NCITE UPDATE: July 1, 2002

US Tables Requests for Trade Liberalization with the WTO

The National Committee for International Trade in Education (NCITE) applauds today's announcement by the United States Trade Representative that it had tabled "requests" for trade liberalization at the WTO in Geneva to secure removal of barriers to U.S. trade in a wide range of important services. These sectors include education, computer and related services, energy services, financial services including insurance, audio-visual services, telecommunications, express delivery, legal services, and advertising.

In their requests USTR in effect asks all WTO members for some form of services trade liberalization commitments. In the case of the least developed countries, these requests are general in nature. In the case of industrial countries and important emerging markets, the requests are highly specific and detailed.

U.S. services industry goals for these negotiations are ambitious. They include: securing the right to establish commercial operations and the right to full majority ownership, the right to be treated on equal terms with local providers, the expansion of commitments to free cross border trade, the ability to move professionals (including faculty and administrators) for short term assignments in other countries without visa and other red tape delays, a cross-sectoral commitment to transparency in domestic regulation, and in sectors where appropriate, commitments to improve the quality of domestic regulation.

These negotiations generally are particularly important for the United States which has a surplus of about $80 billion in its trade in services. Services jobs account for 80 percent of U.S. private-sector employment, or about 83 million jobs. Between 1989 and 1999, services added 20.6 million new U.S. jobs, and since, almost all new American jobs are services jobs.

The U.S. Government's tabling of requests in Geneva comes at a pivotal time for Trade Promotion Authority legislation currently under consideration in Congress. To succeed in these difficult negotiations the President must have the same trade negotiating authority that has been routinely available to Presidents in previous trade rounds.

Some critics of the GATS are concerned that negotiations might be used to undermine essential public services, like social security, or national health and education services. To the contrary, GATS commitments are entirely the decision of individual governments. There is nothing in the GATS that requires any country to change its policies in these areas. However, if countries do decide it is in their interest to open up these sectors to private participation, the U.S. would seek access for its service providers.

In advance of the July 1 tabling of country requests, on May 23 and 24, 2002, NCITE conducted a major Global Trade Forum, attended by

delegations from over 35 countries. This forum was co-sponsored by the Organization for Economic Cooperation and Development, The World Bank, the US Departments of Education and Commerce, the Office of the US Trade Representative and the Center for Quality Assurance in International Education and its National Committee for International Trade in Education.

A summarized report of the conference is attached. A printed publication of the full conference proceedings will be available from the Center and NCITE in approximately two months at which time you will be notified.

****

OECD/US Forum on Trade in Educational Services
Washington, DC, U.S.A.
23 – 24 May 2002

Report by Donald Hirsch, rapporteur

Not long ago, a forum on international trade in educational services would have seemed peripheral to the interests of education ministries, and of relatively minor concern to those concerned with international trade. Yet this first, high-level global forum on the subject attracted keen participation from ministers and senior officials, from both trade and education, from more than 20 countries - as well as from a host of other interested parties ranging from university deans, private for-profit education providers, to students, and also from industry and trade unions through TUAC and BIAC representation. They exchanged diverse views about the direction that trade in educational services is likely to take in the years ahead, but all agreed that the topic is likely to grow in importance, and that this forum represented just a start in trying to get to grips with its implications.

Why all the interest?

First, because trade in educational services is growing in volume and importance. In the past two years especially, the education community has woken up to its significance and potential.

Second, because education services are currently the subject of specific global negotiations about liberalising trade under the WTO.

Third, because the growth creates new opportunities.

Fourth, because some fear it also creates new risks.

And fifth, because there is amongst most interested parties a so far limited understanding of the nature and implications of this growth and in particular of how opportunities can be maximised and risks averted. People want to learn more. There is also a need for people approaching this issue from many different perspectives to sit down and talk. “The OECD”, said its Secretary-General Donald Johnston, opening the forum, “has been asked to play the role of broker in bringing stakeholders together.”

Underlying the discussion was the potential and limits of seeing education as an internationally traded service, subject to prevailing ideals of free global trade. In calling for further liberalisation of international postsecondary educational markets, countries such as the United States have brought education into debates about protectionism and international competition. As with other goods and services, this creates tensions between those who fear that such competition will undermine the capacity of domestic suppliers and those who see trade as the way of achieving the best outcomes over the long term.

