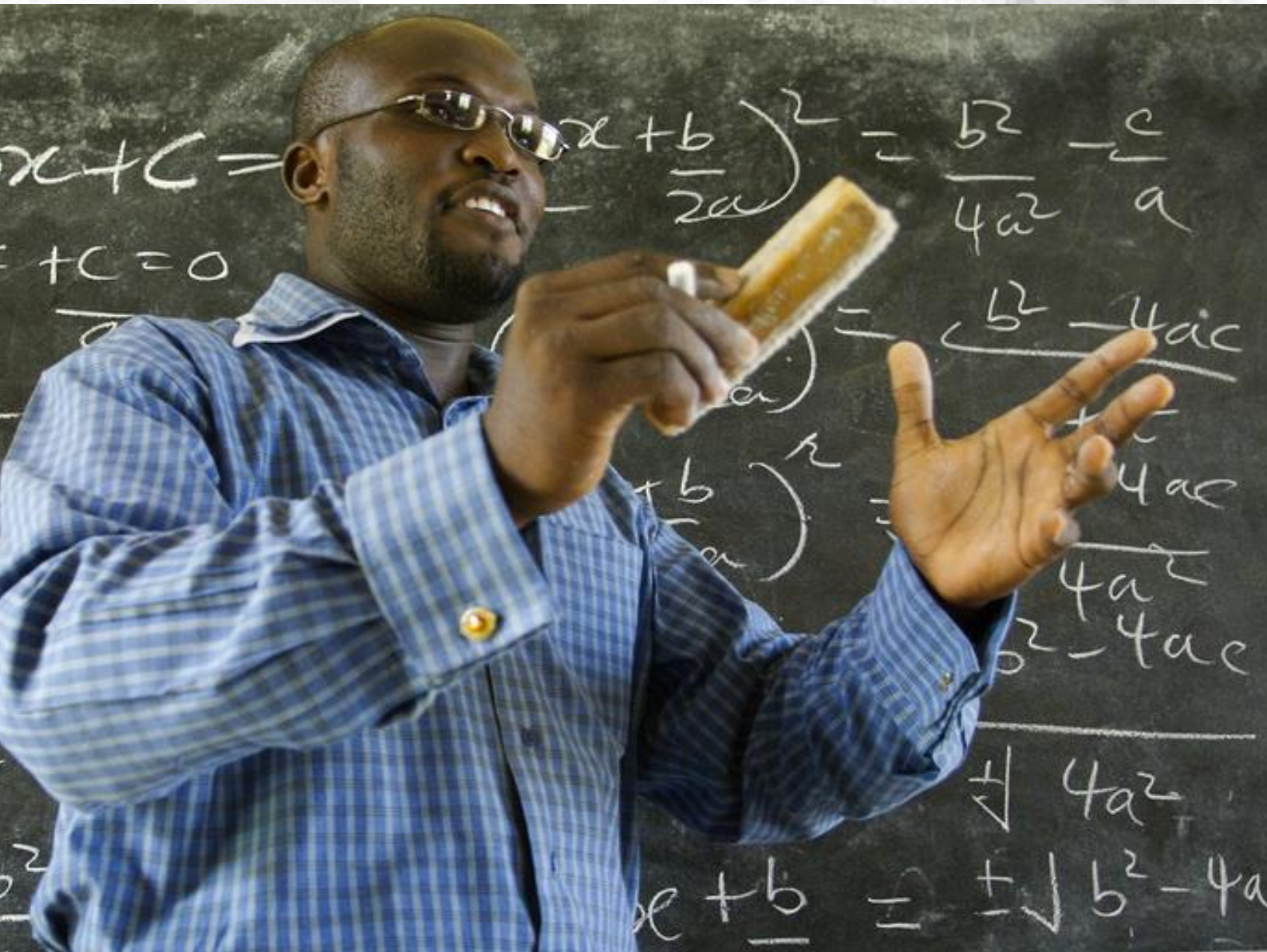


Cross Border Higher Education, International Trade, and Economic Competitiveness

A Review of Policy Dynamics When Education Crosses Borders



This study is published as part of the “Support to Enhance Development of Trade in Services Negotiations” initiative jointly undertaken by ILEAP, CUTS International Geneva and the University of Sussex’s CARIS. It aims to contribute to the increased and more effective participation of Least Developed, Low and Lower-Middle Income Countries and their Regional Economic Communities in multilateral, regional and bilateral services trade negotiations.

The initiative promotes understanding among policy makers, regulators and negotiators about their services sectors and the role that trade negotiations can play in pursuing their strategic interests therein.

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Abbreviations

C-BERT	Cross-Border Education Research Team
CBHE	Cross Border Higher Education
DAAD	German Academic Exchange Service (Deutscher Akademischer Austauschdienst)
EBOPS	Extended Balance of Payments Services
EHEA	European Higher Education Area
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
IBC	International Branch Campus
IIE	Institute of International Education
MSITS	Manual on Statistics of International Trade in Services
OECD	Organisation for Economic Co-operation and Development
SUNY	State University of New York
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization

Foreword

Services and services trade can play a central role in promoting sustainable development, supporting inclusive economic growth, and reducing poverty in modern economies. However, LDCs, LICs, and LMICs continue to face challenges in catalysing or sustaining progress across this diverse range of economic activities. With respect to trade policy and related negotiations, services have become an increasingly visible feature of discussions – domestically, regionally, as well as at the bilateral and multilateral levels.

