
12	Cornell Univ	USA	55.5	46.6	52.4	60.5	47.2	66.2	33.6
13	Univ California - San Diego	USA	53.8	17.8	34.7	63.6	59.4	67.2	47.9
	Tokyo Univ	Japan	51.9	36.1	14.4	44.5	55.0	91.9	49.8
15	Univ Pennsylvania	USA	51.8	35.6	35.1	61.2	44.6	72.6	34.0
16	Univ California - Los Angeles	USA	51.6	27.4	32.8	60.5	48.1	79.9	24.8
17	Univ California - San Francisco	USA	50.8	0.0	37.6	59.3	59.5	62.9	48.8
18	Univ Wisconsin - Madison	USA	50.0	43.1	36.3	55.3	48.0	69.2	19.0
19	Univ Michigan - Ann Arbor	USA	49.3	39.8	19.3	64.8	45.7	76.7	20.1
20	Univ Washington - Seattle	USA	49.1	22.7	30.2	57.3	49.6	78.8	16.2
	Kyoto Univ	Japan	48.3	39.8	34.1	40.0	37.2	77.1	46.4
22	Johns Hopkins Univ	USA	47.5	48.7	28.3	43.7	52.6	71.7	14.2
23	Imperial Coll London	UK	46.4	20.9	38.1	46.2	39.4	65.8	44.5
24	Univ Toronto	Canada	44.6	28.1	19.7	39.1	41.2	78.4	42.8
25	Univ Coll London	UK	44.3	30.8	32.9	41.0	41.0	61.1	42.6
25	Univ Illinois - Urbana Champaign	USA	43.3	41.7	37.4	46.2	36.0	58.2	17.8
27	Swiss Fed Inst Tech - Zurich	Switzerland	43.2	40.3	37.0	39.1	43.2	47.1	41.5
28	Washington Univ - St. Louis	USA	43.1	25.1	26.6	41.9	46.8	56.2	44.9
29	Rockefeller Univ	USA	40.2	22.7	59.8	31.5	43.6	27.1	38.6

W

1

A total of 17 universities in the USA are ranked within the Top 20 (see *Table 1*), while only three universities are ranked from other countries including United Kingdom (Cambridge and Oxford Universities) and Japan (Tokyo University), according to the data of the Top 500 World Universities, which was published by the Institute of Higher Education, Shanghai Jiao Tong University in 2004.

154

(v) Japanese citizens studying abroad

Shown in *Figure 5* is the number of Japanese citizens studying abroad; the USA functions as the Center of Learning by accepting the majority of Japanese students studying abroad, which amounts to a kind of brain-drain phenomenon, according to data published by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) in 2003. On the contrary, fewer students are sent from USA to Japan according to the same data.

Figure 5.   Number of Japanese citizens studying abroad
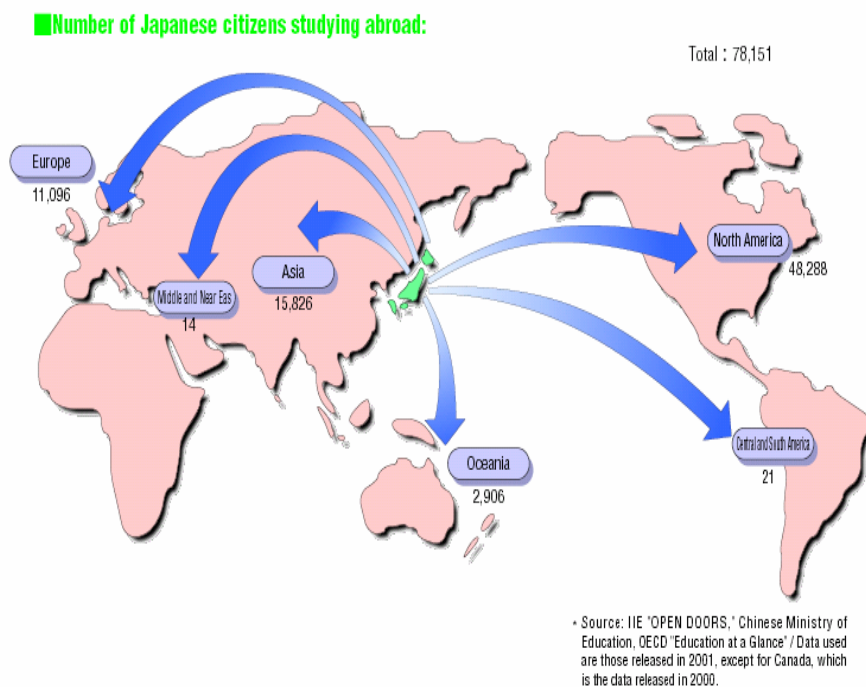
Source: "The Open Doors" Chinese Ministry of Education, in OECD "Education at a glance".

Data used are those released in 2001 except for Canada: data released in 2000.

(vi)   Flow of international students

Related to the previous paragraph, *Figure 6* shows the list of international students with as many as 58,632 now studying in the USA while occupying a ratio of 6.5 per cent of all students in American higher education institutions. The counterpart numbers in Japan are 109,508 and 3.0 per cent respectively.

Figure 6. Flow of international students

Country \ Description	US	U.K	Germany	France	Australia	Japan
(unit:thousands) Students enrolled in higher educational institutions1	9,010 (15,312)	1,311	1,799	2,111	896	3,606
Foreign students (incoming)2	586,323 (2002)	242,755 (2001)	227,026 (2002)	180,418 (2002)	136,252 (2003)	109,508 (2003)
Foreign students (incoming) on each government scholarship3	3,085 (2002)	4,079 (2002)	5,928 (2002)	10,156 (2002)	3,387 (2000)	9,746 (2003)
Foreign students (incoming) as a ratio of students enrolled in higher educational institutions (%)	6.5	18.5	12.6	8.5	15.2	3.0

1 Source: MEXT (Except data on Australia). U.S. figures within parentheses include part-time students. The most current statistics for U.S., Germany and France are as of 2000; U.K., 2001; Japan, 2003, and Australian figures are as of 2002 (Source: AVCC).
2 Source: U.S.: IIE OPEN DOORS; U.K.: HESA (STUDENTS in Higher Educational institutions 2001/02); Germany: Federal Statistics Bureau; France: Ministry of Education (REPERES ET REFERENCES STATISTIQUES); Australia: AEI; Japan: Student Services Division, Higher Education Bureau, MEXT.
3 Source: U.S.: IIE OPEN DOORS; U.K.: British Council; Germany: DAAD; France: French Embassy in Japan; Australia: Australian Embassy in Japan; Japan: Student Services Division, Higher Education Bureau, MEXT.

(vii)   Number of published papers and number of citations of papers among scientists worldwide

As shown in *Figures 7* and *8,* which deal with indicators related to the number of published papers and number of citations of papers among scientists worldwide, Japan is competing with the following three countries: France, Germany and the United Kingdom (UK) and is still lagging far behind the USA according to these indicators. As for the shares of citations in *Figure 8,* for example, Japan's shares are 8.7 per cent of 259 thousands papers in 2002, while the USA's shares are 48.6 per cent – five-fold more than Japan's shares.