Yet all sides agree that education is distinct from many other traded goods and services in ways that influence trading relationships. It cannot be shipped like bananas. Education is profoundly affected by transfer across national borders, since it has a strong cultural component, often associated with the location and specific history of its supplier. It is to a large degree supplied by public authorities on the ground that education generates major social as well as individual benefits, and there are concerns that public provision could be put at a risk if the sector were to be subject to WTO disciplines. Furthermore, in practice, arguably one of the most significant current barrier to trade is not protectionism but the lack of an international system for accrediting higher education institutions, assuring quality and recognising qualifications – a deficiency that can limit the confidence of consumers (students) in what they are buying, relative to the known quantities of domestic provision. Other barriers for students studying abroad are difficulties in obtaining student visas, funding prospective students/studies abroad and dealing with various student-related work permit matters. Thus, while recent expansion has not been greatly impeded by any rules restricting the operation of foreign suppliers, stronger international systems for recognising qualifications and certifying quality could accelerate the growth of such educational trade.

Some of this forum consisted of supporters of trade liberalisation trying to reassure doubters that the General Agreement on Trade in Services (GATS) negotiations at the WTO in Geneva hold no threats to national education systems, but rather have the potential for helping clarify the terms on which cross-border trade can develop. This did not completely reassure all those who feared that, especially over the long term, public systems could be undermined by foreign competition, of variable quality and lacking a commitment to equitable access. Yet the interests of those seeing the potential of expanded trade and those who fear it are not diametrically opposed: indeed, both have a strong interest in measures that will make it easier, internationally, for students to judge the quality of courses, and employers to recognise which qualifications have value. Such measures on the one hand would reduce the scope for disreputable "degree mills" from undermining good quality domestic provision, and on the other would produce opportunities for high quality providers to sell to students internationally.

The remainder of this report looks in turn at three broad themes discussed at the forum:

- The nature and development of trade in educational services;

- The implications of new trade objectives and new trade rules in influencing the development of cross-border educational services;

• The scope for a stronger international educational framework to support this trade concerned with quality assurance, recognition of qualifications and accreditation of institutions.

The development of trade in educational services

Trade in educational services has been spreading, in terms of both volume and scope. This is true in particular in post-secondary education. Much of the discussion at the forum was focused on university-level higher education, although many speakers drew attention to the potential scope for growth in traded services in other post-secondary sectors including adult education and vocational training.

As summarised in Box 1, the most common and easily identifiable cross-border activity – overseas study ("mode 2") – has grown steadily over recent years. There is reason to expect that it could accelerate both because of the internationalisation of areas such as the European Union and because of huge potential demand driven by the ambitions of some Asian and Latin American countries to expand rapidly participation in post-secondary study, combined with the difficulties they will find in achieving this purely through domestic expansion.

At the same time, other modes of trade in educational services are starting to develop, and could also spread rapidly in the coming years. These include in particular new forms of distance education sold overseas ("mode 1") and the creation of branches or offshoots of educational institutions in foreign countries ("mode 3"). Both of these are forms of trade that permit cross-border supply without students having to travel to another country– and hence extend greatly the scope, in the long term, for foreign suppliers to enrol a substantial portion of domestic students. There were differing views at the forum over future prospects for growth in these newer forms of trade in educational services, yet plenty of examples of how they are presently developing.

Box 1: What is educational trade, and how extensive is it?[1]

International trade in educational services has come to be classified under the four "modes" of cross-border supply of services used in the GATS negotiations. The easiest way to think of these modes is in terms of who or what crosses borders. In "mode 1", cross-border supply, only the thing being sold crosses the border (like the export of bananas): in the case of education this could be a CD-ROM, a textbook, or a service provided through the Internet. The emergence of e-learning changes the potential of this form of supply, since a wider range of services including real-time interaction with students can be provided directly from institutions located in other countries. In "mode 2", the consumer crosses the border: a tourist, or in the case of education a student enrolling abroad. "Mode 3", commercial presence, involves suppliers as institutions crossing borders, for example by establishing a branch campus or other facilities in a foreign country. "Mode 4", or presence of natural

[1] For more detail, see K. Larsen, J. P. Martin and R. Morris (2002), *Trade in Educational Services: Trends and Emerging Issues*, CERI working paper, OECD, Paris. (http://www.oecd.org/pdf/M00020000/M00020422.pdf)

persons, involves individual professionals crossing borders, for example academics or researchers spending some time teaching overseas.

Of these modes, foreign study (mode 2) is both the largest and best established and the easiest to measure. Foreign enrolments are rising faster than domestic enrolments in tertiary education in OECD countries, and the total value of these "exports" today represents significant proportions of trade in services in some countries – for example 12% in Australia and 3-5% in New Zealand, the United Kingdom and the United States. For the other modes, data are highly patchy. However, only in a very few countries (notably the UK and Australia) have institutions started to enrol students in offshore campuses in substantial numbers, relative to the 1.5 million students who travel to study in OECD countries. Thus, the export of educational services to students remaining in their own country are an important element of trade more in terms of their future potential than their current value.

Thus, future growth is likely to be driven in particular by four emerging features of demand and supply:

Internationalisation: A first feature, affecting both demand and supply, is the value given to the international dimension of education in a more interdependent world. Students are keen to improve linguistic skills and understanding of other countries in a global economy. But it is not just the consumers of education, but also its producers, and the governments and private interests who fund them, who see benefit in internationalisation. Universities today value more than ever a cosmopolitan teaching force. Governments see higher education as serving cultural and political objectives concerned with better understanding and interchange across nations, especially in areas such as the European Union where national barriers are being broken down in various ways.

Thus, many of the education representatives at the forum emphasised that growth in cross-border educational activity had drivers other than the standard determinants of trade in goods. While there was a tendency among some participants to distinguish this "internationalisation" from "trade", others pointed out that, while they are separate as motives, they are in practice one and the same activity: any educational service provided by someone of a different nationality to the student is simultaneously a form of trade and a form of contact between two cultures.

The relative importance of such factors plays out in different ways in various countries represented at the forum. In Germany, for example, the government wants to expand both the numbers of outgoing and incoming foreign students, partly to promote Germany as a centre for scientific and industrial research. Australian and UK universities, on the other hand, were partly stimulated by cutbacks in the 1980s to recruit overseas students as a revenue source. However, Australia also sees such activity as a tool of cultural diplomacy and economic development, especially in building ties with Asia. Indeed, cultural factors themselves can simultaneously be instrumental in, and an objective of, recruitment of overseas students. On the one hand, they can be part of comparative advantage – whether linguistic (the attraction of learning a world language such as English), status-oriented (the pull of Oxbridge or the Ivy League), or based on an attractive lifestyle or perspective (the openness of

Australian culture). On the other, some aspects of a country's culture can gain greater influence in the world by exposure to the culture of people from other countries – potentially to the detriment of competing cultures, particularly in the case of English as an increasingly dominant world language.

Worldwide expansion of demand: With the emergence of a knowledge-based world economy, the desire of countries to expand educational participation has been given new impetus. During much of the period since the Second World War, there has in OECD countries been a trend towards providing publicly-funded upper-secondary and tertiary education for ever-increasing numbers of young people. Now this expansion is taking place on a much broader front – in developing not just developed economies; in private not just public forms of provision; in a wide range of education and training forms not just the traditional routes.

A key driver of demand is the ambition of countries with low participation in post-secondary education to expand access to this sector at a pace that would be difficult to achieve purely through growth in domestic supply. This applies in particular to certain emerging economies, especially in East Asia and Latin America, some of which want to move from a tiny minority to potentially a majority of the population receiving some form of post-secondary education over the next two decades or so. One estimate cited in the forum stated that Thailand, for example, would have to build a new institution serving 10,000 students every year until 2025 in order to fulfil stated targets.

Such trends have already caused countries such as Malaysia to send a large number of students to study in OECD countries, with particular countries such as the UK, the US and Australia picking up significant shares of this market. As well as the scope for much more overseas study of this kind, there will be many opportunities for traded services to be supplied more directly. An example of a country keen to use such imports to serve burgeoning student demand is China. The forum was told that the Chinese government encourages not just foreign study by its citizens but also the supply within China of various materials and services by foreigners in partnership with the authorities, ranging from the joint provision of programs by foreign and local institutions, to textbooks, equipment and testing services.