Figure 7. Selected countries' shares of published papers (percentage)
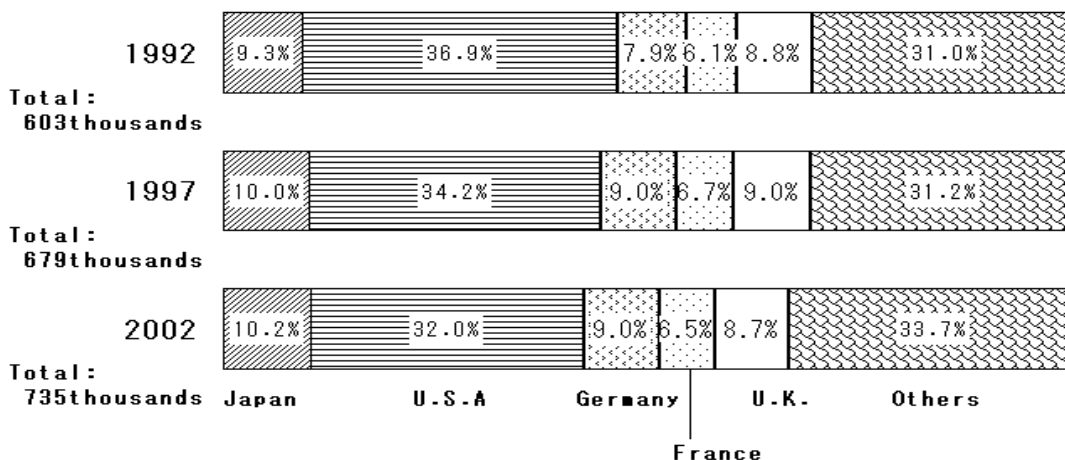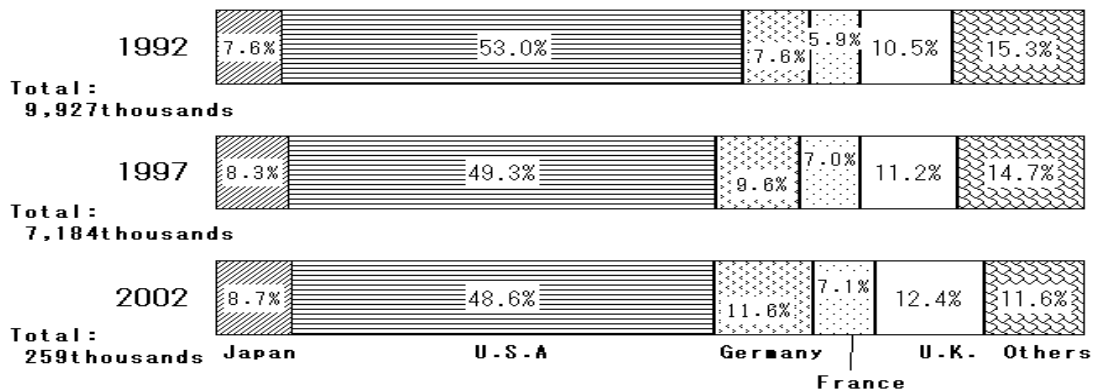

1992
Total: 603thousands
9.3% 36.9% 7.9% 6.1% 8.8% 31.0%

1997
Total: 679thousands
10.0% 34.2% 9.0% 6.7% 9.0% 31.2%

2002
Total: 735thousands
10.2% 32.0% 9.0% 6.5% 8.7% 33.7%

Japan   U.S.A   Germany   U.K.   Others

France

Figure 8. Selected countries' shares of citations　(percentage)

1992 Total: 9,927thousands	7.6%	53.0%	7.6%	5.9%	10.5%	15.3%
1997 Total: 7,184thousands	8.3%	49.3%	9.6%	7.0%	11.2%	14.7%
2002 Total: 259thousands	8.7%	48.6%	11.6%	7.1%	12.4%	11.6%

Japan　　　　U.S.A　　　　Germany　　U.K.　Others
France

year of publication, and the share according to selected countries.
Source: Institute for Scientific Information-National Science Indicators, 1981-
2002.

These data clearly testify the USA's dominance in scientific and academic productivity in the international scientific community. How to fill this gap became one of the issues to be confronted by Japanese higher education policy and reform. Based on this kind of perspective, the First Science and Technology Basic Plan (1996-2000) and the Second Plan (2001-2005) took place. For example, the Second Plan, March 2001, pointed out in its proposals: "(1) training of researchers and engineers and university reform, and (2) training and security of engineers". In order to resolve the present difficult situation great expectations for research development, including training of researchers and engineers, is stressed upon.

So as to go in this direction, the recent national government's policy is involved in the intensive construction of a series of policies as follows: (i) the reinforcement of graduate school; (ii) the 21st Century Centres of Excellence (COE) Programme for Research, 2002; and (iii) the Good Practice (GP) Programme for Education, 2003, so as to construct COE institutions; (iv) the introduction of the national university corporation (2004); (v) the establishment of the National University Corporation Evaluation Committee for the assessment of new national university corporation's achievements (2004) and (vi) the allocation of resources among them on the basis of its assessment. As from now on an increase in pressure to go in this direction will be carried out.

The problem to be discussed here is how to 'narrow down' the gap between the USA and Japan, especially in graduate school and education. When we make a comparison

of the graduate school system of the two countries, the USA has attained the place of the Centre of Learning in the world and is the proud possessor of most of the first-class research and teaching functions of all the higher education systems worldwide (Clark, 1995). As mentioned above, brain drain from Japan to the USA – which merits deep reflection – is one of the outcomes caused by this situation (National Science Foundation, 2002; Arimoto, 2003).

III.   The shift from Knowledge-Based Society1 (KBS1) to Knowledge-Based Society2 (KBS2)

In this context, it could probably be said that the Japanese higher education system, particularly the graduate system, is now changing from type KBS1 to that of KBS2.

KBS1, whose factors are outlined in the following paragraph, was imported from Germany before the Second World War and institutionalized into the Japanese higher education system to such an extent that it has been almost thought to be a Japanese proper mode. Called KBS1 mode because it was developed at the age of the KBS1 society, as previously discussed; while KBS2 mode shows mostly the American mode possessing very many different characteristics compared to its counterpart. Significant differences between the two types are shown in *Table 2* by such modes as typology of science; type of higher education system; tier; structure; mobility; teaching; structure of operating unit; academic discipline; reconstruction of intelligence; scholarship; international competition.

On the one hand, for example, KBS1 consists of the following factors:
• Academic science.
• German model.
• Single tier.
• Closed structure.
• Sponsored mobility.
• Teaching pattern of apprenticeship mode.
• Chair as main operating unit.
• Succession of academic discipline oriented.
• Weak responsibility for reconstruction of intelligence.
• Scholarship of research orientation.
• Weak international competition, etc.

And on the other hand, KBS2 consists of the following factors:
• Mode 2 science.

- American model.
- Multiple tiers.
- Open structure.
- Contest mobility.
- Teaching pattern of group mode.
- Department as main operating unit.
- Innovation of academic discipline oriented.
- Strong responsibility for reconstruction of intelligence.
- Scholarship of research and teaching orientation.
- Strong international competition, etc.

Table 2.   KBS1 and KBS2 modes in the university system

Mode	Knowledge-Based Society1	Knowledge-Based Society2
Typology of science	Academism science	Mode 2 science
Type of HE system	German model	American model
Tier	Single	Multiple
Structure	Closed	Open
Mobility	Sponsored	Contest
Teaching	Apprenticeship	Group
Structure the operating unit	Chair	Department
Academic Discipline	Succession	Innovation
Reconstruction of intelligence	Weak responsibility	Strong responsibility
Scholarship	Research oriented	Research and teaching oriented
International competitiveness	Weak	Strong

See *Table 3* for problems of the present system with a focus on the graduate school and the differences of institutionalization of graduate school in the USA and Japan.

Table 3. Comparison of the graduate school systems in the USA and Japan

Category	Factor	USA	Japan
Graduate school	Institutionalization of graduate school in the university system	Establishment based on German model	Modified American model
Normative structure of system	Model Goal of graduate school Scholarship	Department Graduate University Academic productivity Research and teaching	Applied University Academic productivity Research oriented
Social function	Research Teaching Service Management	German model British model American model President type	German model -- ditto -- -- ditto -- Rector type
Social structure	System Section Tier Sector Hierarchy	Decentralization Department Multiple Public/Private Intermediate	Centralization Chair Single Public/private Pinnacle
Academic career pattern	Employment Promotion Nepotism Retirement Mobility	Contract Competition Exbreeding Abolished (1993) High	Permanent Seniority system Inbreeding Continued Low
Reward system	Public Expenditure	Large	Small
Evaluation system	Chartering Accreditation Third party type Institutionalization of FD	Large Working Working Broad meaning	Working Partially Working Narrow meaning

Compared to the USA system of graduate school and education, it is clear to say that the Japanese system suffered much delay in shifting from KBS1 to KBS2   *Table 3* shows the differences of the two systems in terms of the institutionalization of graduate school; it also shows the shift from KBS1 to KBS2 and explains in more detail the contents shown in *Table 2*.