Supply on site ("mode 3"): New demand pressures might to some extent be met through the increase in overseas study ("mode 2"). However, there are limits to how many students can be provided for in this way – taking into account factors such as the cost of travel, constraints on accommodation and on campus space, and the type of study that is being sought. Much of the expansion envisaged by Asian countries, for example, will not be in the university sector, and might involve part-time or short courses, to which clients will not always be inclined to travel. Following a 300% growth in foreign students in Australian institutions during the 1990s, some of these institutions are starting to rethink their strategy, believing there to be a limit to how far this kind of expansion can go, and looking instead to "commercial presence" in other countries *("mode 3")* as the most promising growth area. Australia's position as a supplier is exceptional: as a relatively small, English-speaking country close to Asian markets it has been able to expand foreign student numbers to a point at which some institutions are talking in terms of saturation relative to what can be supplied from their domestic campuses. Most other countries are a long way from this

situation. Yet if Australia succeeds in demonstrating the viability and attractiveness of "offshore" provision on a substantial scale, other countries may be inclined to follow.

Supply from a distance (a form of "mode 1"): A year ago, at an OECD seminar on e-learning in Tokyo, there was considerable excitement about the prospects for virtual universities becoming big international traders in education, although nobody imagined that such institutions would become major competitors with domestic campuses in the near future. Recently, expectations of a rapid expansion of e-learning have been dampened, partly by the general difficulties currently being experienced by the "new economy", and more specifically by the fact that specific high-profile initiatives in this area have run into difficulties, some losing significant amounts of money. It has also become clear from this experience that virtual education will not in the foreseeable future eclipse campus education through economies of scale. Not only is the initial development of high-quality university education on-line extremely expensive, but delivery of truly educative programmes requires individual student support that can limit the scale economies.

Yet e-learning is far from irrelevant to this story, and seems bound to grow, even if not to explode in volume. It is crucial here to note the heterogeneity of post-secondary learning forms. Most of the new demand from Asia is not for conventional degrees but for various forms of technical and professional courses. A presentation by America's National Technological University illustrated the huge capacity for expansion in distance learning delivery of courses at a range of levels in the engineering field – initially within the United States and now around the world. This is provided by a network of campus-based universities; much distance learning is likely to come from this source rather than from wholly virtual institutions. NTU's experience also illustrates a growing role for a for-profit private sector – it has been taken over by Sylvan Learning Systems, Inc.

Yet nobody really knows what the next 20 years may bring, as technical capacity develops and learning modes multiply. The OECD's Secretary-General reminded delegates that long-term concerns about maintaining quality as it becomes easier to make courses instantly accessible through e-learning was one of the two key concerns of ministers of education in this field when they met in Paris in April 2001. (The other, developing international systems of recognition, is dealt with below.)

Trade objectives and the development of trade rules

The location of this forum in the United States Department of Commerce left delegates in no doubt that trade in educational services is not just an incidental spin-off of programmes to enrich education with international exchange but has also become a significant part of world services trade. Such activity has multiple objectives, even from the commercial point of view –it was pointed out that educators are effectively "cultural ambassadors" who can contribute to an environment conducive to trade more generally. But there are also more straightforward goals that apply to education as with other service industries, including the creation of a world trading environment in which foreign companies and educational institutions are not denied access to markets.

This desire of exporting companies and their governments to have open access is, on the face of it, straightforward. Yet the GATS process seeking to reach agreement on the definition and scope of such access appears highly complex, especially to outsiders. A number of representatives of higher education institutions at the Forum were nervous at two levels: first, about the general implication of trade-oriented approaches to education and second, about the specific inclusion of education in GATS negotiations.

Implications of a trade-driven approach

Should education be viewed as a traded service? At one level, this is simply an accurate description of one of education's characteristics in most OECD countries. As discussed above, trade in education and cultural exchange via student participation in the programmes of other countries amount to the same activities in practice, and may to some extent complement each other as objectives. Yet an important question hanging over this forum was whether a growing emphasis on trade might create a different kind of education system from one driven more by the desire to internationalise study for its own sake.

Two important factors here are the pattern of fees and living costs and the balance between public and private provision. There is already a great difference between, at one extreme, countries that charge fees neither to their domestic nor to foreign students, and at the other countries that impose some charge on the former and a greater charge on the latter. On the other hand, countries which do not charge fees for foreign students will nevertheless "gain" the export value of these students' living expenditures as far as they are financed from abroad. Some observers also fear that the commercial emphasis on selling educational services is likely to encourage primarily private provision, and that over time the public commitment to the goal of providing high-quality education for social benefit will start to be undermined. Other observers argue that such fears are greatly exaggerated. Both views were expressed prominently at the forum.

Yet, whatever the risks of commercialisation and privatisation, it is important to recognise that international competition does not *necessarily* add to them. Private competition already exists in many sectors of postsecondary education and training, and indeed it is in areas where such competition is already most acute that the few proposals to date for trade liberalisation have focused. Conversely, where public objectives are pursued, these can apply both to the provision of services for foreign students (e.g. by providing tuition free or at below cost) and to extending access to one's own citizens to post-secondary education beyond one's own shores (Hong Kong, China and Norway, for example, allow money to follow students regardless of where they study). Concerns about the effect of international competition therefore apply more specifically to two possibilities. First, that free trade will create conditions that restrict the ability of governments to subsidise domestic educational provision (as it has restricted their ability to subsidise various primary and secondary industries); as discussed below, GATS specifically rules out such a restriction. Second, that the presence of foreign commercial suppliers is harder to regulate than domestic ones, and the quality of what they offer is less transparent; these issues are dealt with in the last main section of this report.

The specific implications of GATS

GATS sets down a general framework for transparency and a level playing field in services, together with a basis for negotiating specific liberalising agreements in particular sectors such as education. The progress of GATS with respect to education is briefly summarised in box 2.

BOX 2: GATS AND EDUCATION – A SUMMARY[2]

The General Agreement on Trade in Services is an agreement being developed through the World Trade Organisation, among its member countries. Applying to virtually all services, but exempting those supplied "in exercise of governmental authority", the agreement sets down certain general obligations and other provisions that countries may voluntarily opt into.

The main general obligations are to be transparent in the way foreign suppliers are treated, and not to give favoured treatment to suppliers of one foreign country compared to another. But the stronger liberalising principles, of giving open market access and the treatment of foreign suppliers on the same basis as national ones, are optional according to what commitments are stated in specific schedules by each country. So far 53 countries (including 25 of the 30 OECD countries) have scheduled commitments applying to various educational sectors. Of these 53, 25 have made commitments for at least 4 of the 5 sub-sectors of education – primary, secondary, higher, adult and other education. These commitments state not only where market access is open, but also specific cases in which it is not.

GATS also includes annexes applying particular conditions to specific sectors. Recently, against a background of a very low level of individual country commitments in the education sector relative to other services, four OECD countries (Australia, Japan, New Zealand and the US) have proposed provisions on post-secondary education in the new negotiation round on GATS at the WTO. While these proposals seek to promote certain principles such as improved market access, they are relatively modest in scope and the countries making them seek to emphasise that they will not undermine the right of governments to pursue their own domestic educational objectives.

At the Forum, two competing lines of argument were put.

The first type of argument was stated by those who maintain that GATS seeks principally to clarify trade rules in order to support existing development of international trade in educational services, rather than pursuing a sudden liberalisation of hitherto proscribed forms of trade. They emphasised that education-specific elements of GATS are voluntarily negotiated between member governments; that the GATS framework is much looser and more voluntaristic than agreements governing

---

[2] For more detail see *Current commitments und the GATS in Educational Services* (http://www.oecd.org/pdf/M00029000/M00029604.pdf*);* and P. Sauvé (2002), *Trade, Education and the GATS: What's In, What's Out, What's All the Fuss About?* (http://www.oecd.org/pdf/M00029000/M00029613.pdf) – papers for this Forum

the trade of goods; and most importantly that threats to governments' ability to support public services with a preference for domestic suppliers is specifically protected by the "public sector carve-out" whereby services supplied in the exercise of governmental authority are exempted from GATS provisions.

The second type of argument was expressed by those who were sceptical of or, in some cases, plainly opposed to GATS negotiations as an appropriate place to make decisions affecting education. (That was not the general view at this forum; there were many shades of opinion.) Many of their concerns derived from experience of trade in goods, where the power of governments to support domestic providers has been reduced. Why were they not completely reassured by those at the forum who pointed out that GATS and GATT are very different in their scope and provisions? One reason may be because of the complexity and potential ambiguity of the GATS. But there appeared to be a more fundamental divide, based not on the actual wording of agreements but on perceived conflicts in interests and a lack of trust in the motives of those pushing freer trade. In particular, the most strident defenders of a university sector driven by public mission and public funding feared that in the long term their cause would be undermined by a steady march of trade liberalisation – and what did not threaten them today, might threaten them tomorrow.