Comparison of the two systems here focuses on differences in graduate schools with regard to certain categories: (i) normative structure of system; (ii) social function; (iii) social structure; (iv) academic career pattern, reward system; (v) evaluation system. These categories have much more value, during detailed discussions, in order to have a fuller understanding of the characteristics of the two systems. However, some of these are not mentioned in this paper due to lack of space.

First, institutionalization of the graduate school was made in national systems in the USA by introducing the German model, while graduate school and education was introduced into Japan in the form of a modified latter model; giving the reason why the transition to KBS was delayed in Japan in comparison to the USA. It was noticeable that centres of excellence were not established in Japan due to the weakness of the graduate school.

Previous research has brought to light some pertinent findings regarding promoting the conditions of the 'research university' as follows: (i) climate of department; (ii) reward system; (iii) graduate education; (iv) communication network among researchers (Arimoto, 1994, pp. 230-231). Graduate education is set as one of the focal points, here among these factors, as the COEs in the world have well-founded graduate education systems which should be scrutinized and careful attention paid to them by Japan – and other counties as well.

Second, normative structures of the two systems are differentiated with respect to their own model and goals. Clark (1995) made an international comparative study on graduate schools in France, Germany, UK and USA, and Japan observed the USA's earlier discovery of graduate school compared with other countries worldwide; and pointed out characteristics of this system of the American Department Graduate University compared to other systems all over the world: German Institute University; French Academy University; English Collegiate University; Japanese Applied University. Clark paid much attention to the connection of the department and the graduate school in the USA higher education system as a remarkable distinction among these systems, although it was introduced and modified by catching up with the German mode. The intention of the former was the integration of research, teaching and learning and the latter's commitment was only to research.

On making a retrospective consideration of the USA's historical invention, it would bring to light the introduction of the graduate school based on the modified German model – with focus on its strength of research. The Johns Hopkins University, which no doubt strongly appreciates President Gilman's unusual individual efforts, could successfully build a fundamental system as follows (Clark, 1995; Pierson, 1952; Arimoto, 1981).

(1)   Maintaining the department system instead of introducing the chair system and apprenticeship.

(2)   Institutionalization of two-tier system with undergraduate and graduate course.

(3)   Introducing schooling in the degree system.

(4)   Seeking nexus of research and teaching.

(5)   Introducing decentralization and competitiveness or diversification of

        the higher education system.

(6)   Controlling inbreeding in the organization of faculty members.

Third, the social function of the graduate school system is giving excellent results due to the integration of research, teaching and learning to the extent that the USA has become the Centre of Learning worldwide, in a short period of time, following its institutionalization of the graduate school. In other words, as a result, the USA became the centre of learning and replaced Germany. In fact, as has been previously pointed out, various kinds of surveys and indicators testified that the USA overtook France, the UK, and Germany by 19th Century and early 20th Century, and finally stood on the summit of social stratification (Ben-David, 1977).

Compared to the USA, on the other hand, the introduction of the German university model into the Japanese university system did not succeed very well due to a lack of progress in a mature climate/atmosphere suitable for its acceptance, even though the same kind of procedure was carried out at Kyoto University (Ushiogi, 1984). Of course, some of the factors related to the German model were introduced into Japanese universities as follows: (i) chair system; (ii) apprenticeship; (iii) single tier system; (iv) degree system; (v) research orientation; (vi) bureaucracy.

However, some other important factors were intentionally neglected perhaps owing to academic culture and climate proper to these universities and were not institutionalized into Japanese universities as follows: (a) competition among institutions; (b) "Privat Dozent" system; (c) "Habilitation" system; (d) control of the life-long employment system and seniority system ; (e) academic freedom in teaching and learning; (f) state university.

Fourth, a kind of social structure of the system is observed to give these differences consideration. The structure means such factors as system, section, tier, sector, and hierarchy. Among these, two national systems are distinguishable in different forms of centralization. Related to the factors mentioned above, both two factors are: (i) revealing the lack of competition among institutions and (ii) revealing that less individual competition at recruitment and promotion were caused by the national control of institutions by introducing the policy of centralization in allocation of resources to institutions.

Neglect of (i) above, is owing to the lack of such history and tradition in Japan, and (ii) above, reflection of centralization. Generally speaking, this kind of selective institutionalization of the German system into the Japanese system was made by the national government so as to maintain its traditional culture in the core of the national system of higher education. The way of such institutionalization is in an attempt to keep a system identity was conducted not only in the pre-war period but also in the post-war period as well. A most important thing to mention, in the present context, is that the system did not pay much attention to the American model, which had already invented the graduate school at the pre-war period, because it still paid much attention to German model.

Japan conducted the graduate school reforms at the time of post-war school system reforms, introducing the American model and replacing the German model. This reform was fairly effective with regard to promoting academic productivity among faculty members especially in the field of natural sciences. Japan has shifted in terms of academic productivity from the peripheral place as pointed out by Ben-David in the 1970s (Ben-David, 1977) to one of the centres of learning as shown in the recent statistics. However, there is still room for improvement in the present situation when compared with the counterpart's situation in the USA as noticed in the data mentioned above.

Fifth, the two systems' differences are connected to some other factors in social structure, social function, academic career pattern, reward and evaluation system, etc.

The difference between these two countries is likely to be caused by the following factors relating to the insufficient introduction of the American model:

- Insufficient shift from the chair system to the department system.

- Maintaining apprenticeship in training researchers (especially in the fields of humanities and social sciences).

- Insufficient institutionalization of the graduate school system especially in the fields of humanities and social sciences as shown in the low graduate number of doctoral degrees.

- Insufficient practice of schooling in relation to degree system (probably owing to deep relationship with apprenticeship).

- Insufficient separation between the undergraduate course and the graduate course (it may be said that single tier system is still substantially working).

- Keeping of research orientation in relation to the concept of scholarship (Boyer, 1991).

- Failure of controlling inbreeding in reflection of a university version of a life-long employment system; and seniority system.

- Lack of decentralization and diversification of higher education in the national sector mostly due to the national governmental control of the higher education system so as to make the unification of institutions and organizations.

An international trend can be observed paying much attention to the construction and development of graduate education. As far as the Japanese case is concerned, it is said that the gap between Japan and the USA, in terms of graduate education's academic productivity, is still wide because of some of the reasons already discussed so far in this paper; even though we are trying to fulfil the gap as quickly as possible.

IV. Problems relating to Japanese graduate education in a comparative perspective

As previously discussed the introduction in the USA of the two-tier system existed for as long as one century compared with other countries worldwide – although it was a product of accidental discovery. But it is true to say that this discovery eventually promoted academic productivity leading to centres of learning being seen in an international perspective.

There are some other differences between the two countries in addition to those previously discussed (Arimoto, 1994; 2003; Arimoto & Yamamoto, 2003).

(1)   Separation vs. integration of research and teaching organization

A separation of research and teaching functions has been made in the USA, while integration of the two has been sought after in Japan.

The differences pertaining to both systems are likely to show effects on how to integrate together both the functions of research and teaching. In the USA, professors who belong to the research unit department teach in the teaching unit of Faculty at undergraduate and graduate levels, while in Japan professors who belong to the research and teaching unit of Faculty (or School) are responsible for both undergraduate and graduate levels and conduct research and teaching functions together in the same unit.

Research and teaching functions are stressed equally in the USA system, in separate units, while in the Japanese system stress is put more on research than teaching in the same unit. According to a Carnegie International Comparative Survey on the Academic Profession, the USA and the UK are classified 50/50 regarding the orientation of research and teaching, while Japan as well as Germany, the Netherlands, South Korea, and Sweden are classified as research-oriented. (Altbach, 1966; Arimoto & Ehara, 1996). Taking into consideration both of the above-mentioned trends it is interesting to see the fact that the separation of research organization is inclined to become an integration of both functions – research and teaching – and the integration of the type of both organizations is apt to become a separation of two functions.

(2)   Difference of institutionalization of faculty development (FD) in universities

Faculty Development (FD), which is thought to be indispensable to an improvement in the quality assurance (QA) of teaching, has not been well-institutionalized into both undergraduate and graduate education in Japan compared to its counterpart.

Using the results of an international comparative study on FD in the USA and Japan, we can point out the differences in the promotion of FD in these two countries. A two decades time lag is evident with respect to faculty development as the USA started the study in the seventies and Japan in the nineties. The former is now passing on to the second stage of institutionalization by putting focus on the broad meaning of FD in order to integrate together research, teaching, and learning, while the latter, at the first stage, with a focus on the narrow meaning of FD so as to make an integration of research and teaching (Arimoto, 2005).

Accordingly Japanese staff is confronted with conflict with the dual orientation of research and teaching, the former taken from the German model and the latter from the American model. It is said that the two models are in competition with each other in the Japanese higher education system.

(3)   Department system vs. chair system

Separation of the two functions is also remarkably different between the two systems. The former is an efficient framework which integrates specialty, while the latter separates specialty. For example, the education department includes such specialties as sociology of education; economics of education; history of education, philosophy of education, methodology of education, etc. An individual chair is usually composed of each of the following specialties: sociology of education, economics of education, history of education, etc.

As for the chair of sociology of education, for example, whenever a chair holder retires from this position a new staff member specializing in sociology of education is recruited to this vacant position from outside the chair or from a junior position, perhaps an associate professor, in the same chair organization. It is very difficult to recruit a researcher, into this position, from other fields of specialty even if the candidate specializes in one of the specialties in the field of education.

This principle works very well and is in keeping with the traditional disciplinary realm; and is also conducive to training the researchers, those who are considered capable to take the chair but for the time being lack flexibility for reconstructing the knowledge framework from an inter-disciplinary and trans-disciplinary perspective.

In this context, it is said that the department system is more innovative than the chair system *vis-à-vis* reconstruction of the knowledge framework and content in the emerging knowledge-based society which demands the restructuring of intelligence. Accordingly, the Central Council for Education (CCE) recently proposed a guideline to shift from the chair system to the department system in a new reform plan of academic organization (Central Council for Education, 2005).

(4)   Organization of open competition vs. closed competition

As far as the selection of students is concerned, the USA does not pay attention to German apprenticeship, unlike Japan. This is in relation to the examination system of either 'open competition' or 'closed competition'. This kind of situation is a reflection of the cultural difference of either conforming to the homogeneity or the heterogeneity of members in the recruitment process.

The USA system intends to adopt the integration of heterogeneous ascription, while the Japanese system is apt to adopt disintegration of homogeneous ascription. The former attempted to control the inbreeding ratio of staff members to approximately under one-third (Pierson, 1952), while the latter attempted to encourage the inbreeding ratio at a maximum (Arimoto, 1981), though it is true to say that this inclination was undermined recently to a considerable degree (Arimoto, 1994). In addition, differences of career mobility of students and staff is also likely to be taking place between the two countries, with 'contest mobility' in the USA and 'sponsored mobility' in Japan.

(5)   Contract system vs. life-long employment system

In the USA, due to the fixed-term appointment system of the recruitment process and the promotion of academic staff in the institutions and organizations, an academic career means mobility among institutions.

Following a probationary period and contract at the level of assistant professor, academic staff is promoted to a tenure position of associate professor, at around 40 years old.

In the prestigious Harvard University, on the one hand for example, an 'Up or Out' policy has been established and a few distinguished junior staff, i.e. one every ten years, could reportedly be promoted to this upper position with tenure inside the institution due to controlling academic inbreeding with less than a third of all staff graduating from alma mater.

In the Japanese system, on the other hand, this kind of latch system did not function well until recently when an 'elective fixed-term appointment system' was finally introduced in some institutions and organizations so as to increase mobility (Yamanoi, 2003). In this context, it is said that the USA system has worked well for more than a century since its introduction, while the Japanese system has only been recently introduced. Accordingly, a more or less successful outcome of this new system in Japan may be perceived, in many years to come, in terms of academic productivity.

(6)   Manifest classification of institutions vs. latent classification of institutions

The Carnegie classification of institutions was introduced into the USA higher education system and the social stratification of higher education institutions was made precise in all institutions – from research universities to community colleges. In the realm of graduate education, the research university, which occupies about 5 per cent of all higher education institutions, is considered to be the most prominent as well as prestigious in the production of Ph.D. and academic productivity in both research and teaching; especially research. In Japan, this kind of category was tentatively introduced around 1980 but it was only authorized recently in a new policy started by the MEXT, as mentioned previously, by way of the 21st Century Centres of Excellence Programme and also Good Practices (GP) Programme. Among these, the COE programme has been initiated in an attempt to build a Japanese-Type Carnegie classification so as to make clear the latent existence of the social stratification of institutions in the graduate school.

(7)   Institutional control vs. governmental control

The social stratification of higher education was established by promoting competition among institutions in the USA where the nation state regulation for the establishment and improvement of institutions was weaker than that in Japan (Geiger, 1986, 1993,; Clark, 1995). The social stratification in Japan has been established for more than one century since the Meiji Era by national government policy.

This kind of difference is long-lasting in these two countries. Thus far, this distinction has had a great deal of effect in forming differences of academic productivity and vitality in both countries. It is probable that this difference, and its effects, will last for quite some time in the future, since it is unlikely that a new policy on science and technology, going in a different direction, will be enforced.

The National University Corporation, 2004, has introduced a new law to revitalize national universities; but theoretically this will bring about more competition among institutions with less control by government. However, it is true to say that national control is still kept strongly in hand due to the process of allocation of resources among higher education institutions by the nationally-controlled evaluation system.

(8)   Accreditation vs. chartering in evaluation

As for the reward system of evaluation – comparing the chartering type with the government-control type – an accreditation type of self-evaluation inside academia, introduced 60 years ago, has not been very successful.

Related to (8), the differences between these two countries will result in a national evaluation system and also they will reflect on the differences of academic productivity between the two countries. The evaluation system, in Japan, started during the pre-war period by the introduction of the chartering system which had been developed in the Western countries, followed by the accreditation system introduced from the USA during the post-war period. The former system was conducted by the government by way of the Council of University Chartering (CUC) and the latter was by way of the Japanese University Accreditation Association (JUAA) during the post-war period up until today. The former was also undertaken by the National Institute of Academic Degree (NIAD) and University Evaluation for a while up to year 2000 when it was modified.

As from year 2004, a third party evaluation system, which could be a new system of accreditation, was introduced by the Government by way of the NIAD, JUAA, and the Private University Association (PUA).   Due to the aforesaid it could be assumed that Japan is struggling to integrate the European and American system together into the Japanese evaluation system.   It is likely to be ambiguous and questionable on how to integrate the chartering and accreditation functions in a new organization, because a third party system originally means a professional neutral organization other than the first party (university) nor the second party (government) organization.   However, it is true to day that to build a new unique system in an international perspective is related to academic productivity which, in turn, is keenly related to quality assurance (QA) of research, teaching and learning in graduate school.

V.   Concluding remarks

(1)   A series of national policies in science and technology were drawn up in Japan for the enhancement of scientific productivity comparable to that of the most advanced systems all over the World – especially the USA during post-war time which has become the Centre of Excellence with the invention of graduate school for the first time in the history of higher education. In this context, the fruitful outcome of Japan's national policy with regard to science and technology mostly depends on how to get successful output in graduate education as well as graduate school.

(2)   The role of graduate school, which intends to integrate 'knowledge discovery' and 'knowledge assimilation', will bear more weight as from the age of the shift from KBS1 to KBS2, because the construction of organizations responding to knowledge's function and nature is inevitable. Japan imported the German model during the pre-war period which was suitable to KBS1 and imported the American model during the post-war period which was suitable to KBS2. The USA invented the system of organization of graduate school before the arising of KBS2 and through the process of the institutionalization of the graduate school it could successfully realize a philosophy of making a nexus of research, teaching and learning originally aimed for by the German university. On the other hand, Japan failed to do so at the first stage before and after the Second World War. Japan did not successfully establish Americanization in trying to introduce the American model of graduate school and education; which actually means its failure in constructing an organization for the nexus of research, teaching and learning.