It should be emphasised that this was the extreme position: a number of people speaking from a higher education perspective at the forum believed that the enhancement of international trade in educational services could be of great benefit, provided everyone kept sight of the public functions of higher education. However, two interesting observations can be made about the characteristics of those who expressed greatest reservations about trade. One is that, unlike in some other sectors where free trade proposals have caused international tensions, the most obvious divides were not between countries but between different actors within countries. Thus, although the United States government is a vocal advocate of liberalisation, and US suppliers are well positioned to export educational services, it was not just from the European Universities Association but also their US equivalent, the American Council on Education (ACE), that some of the strongest scepticism about the value of GATS to the education field was expressed. Students, too, joined cause with their institutions in this respect.

A second and connected point to note is that part of this argument related to distinctions between various post-secondary sectors, and that it was some speakers from universities in particular who considered GATS inappropriate. The ACE argument was that, while trade liberalisation may be relevant to certain professional qualifications and provision of technical training, it was not clear why it should apply to degree-awarding institutions.

Most participants in the forum greatly welcomed the opportunity to exchange frank views on this sensitive issue. While clarifications about the scope and limitations of GATS did not dispel all disagreements, the forum enabled each side to start to see the issue in a less polarised form. To critics of GATS, it showed clearly that it is a very long way from being a charter to destroy public higher education. To its supporters, the forum gave some idea about what is feared from GATS – and the need to continue the dialogue.

GATS in a wider perspective

Advocates of GATS spent much of this forum talking about what it would not do in the education field. Why, then, is it needed there? An important answer given in the forum is that GATS is a useful tool to help clarify the rules of a game that is already taking place.

In the words of one participant, GATS in this context "provides an opportunity to better define this trading sector, allowing new commitments to be made with transparency". It is also an opportunity to select particular areas where obstacles to overseas operations are the most serious. This helps explain why the nature of the proposals so far for specific provisions on education, coming from Australia, Japan, New Zealand and the United States – tend to be fairly specific. Both in multilateral and regional negotiations, there is a desire to be pragmatic. An example given by one delegate is that the development of commercial presence by Australian universities in Korea is particularly constrained by a requirement for at least half of the board of an organisation operating in the country to consist of Korean nationals. If such an issue becomes a significant hindrance, the most fruitful strategy at present would be to negotiate bilaterally to address it.

Finally, an optimistic view of GATS was summed up by Norway's minister of education and research, Ms Kristin Clemet:

> "Gats won't either solve or create immediate problems. But it sets a freer and fairer system for the future"

The scope for a stronger international education framework: quality assurance, recognition of qualifications and accreditation

GATS negotiations aim to provide a loose framework within which international trade in educational services can develop – with at least transparency in trading conditions being guaranteed. But such a framework does not start to create the kind of infrastructure that is needed for an international education industry to thrive. As transnational, borderless education becomes a reality with or without the aid of GATS, the need for an infrastructure for recognising qualifications, assuring quality and accrediting institutions, beyond the boundaries of national systems, becomes ever more pressing. The WTO, however, is not mandated to assess the content of national standards. The role of WTO is foremost to guarantee transparency in recognition and licensing arrangements.

One reason is protective: to allow international trade in educational services while avoiding rogue operators from deceiving students, undermining existing provision, and weakening the capacity of higher education to set independent academic standards. But just as importantly, an infrastructure that allows quality to be recognised helps high-quality operators to deliver a service more effectively. One way in which education differs from bananas is that it is harder in the case of the former for consumers to judge the quality of what they are buying. Indeed, they may not know education's full value until years after consuming it. Moreover, even if it contains intrinsic value for the student, an employer also needs to understand its

qualities if its full value is to be realised. As skilled labour becomes more mobile, and professions more globalised, these issues become ever more important. Yet quality assurance and qualifications systems remain fundamentally national in character.

Participants from a variety of perspectives at the forum shared the view that this is an unsatisfactory state of affairs. What they did not share was a common vision about how to resolve it.