(3)   It could be said that the introduction of a new model (with characteristics including openness, diversification and competitiveness) could meet with difficulties of construction *vis-à-vis* such factors as culture, society, history of one's own country. At the same time, however, fierce competition with the American model is inescapable during an emerging new era in which globalization, KBS2, market mechanism procedure and, accordingly, international competition increases to the extent that quality assurance (QA) of graduate education is necessarily needed in order to make comparisons among systems, and institutions, from the perspective of a global standard. The problem of globalization is, more or less, considered to be the problem of Americanization in the field of graduate education as well as the scientific and academic community.

(4)   Conducting various kinds of reforms on the basis of making an analysis of the weak points regarding Japanese graduate education should probably be the next stage to be engaged in so as to form a Centre of Learning. It would be desirable to create identity, originality and creativity proper to Japanese graduate education instead of making an over-conformity and assimilation to the American model in the process of globalization.

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Chapter 8
Cross-border higher education:
prospects for the Philippines

Rose Marie Salazar-Clemeña, PhD.
Executive Vice-President, De La Salle-College of Saint Benilde,
Professor, De La Salle University-Manila,
the Philippines

Tereso S. Tullao, Jr., PhD.
Professor, De La Salle University-Manila,
the Philippines

Introduction

Cross-border education (CBE) is a phenomenon brought about by the expansion of worldwide networks and linkages. Along with the competitive pressures of globalization, rapid change, and increased application of information and communications technology, it is one of the important realities of the New Millennium. These forces have accelerated collaborative efforts between and among higher education institutions, scientists, and other individuals in the knowledge industry.

As global trade in services expands and discussions on liberalization measures in the services sector prosper in the World Trade Organization (WTO), the Philippines needs to determine the specific commitments it can make in the trade in professional services as well as in the sub-sector of educational services.

This paper intends to examine the readiness of the Philippines for gainful participation in cross-border education, point out issues and challenges of the internationalization of higher education, and propose possible responses to the threats and opportunities of participating and competing in higher education in a global setting.

I.   HIGHER EDUCATION IN THE PHILIPPINES

1.   *Distinctive features, facts, and figures*

Higher education in the Philippines is a dominant sector, with 2.5 million students enrolled in 1,605 tertiary institutions (as of January 2005).   These institutions are distributed throughout the country, but the largest number (17.5 per cent) is found in the National Capital Region.   About 89 per cent of these institutions are privately owned, relying mainly on tuition fees as their source of income.   The remaining 11 per cent are state/local universities and colleges or institutions supervised by the Commission on Higher Education (henceforth CHED or the Commission), which depend largely on government subsidy. In terms of enrolment, 70 per cent of higher education students are registered in private institutions.   This figure shows a substantial decrease from a share of 78 per cent ten years ago (Academic Year, 1994-1995).   In fact, there has been a continuing downward trend in the share of private institutions in total enrolments, from a high of 96 per cent in 1955.

The Asian Development Bank (ADB) study on "Higher education in the Philippines (1999)" notes that the Philippines is perhaps second only to the United States of America (USA) in terms of the number of higher education institutions. The population has a high degree of access to these institutions, with a ratio of 1 institution for every 66,000 people (compared to 1:500,000 in Australia and 1:166,000 in Indonesia). Moreover, there is a high 'transition rate' between secondary and tertiary education, with about 90 per cent of high school graduates moving on to post-secondary education.   The survival rate (percent of cohort reaching fourth year level), however, was only about 68 per cent in the Academic Year 2001-2002, 3 per cent lower than the rate five years earlier. Further, the average number of graduates is 46,000/year (de la Rosa, 2005).

CHED data indicate that Business Administration and Related Fields has consistently attracted the most number of students. In the Academic Year 2001-2002, this discipline group accounted for 26 per cent of the enrolees. The other popular programmes are Education and Teacher Training (18 per cent), Engineering and Technology (15 per cent), Mathematics and Computer Science (11 per cent), and Medical and Allied Fields (7 per cent). These data show the students' and the institutions' preference for less expensive degree programmes that are of low priority rather than the more expensive but more important ones for national development. The concentration of enrolment is in fields that are perceived to yield better job prospects for the graduates.

In this regard, the biggest change was seen in Medical and Allied Fields, wherein the proportion of enrolees dropped from 15 per cent in 1994. On the other hand, changes in the opposite direction were evident in the discipline groups of Education and Teacher Training and Mathematics and Computer Science (from 13 per cent and 5 per cent of the total enrolment, respectively, in 1994). These changes are attributable to corresponding adjustments in the labour market both locally and abroad.

In so far as the faculty is concerned, CHED data for the Academic Year 2000-2001 show predominance (59 per cent) of bachelor's degree holders, with only 8 per cent of the total 93,884 having doctorate degrees and 26 per cent with master's level training. Most faculty members, therefore, lack the research training and experience from graduate studies that would make them producers of research (Salazar-Clemeña, 2004). If these data are juxtaposed with the recent findings of the CHED-commissioned Evaluation of Graduate Education Programmes (2005), which rated as *Poor* 13 per cent of the graduate programmes in Teacher Education, 7 per cent of the Business Education programmes, and 22 per cent of the Public Administration programmes, even the quality of faculty who may have completed post-baccalaureate degrees from these institutions becomes suspect.

The newly appointed Chair of the Commission has identified four possible reasons to explain this rather negative picture of the state of higher education in the country: (a) lack of broad political and legislative support for real reform; (b) unrestrained proliferation of state colleges and universities, local colleges and universities, and educational franchises; (c) scarce budgetary allocation; and (d) imbalance in student distribution (de la Rosa, 2005).

2.   *Internationalization*

Following Van Damme's (2002) classification, the internationalization of higher education in the Philippines can be described in terms of layers.

Moving people. Some manifestations of people mobility are the staff exchange programmes between Philippine and foreign universities, scholarship programmes such as Fulbright and Monbusho as well as those under the Official Development Assistance (ODA) extended to the Philippines by foreign donor countries, and the presence of foreign students in the Philippines.

As of 2000, a survey showed that 133 Philippine Higher Education Institutions (HEIs), 75 per cent of them belonging to the private sector, reported having ongoing international linkages (Valisno, 2001). In view of the need "to safeguard the integrity, quality, and systematic implementation of international linkages and twinning programmes

between international and Philippine HEIs," CHED issued a Memorandum Order (No. 01, s. 2000) specifying policies and guidelines in the implementation of these programmes. Only HEIs classified as "recognized and accredited" are authorized "to conduct and initiate linkage and twinning programmes with the institutions of higher learning abroad." Such programmes respond to needs such as human resource development, institutional and research capacity building.

Mobility of people is largely based on the availability of funds. Participants in this layer of internationalization are therefore those from high-income families or institutions with substantial endowment funds.

CHED reports having linked 171 local HEIs with foreign educational institutions and facilitated the international training of 150 faculty members from various local colleges and universities (de la Rosa, 2005).

In terms of inward mobility, CHED statistics indicate that from 1999 to 2002, the average number of foreign students in the Philippines was 2,511, a sharp drop from the 4,419 in AY 1997-1998. Korean students constituted the biggest group (587) in the Academic Year 2001-2002, followed by Taiwanese (431), Americans (426), Chinese (241), Iranians (122), and Nepalese (113). The largest reductions from the 1997 figures were seen among the Chinese students (-67 per cent), Americans (-62 per cent), and Indonesians (-57 per cent). On the other hand, the number of Taiwanese students grew by almost 50 per cent. Many of the students from other Asian countries come to the Philippines to learn English.

Foreign students may be admitted only to schools accredited by the Federation of Accrediting Associations of the Philippines (FAAP) member agencies or given equivalent accreditation by the CHED and the Bureau of Immigration. This is a way of ensuring the quality of academic programmes offered to foreign students (Pijano, 2003).

Moving institutions. This layer takes the form of branch campuses, franchising, and various other arrangements of "transnational" higher education. In this connection, CHED issued a Memorandum Order in 2003 (No. 06), detailing policies and guidelines on "the scope, procedures, the extent of regulation as well as the mechanics of recognizing foreign educational higher education providers and their courses of study/curricular programmes offered in the country." As a general rule, the Memorandum states that "Only Foreign Higher Education Providers (FHEPs)" recognized by their respective governments as quality higher education providers and accredited by a recognized body in the country of origin" may be given government authority, where it is required, to offer undergraduate,

graduate and post-graduate degrees. Moreover, the memo stipulates that "no FHEP shall be allowed to establish its branch without approval of the CHED and appropriate registration required in the Philippines." This is to ensure adherence to the constitutional provision that clearly vests the control and administration of educational institutions on Filipino citizens.