One approach that has made limited headway is to create international networks recognising quality and accrediting institutions. A big difficulty with such networks has been the problem of credibility. It may take many years to build up any kind of confidence, at a worldwide level, in the value of a particular stamp of approval. Indeed, there are serious doubts about the practicality or wisdom of such a strategy.

On the recognition of qualifications, there has been some success at regional level, in particular in the Lisbon Convention covering Europe, which moved from the concept of equivalence of degrees to full recognition and acceptance.

Within a familiar national context, the value attached to various courses by students and to credentials by employers is grounded not just in objective assessment of precisely what each institution delivers, but also on a deeper set of cultural assumptions about what particular courses and qualifications represent. At the international level, however, where familiarity and cultural assumptions are to a large extent absent, the task becomes all the harder. Higher education is suddenly challenged to define precisely what it is delivering.

It should be emphasised here that such arguments look different according to which particular sector they are applied to. In some areas of professional competence, it can be possible to define common requirements much more precisely across sectors than in more general qualifications such as liberal arts degrees. A good example presented to the forum was that of the computer industry, where CompTIA, an association representing 8,000 companies, has certified competencies of over one million professionals all over the world, while monitoring the quality of provision. This example is to some extent exceptional in that it has developed alongside a young industry where standards and methods are by their nature international. Nevertheless, the case does illustrate how privately co-ordinated effort can make an important contribution to an internationally standardised education infrastructure. But even in this case, it is unclear how higher education institutions in many countries would view such qualifications in terms of entry to academic courses.

More generally, though, there were no great expectations for the development of a worldwide educational infrastructure. A prediction made at the end of the forum, largely reflecting the mood of the discussion, was that over the coming years progress in quality assurance will lag behind the expansion in practice of cross-border provision, and that no global accreditor will emerge. On the one hand, this increases the risk that courses of inadequate quality will be sold to students who then find it difficult to gain recognition for their studies in their own country, leading to disappointment, and that respectable institutions (other than the few with a strong worldwide reputation) will be undermined by the difficulty in demonstrating their qualities on an international stage. On the other, this state of affairs represents a

challenge that could, eventually, stimulate higher education to do something it has never really had to do before: justify its existence to ensure its survival. This would entail describing more explicitly what it means by quality, to head off competition from cheap imitations.

Conclusions

As with many new trends, discussion about international trade in educational services has tended initially to be about whether it is important and whether it is desirable, before moving on to a more constructive dialogue about how it can be made to work more effectively. At this forum, while there was considerable debate about potential risks associated with such trade, there was also a general acceptance that it is bound to be a growing feature of the educational scene, and a desire to explore ways in which it can be developed as a positive force.

This will be a complex task involving many actors – including not just governments and academic institutions but also private and professional bodies of many kinds. Yet there is also much work to be done in different sectors in terms of defining standards internationally and translating these into criteria for accrediting institutions, recognising quality and awarding qualifications. Particularly in specific professional areas, this kind of work will depend on inputs by a range of private, non-profit and public bodies with expertise in each field.

However, the problem remains that an overall framework for recognising and certifying quality across the world would require more than just the sum of many local agreements. An internationally recognised infrastructure is starting to be created at the regional level (for example in the EU), but much more work would be needed to make progress at a worldwide level. An important reason for moving beyond a regional focus is the significance of emerging demand from developing countries, which can potentially be met partly by institutions in OECD countries, who do not have regionally-oriented agreements with those areas of high demand.

A significant task for education ministries in the coming years will therefore be to engage in the quest for a more satisfactory international educational framework in which cross-border services can thrive. In doing so, it was argued at this forum, they will not need to discard their national objectives for education, including providing equitable access for students in their own country. The rules for international trade in educational services allow them to continue to pursue those objectives. But trade issues also pose new questions about the most efficient ways of reaching these objectives, including whether domestic, public suppliers are always the best suited points of delivery.

One of the most striking themes to come through at this forum was the greatly varying conditions applying in different sectors of post-secondary education, and hence the need for a range of approaches. So there remains much of detail to discuss. The OECD is committed to maintaining the dialogue, and supporting it with further collection of data and identification of case studies, particularly on emerging models of e-learning. Another forum is envisaged to follow up on the themes of this one. The many interested parties who were brought together in Washington were universally enthusiastic about pursuing this dialogue.