As with moving people, participation in various forms of moving institutions is restricted by availability of funds, because of the competitive costs of international education. Moreover, the existing programmes of this type are linked with foreign institutions that are not highly reputable and offer a limited range of professional education courses (Bernardo, 2003).

Moving content, knowledge, and courseware. Of the three layers, this is where there is the least amount of participation in the Philippines. This may be attributable in part to the fact that the Technical Panels organized by CHED in the different disciplines tend to work toward standardization of the curricula in these fields, thus effectively discouraging institutions from introducing innovations into their curricula from international sources. The increasing participation of the faculty in international conferences organized by professional associations (Salazar-Clemeña, 2004), however, exposes them to international standards that may eventually be inputted in the courses and curricula their institutions offer. Moreover, in some fields such as maritime education, compliance with the international Standards for Training Certification Watchkeeping (STCW) 1995 is necessary and CHED has evaluated maritime schools on this basis (Valisno, 2000).

On the other hand, the offering of distance education programmes or courses of study by foreign institutions to Filipino students is governed by the CHED Memorandum (No. 06, s. 2003) on policies and guidelines on transnational education.

4.   *Quality Assurance System (QAS)*

The primary reason for the creation of CHED in 1994 was to raise the quality of higher education through policy directions and a system of grants and incentives that put a premium on quality. The Commission therefore set forth the essentials of a Quality Assurance System (Internal and External), using 'peer evaluation systems' (Padua, 1999). For Internal Quality Assurance, institutions planning to open a new programme are required to accomplish a Self-Study Report (SSR), including a description of their Internal Control System. These SSRs are then audited or verified by an external Quality Assessment Team (QAT). Thereafter, institutions granted a permit to operate a programme are subjected to periodic Performance Audits (PA).

Other major reforms undertaken by CHED for quality improvement include operationalization of the technical panels, standards formulation, identification of Centres of Excellence and Centres of Development, monitoring and evaluation, and support for higher education research (Valisno, 2000).

The accomplishments of CHED notwithstanding, it is perceived to be turning out more as a regulatory agency rather than the development agency it was envisioned to be. Because of its "confused governance structure," it has been unable to provide strategic directions for itself and the system of higher education (ADB, 1999).

5. *Accreditation System*

One of the distinctive features of the Philippine education system is its functioning accreditation system. Accreditation is voluntary and is done for programmes rather than institutions. An umbrella organization, the Federation of Accrediting Associations of the Philippines (FAAP), and its member agencies are recognized by the government through CHED. To date, 832 programmes from 221 higher education institutions are in different stages of the accreditation process (Pijano, 2003). Although there is an increase of 11 per cent over the total of 743 programmes in the AY 2000-2001, the number of accredited institutions represents only 14 per cent of the HEIs nationwide.

The low percentage of institutions with accredited programmes may be attributed to the difficult and demanding process of accreditation, in terms of the human and financial resources required. A growing concern about the varying standards of accrediting associations has also been noted, with the system for public institutions being perceived as applying rather low accreditation standards (Bernardo, 2003).

The relationship between the accrediting associations and the Government is governed by CHED Memorandum Order entitled "Policies of Voluntary Accreditation in Aid of Quality and Excellence," which specifies four levels of accreditation, and describes the criteria and benefits for each level. Institutions with *Level 1 Programmes* are granted partial administrative deregulation. Those with *Level II Programmes* are provided full administrative deregulation and partial curricular autonomy, as well as priority in funding assistance and subsidies for faculty development. Programmes accredited at *Level III* receive full curricular deregulation and the privilege to offer distance education programmes. *Level IV* institutions are given full autonomy from government supervision and control and eligibility for grants and subsidies from the Higher Education Development Fund (HEDF). At this time, only one institution, De La Salle University, has reached *Level IV* status.

II.   CROSS-BORDER HIGHER EDUCATION

The four modes of supply are not entirely new to Philippine higher education. All of these have been seen, in some form or another, at some point.

Mode 1: Cross Border Supply

Cross-border supply began with the introduction of correspondence schools that had a base in the USA. These schools eventually established branch offices in the Philippines. An example of this is the National Technical School, which sends lessons and equipment by mail and receives the students' mailed back answers (Asian Labour Network on IFIs/Philippine Chapter, 2003).

With the rapid developments in information technology (IT), many educational service providers are currently offering distance education. Of recent vintage is online education that is made available by some institutions abroad.

Mode 2: Consumption Abroad

As early as the Spanish colonization period in the Philippines, many Filipinos, including the national hero Jose Rizal, went to Europe for further studies. During the American occupation, Filipinos received grants to study in the USA and were later employed in government units/offices. The USA remains a favourite destination of students who want to study abroad. In 2000/2001, of 3,139 Filipinos studying in the USA about 57 per cent were enrolled in undergraduate programmes, 37 per cent in graduate courses, and 6 per cent in certificate programmes (Montesines, 2002). The more popular courses were business, science and information technology.

The popularity of the USA as a destination for Filipino students can be attributed to close Philippine-USA ties over the past century, the presence of relatives in the USA who can fully or partially fund one's education, and familiarity with the USA culture because of their exposure to American movies, television shows, and books. Moreover, representatives of USA educational institutions come to the Philippines to promote their schools.

More recent popular destinations are Australia and the United Kingdom (UK). Several factors contribute to the attractiveness of Australia as an alternative destination: (i) relatively lower tuition fees, (ii) safe environment, (iii) proximity to the Philippines, (iv) increasing number of Filipinos in Australia, and (v) the work permit given to students. In 2000, the number of student visas issued by the Australian Embassy reached 933, about evenly distributed in undergraduate, postgraduate, and technical and further education (TAFE) programmes (Montesines, 2002).

On the other hand, data from the British Embassy indicate that 154 student visas were issued in 2000. British education is promoted by the British Council and the schools' Philippine agents. Other countries that have received Filipino students are Canada, China., Japan, New Zealand and Switzerland.

Two categories of students study abroad: privately financed students and scholars. The former are either funded by their immediate family or by a relative who is in the Philippines or working in the country where the student will study. The latter are recipients of grants from countries, schools, or organizations.

The counter flow to this mode, although quite minimal, would be foreign students enrolled in the Philippines. Regulated by the Commission's Executive Order (EO) 285 issued in 2000, the entry of foreign students has been on the decline in recent years. The stringent requirements enforced on students and higher education institutions by various government agencies may not be helping in the promotion of the Philippines as an educational centre in the Region. They are important however, for national security. Because many HEIs are not accredited, these HEIs in the past became efficient routes for those wanting to enter the country for non-educational activities. In view of the potential threat of foreign students on national security, an inter-agency committee on the entry of foreign students, composed of government agencies, was established (Tullao, 2003, 2005).

It has been noticed, however, that a number of foreign students who entered the country as tourists take short courses or seminars in learning English as a second language. With the new rules and collection of higher fees, however, these short-term courses might become more expensive (Tullao, 2005).

Mode 3: Commercial Presence

The operation of the International School and the establishment of sectarian schools were controlled, at least initially, by foreigners including Americans. More recently, we have observed the establishment of branches of American universities overseas and other co-operative efforts undertaken by foreign schools with domestic education service providers.

Schools with foreign affiliates allow Filipino students to earn a foreign diploma at reduced cost. An example of this is the Southville Foreign Colleges (SFC), established in 1998, which offers programmes that allow students to study locally, earn foreign diplomas with international professors as instructors, with the opportunity of pursuing bachelor's degrees abroad. Diplomas and bachelor's degrees in these programmes are especially arranged by SFC with foreign universities such as London City College/Schiller International University; Insearch/University of Technology, and the International Hotel School, United Kingdom (http://www.sfc-colleges.com/history.htm).

There are also several schools set up by foreign institutions in the Philippines. Examples of these are Informatics and Thames University (ITU), both branches of schools in Singapore.

Certain regulations govern the conduct of twinning programmes. Philippine HEIs are required to seek CHED approval to join academic consortia and network with programmes leading to the awarding of undergraduate, graduate, and postgraduate degrees. The thrust of CHED, however, is not meant to discourage the formation of co-operative partnerships but is part of its standard-setting function. "Both local and foreign institutions are required to have accredited programmes to ensure that academic seriousness takes precedence over commercial consideration" (Tullao, 2003).

Mode 4: Movement of Natural Persons

The movement of natural persons has been felt in the Philippines since its colonization by Spain and the USA. Spanish Friars came to the Philippines to introduce Christianity through its mission schools. American teachers came to set up an education system patterned after that of the USA.

At present, the Labour Code, which governs the entry of foreigners for employment purposes, effectively restricts the entry of foreign professors. However, the CHED may endorse the employment of non-resident professors if certain requirements are met (e.g., submission of academic and professional credentials, justification for the hiring of a foreign professor).

A number of Filipino scholars who have studied in the USA (an example of consumption abroad) have not returned to the Philippines. This has contributed to the problem of 'brain drain'. On the other hand, the establishment of university branches in the Philippines and other examples of commercial presence in educational services may likewise require the movement of foreign personnel and professors.

It is evident that *Mode 4* is associated with the other modes of supply.

III. STATUS OF WTO/GATS COMMITMENTS AND LIMITATIONS

Commitments in terms of the services sector are an important aspect of Philippine participation in the World Trade Organization (WTO). Having committed at least 80 sectors for liberalization, the Philippines is one of the 45 member economies in the category with the highest number of commitments. Most, if not all, of these commitments in the General Agreement on Trade in Services (GATS) generally encoded the regulatory *status quo* at the time the Philippines consented to the agreement. In time, however, mandated services negotiations are bound to demand much more from the Philippines than what it had agreed to in 1994. Current discussions have centered on *Mode 4* of delivery of services and, to some extent, on *Mode 3*.

The present strength of the Philippines as a service exporter seems to reside mainly in human talent. Thus, concerted efforts are necessary to mobilize service sectors or industries that capitalize on this. There is a need to identify the sectors or industries the Philippines will want to push for liberalization in other countries. There is likewise a need to determine the industries that the Philippines will be able to open to foreign competition. Such assessments may be difficult to make because of constitutional and legislative statutes limiting the ability of the Philippines to move progressively toward international orientation in the field of services.

IV. READINESS FOR INTERNATIONAL COMPETITION

In light of the conditions described above, two related crucial questions need to be resolved: (i) the readiness of Philippine higher education institutions and the (ii) readiness of our workers and professionals – the product of our HEIs – to compete internationally.

1. *Readiness of HEIs*

A number of studies have been commissioned to assess higher education in the Philippines. These include the Presidential Commission to Survey Philippine Education (PCSPE), 1970; the World Bank Philippine Education Sector Study, 1988; the Congressional Commission on Education (EDCOM) Study, 1993, the Task Force on Philippine Higher Education in the 21st Century Study, 1995; the World Bank-ADB Philippine Education Sector Study (PESS), 1998; the Presidential Commission on Educational Reform Agenda (PCER), 2000, and the Evaluation of Graduate Education in the Philippines (EGEP), a joint project of CHED and the Fund for Assistance to Private Education (FAPE), 2005.

These, and other similar studies on the state of higher education in the Philippines, point to concerns in the areas of efficiency (internal and external), quality and effectiveness, and equity in access. Bernardo (2003) summarized the efficiency issues as: (a) the lack of a rational system for establishing HEIs, (b) poor efficiencies of size, (c) poor student flows, (d) the lack of articulation between performance and budgets, and (e) the low external efficiency of the HE system.

In terms of quality and effectiveness, weaknesses have been identified in the inputs (e.g., faculty credentials and instructional facilities), processes (e.g., curricular offerings and accreditation system) and outputs (e.g. graduates' performance in licensure examinations) of higher education.

Problems of equity in access are related to three factors: the geographic distribution of institutions, college admission requirements, and the high cost of education (Bernardo, 2003).

In the context of this state of affairs, *How ready are Philippine higher education institutions to participate in cross-border higher education?* Problems and potentials are seen.

The major problem is financial. Participation in various modes of supply requires availability of funds. It is therefore expected that students from high-income families and

institutions with substantial financial endowments would be more likely to participate in transnational education. The less financially capable students and institutions can have a part in these programmes only with sustained support from government and other agencies.

Another problem is the limited extent to which the international dimension is currently incorporated in school curricula (Caoili & Valenzuela, 2000). Major changes would be needed to make internationalization more visible in the academic programmes.

Still another problem is the capacity of HEIs to conduct research in collaboration with international scholars – in terms of both human and financial resources. More systematic efforts to encourage and sustain research initiatives are needed.

These problems notwithstanding, interesting prospects are foreseeable. Some Philippine universities can identify their specific areas of strength and offer competitive programmes to international students and scholars. Studying in a less developed country like the Philippines may be a more viable alternative to pursuing costly programmes in developed nations.

Institutions can further strengthen their capacity to introduce the international dimension in their academic programmes, if and when they are given the mandate to do so. This would also mean developing faculty who can integrate globalization and internationalization issues in their respective fields.

The prospect of more research linkages with other institutions is great, considering that there are extant collaborative research projects between researchers on an individual basis. With better strategic leadership from CHED and more serious efforts on the part of universities, such individual connections can be expanded and sustained (Bernardo, 2003).

2. *Readiness of workers and professionals*

Readiness can mean the ability of Filipinos to work abroad and compete with others who have comparable skills and competence. It can also refer to the ability of Filipinos to compete with foreign nationals entering the local economy under a liberalized trading regime (Tullao, 1999).

To determine such readiness, a number of areas have to be examined. The first would be the curricular programmes and licensing requirements of selected professions. A review of the academic preparation and requirements for professionalization of various disciplines in the country (e.g. accountancy, civil engineering, teacher education, mechanical engineering, electrical engineering, industrial engineering, nursing,

architecture, law, pharmacy and general medicine) *vis-à-vis* similar programmes in selected ASEAN countries revealed that the competence of Filipino professionals is deemed comparable with that of their ASEAN counterparts (Tullao, 1999).

A second area to consider is the continuing professional education (CPE). This refers to the practices and activities in relation to the training of individuals after leaving the formal education system. In the Philippines, the administration of CPE is the joint responsibility of the Professional Regulation Commission (PRC), the appropriate professional organizations, and the CHED. Licensed professionals with bachelor's degrees are required to complete 60 units of CPE credits within three years whereas non-baccalaureate degree holders need to complete 30 units. Non-compliance means non-renewal of licenses and the possibility of being de-listed from the roster of professionals authorized to practice in the Philippines. This requirement, unfortunately, was removed in the PRC Modernization Act of 2000 (Tullao, 1999).

A third area is the absorption of professionals. PRC data indicate that there are about 1.85 million registered professionals in the country as of 1998. From 1992 to 1998, a total of 318,392 professional, technical, and related workers were reportedly deployed for overseas employment. These would constitute roughly 9 per cent of the total number of registered professionals (Tullao, 1999).

The inadequacies of higher education in the Philippines notwithstanding, it would appear that the comparability of our curricular offerings with international standards, the licensing examinations, as well as the continuing professional education programmes allow us to select the best among our graduates. Moreover, the absorption of 9 per cent of our professionals overseas speaks well of the academic training they have received in their country (Tullao, 1999). We can safely say then, in general, that the graduates of our educational sector can compete with foreign professionals here and abroad. There is still, however, much room for improvement.

V.   ISSUES, CHALLENGES, AND CONCERNS

If Philippine HEIs are to respond to the increasing demands of cross-border education, the thrust of improving quality must be relentlessly pursued. However, the impact of globalization on higher education must be considered. First, conformity to harmonized standards may lead to the issue of exclusion and educational divide (Tullao, 2003).

Given the different types of HEIs in the country, their mode of delivery and intensity of response to the demands of harmonization may likewise vary. In light of the social dimension of higher education, the government should ensure that the internationalization of higher education is based on the promotion of quality and standards and not merely the promotion of greater trade in higher educational services.

Another impact of globalization is the liberalization of educational services. This may entail the entry of various service providers under the various modes of supply. Given these inflows, the primordial function of CHED should be the promotion of public interest and the protection of the consuming public. The regulatory framework, however, will change depending on the modes of supply. In addition, these regulatory frameworks should be crafted in such a way as not to prejudice international commitments or future commitments of the Philippines on market access under GATS.

Another contentious issue relative to globalization and free trade in higher education is the role that the government must play. With increased cross-border delivery by foreign education providers, the role of government must be viewed and analyzed in the context of the following (Tullao, 2005):

- *Licensing and regulation procedures for foreign providers:* the formulation of new laws or policies on the granting of licenses and recognition for foreign educational institutions to operate in the country;
- *Quality assurance and accreditation for imported and exported education services:* ensuring the maintenance of standards of quality in programme delivery as in the 'mother' institution;
- *Funding protocols including the operation of grants, loans, subsidies and scholarships*: review of guidelines on the utilization of grants, loans, subsidies and scholarships;
- *Qualifications, recognitions and credit transfers:* facilitation of standards in terms of course content and learning elements to ensure mutual recognition of knowledge and skills gained among education service providers.

In order to establish uniformity and maintain quality in higher education provision, there is a need to set accreditation criteria and quality assurance mechanisms that are mutually acceptable to participating countries.

The accreditation criteria could be set and agreed upon by representatives of member countries through consultation, forums and tripartite dialogues (Tullao, 2005). Benchmarking and sharing of best practice in accreditation can be done. Reinforcing the voluntary accreditation system as well as improving performance in licensure examinations are likewise important.

Another significant issue is that of culture. Questions such as the following should be addressed:
- *How responsive are Western-based schools to the agenda of developing countries?*
- *Would foreign schools be sensitive to the needs of the country and its people?*
- *How will schools maintain their core educational mission and preserve the traditions of the academe amid the sea of change brought about by globalization?*
- *In creating a generation of internationalists, would we be neglecting the development of nationalism in the youth?* (Pijano, 2003).

The basic issue underlying all four modes of supply is economics. As mentioned earlier, students from high-income families and well-endowed institutions are more likely to participate in transnational higher education programmes. Nevertheless it is good to consider possibilities that may arise if cross-border education (CBE) gains wider acceptance and use.

Under *Mode 1*, the availability of cross-border educational services through distance education or education, or correspondence learning may result in *decreased campus enrolment* and, eventually, may lead to the *closure* of some campuses. Teachers will *lose their jobs*. Fortunately, such a consequence may not be felt immediately, considering that only 20 per cent of Filipino households currently have Internet connection and the costs of such programmes are prohibitive (ALNI, 2003).

Under *Mode 2*, only the *financially capable* will go abroad. If rich countries reduce their entry requirements or locally based multinational companies decide to hire graduates with diplomas obtained abroad, local *campus enrolment* may also *be affected*. In order to survive, schools may have to resort to *enormous tuition fees increases*. Campus enrolment will decline and the tenure of academic workers will be affected. Moreover, the marginalized Filipinos will be *denied their right* to education; *social inequalities* will be heightened (ALNI, 2003).

Under *Mode 3*, elite foreign universities who put up their commercial presence here will attract students whose families are willing and able to pay the high cost of education. Foreign presence in technical and vocational schools will also draw more students away from local schools. Lack of enrolment may again *force these local institutions to close down* and, consequently, lay off workers in the academe (ALNI, 2003).

Finally, under *Mode 4,* local academic workers will be *competing for positions* with foreign teachers or researchers. Worse, there could be a disparity of pay between these two groups as foreign professors usually get international rate salaries, which can go to almost 5 to 7 times the salary received by local faculty with the same qualifications (ALNI, 2003).

As more employment opportunities abroad open up, many local academics will opt to migrate. The 'brain drain' will certainly be harmful to the economy as *other countries* will *reap the benefits* of the education and training provided by the Philippine education system. Training their replacements will entail additional expenses, with *no assurance* that these *replacements* will *remain* in the country.

VI.   CONCLUSIONS AND RECOMMEDATIONS

All things considered, although the Philippines appears to be ready for international competition arising from a liberalized trading regime, it seems that the benefits that may be derived from its participation in cross-border education may exacerbate the existing dualism in higher education in the country. Only a handful of universities that have the resources to allow greater interaction with faculty, students, and researchers from different parts of the globe can gain from the entry of foreign-service providers and from the impact of information and communications technology on education. On the one hand, the other HEIs who are excluded from such participation may sink deeper into the *pit of mediocrity* as they are unable to meet the high standards of global competition. On the other hand, this may just be what is needed to rationalize an over-expanded higher education sector in the country.

The various supply modes call for a *strong regulatory framework* to ensure the quality of suppliers – educational institutions and professionals. This should be done, however, not merely to protect the incumbents but rather to protect the end-users, the consumers. Policies of the Professional Regulation Commission (PRC) and CHED on the provision of educational services and movement of professionals should improve the competence of the incumbents (Tullao, 2005).

In light of the huge costs that benchmarking and quality assurance programmes entail on one hand and the widespread poverty in the country on the other, it is worthwhile examining whether such enormous amounts should be invested for quality improvement. *Will access to quality education be assured?*

Moreover, who will manage cross-border education? From the GATS point of view, this is a commercial undertaking; but from the point of view of educators, this is an expansion of international linkages among universities throughout the world. *What would be the implications to education if the commercial considerations prevail?*

Lastly, as the provision of knowledge is no longer the monopoly of universities, HEIs must review their role in the development of human resources of the country. They must ensure a learning climate that will not only teach basic and specific skills needed at the workplace, but also the skills that will make them lifelong learners.

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Bio-Data Professor ROSE MARIE SALAZAR-CLEMEÑA:
Professor Rose Marie Salazar-Clemeña, Vice-Chair of the Asia-Pacific Scientific Committee of the UNESCO Forum on Higher Education, Research and Knowledge, is the Executive Vice- President of De La Salle-College of Saint Benilde. She is also a University Fellow and full professor of De La Salle University-Manila. She obtained her PhD. in Psychology (with specialization in counselling) from the University of Minnesota. She has published in areas of teacher education, teaching and learning in higher education, counsellor education, health psychology, career psychology, psychometrics, program evaluation, educational management, peace and values education, and research in higher education.

She is the President of the "International Society of Educators for Active Learning" and has served as president of various professional organizations such as the "Association of Psychological and Educational Counsellors of Asia-Pacific". She has been a consultant for projects of UNESCO as well as the "Commission on Higher Education" and the "Department of Education" of the Philippines.

Bio-Data Professor TERESO S. TULLAO, JR.:

Professor TERESO S. TULLAO, JR. is professor of economics and former Dean of the College of Business and Economics at De La Salle University-Manila (DLSU). He was educated at DLSU (AB, 1973), Stanford University (AM, 1974), and at The Fletcher School of Law and Diplomacy, Tufts University (MALD, 1980, Ph.D., 1982).

He has extensive teaching experience within and outside the Philippines. He has been teaching for more than three decades at De La Salle University-Manila. He was a visiting professor and scholar at Waseda University (1984 and 1995) Tokyo, Japan; Ohio University (1985) in Ohio, USA; Shanghai University of Finance and Economics (1987) Shanghai, China; University of the Assumption (1990) Bangkok, Thailand; Institute for International Studies and Training (1990) Fujinomiya, Japan; International Institute for Educational Planning (IIEP) (1992) Paris, France; and the National University of Laos (2003).

He has published several articles, monographs and books in Filipino and English. Some of his recent works include "*Understanding Economics in the Philippine Setting*" (3rd edition, 2004), "Movement of natural persons between the Philippines and Japan: issues and prospects". (2004), "Movement of natural persons and human development". (UNDP, 2003) *Education and globalization* (2003), *Ekonomiya, Tao, Mundo at ang Ekonomistang Guro* (2002), "Globalization and non-communicable diseases". (WHO, 2002). He used to write a weekly column in Diyaryo Filipino and Manila Bulletin.