A number of challenges impacting services trade negotiations and policy-making have been identified however. Many lack access to reliable services trade data on which to base analysis and decision-making, and skills for processing and analysing existing services trade data to underpin conclusions. Ineffective interactions between stakeholders to support decision-making – within government, and between the government and the private sector, civil society, and other non-state actors - is also a major challenge.

Against this backdrop, ILEAP, CUTS International Geneva and the University of Sussex's CARIS have partnered to undertake a series of interventions that seek to contribute to the increased and more effective participation of LDCs, LICs, LMICs and RECs in multilateral, regional and bilateral services trade negotiations.

With funding support from the UK Trade Advocacy Fund, a set of studies, toolkits and trainings are developed to assist these countries in increasing their participation in services trade. Target beneficiaries range from negotiators, policymakers, regulators, statistical officers and various non-state actors.

In this context, this study is an attempt to bridge the divide between the international education community and the international trade community, by identifying where education overlaps with the four primary delivery modes of services trade. Higher education services have emerged as an important and growing component of many nations' economic strategies, with recent estimates placing the sectors' market above \$1 trillion. Despite cross border higher education (CBHE) featuring increasingly in many country's trade portfolio, this does not appear to have resulted in an equivalent increase in the interaction between education and the trade policy communities. This lack of interaction results in many lost opportunities to use trade and economic development resources to advance international education efforts, and vice-versa.

Executive Summary

Higher education is more critical than ever in determining a country's economic development and standards of living. Knowledge and innovation are increasingly important to the economic competitiveness of a nation. Higher education services have thus emerged as an important and growing component of many nations' economic strategies. Recent estimates place the value of the global higher education market above \$1 trillion including both domestic and international expenditures.

Moreover, higher education has also become increasingly internationalized. It is a form of international trade in its own right, with colleges and universities having a growing number of students, faculty, research projects, academic programs, and physical facilities transcending national borders. Despite cross border higher education (CBHE) featuring increasingly in many country's trade portfolio, this does not appear to have resulted in an equivalent increase in the interaction between education and the trade policy communities. This lack of interaction results in many lost opportunities to use trade and economic development resources to advance international education efforts, and vice-versa.

The purpose of this paper is to begin to bridge the divide between the international education community and the international trade community. The paper shows where education overlaps with the four primary modes of trade: 1) cross-border supply (e.g., online delivery to students in another country), 2) consumption abroad (e.g., student mobility); 3) commercial presence (e.g., international branch campuses or study abroad locations); and 4) presence of natural persons (e.g., faculty members traveling overseas to teach a class). Each of these activities can be regulated, often unbeknownst to educators, by trade agreements between countries.

Examples are provided from the perspective of four prominent issues in higher education: authorization, curriculum & academic freedom, finance, and quality assurance. The paper then turns to the economic value of cross-border higher education, focusing on student and campus mobility, education-related revenue for trade in services, and foreign direct investment. A set of conclusions are presented that could serve as potential points of intersection between the trade and education communities.

Introduction

“We are just now perceiving that the university’s invisible product, knowledge, may be the most powerful single element in our culture, affecting the rise and fall of professions and even social classes, or regions, and even nations.”

Clark Kerr (1963), labor economist and
President emeritus of the University of California

Higher education is more critical than ever in terms of determining a country’s economic development and standards of living. The ever increasing importance of knowledge and innovation to the economic competitiveness of a nation means that higher education services have emerged as an important and growing component of many nations’ economic strategies. Recent estimates place the value of the global higher education market above \$1 trillion¹ including both domestic and international expenditures (IBIS Capital, 2013). In terms of international trade, higher education institutions have become an important beacon and conduit for attracting and capitalizing on foreign investment. Moreover, higher education has also become increasingly internationalized and, as such, a form of international trade in its own right, with colleges and universities having a growing number of students, faculty, research projects, academic programs, and physical facilities transcending national borders. Despite cross border higher education featuring increasingly in the country’s trade portfolio, this does not appear to have resulted in an equivalent increase in the interaction between education and the trade policy communities. This paper provides insights into a particular subset of higher education, commonly referred to as cross-border higher education (CBHE), and its relationship to international trade examining areas of both convergence and divergence.

An increasing number of public policy decisions are driven by the pursuit of global economic competitiveness. Higher education is not immune to this pursuit and has emerged as an important factor in strengthening the economic condition of many nations (Lane, 2012). It is little coincidence that most of the world’s strongest economies are possessed by nations that have long valued and invested in all levels of higher education. However, only in the last few decades has broad awareness of this linkage infiltrated the thinking of government leaders around the globe and the efforts of governments begun to catch up with the international activities of the educational institutions within their borders (see, for example, Lane, Owens, & Ziegler, 2014).

In the *Competitive Advantage of Nations*, Michael Porter (1990a) argued that a nation’s ability to compete in the global economic marketplace was based on what a nation was able to create, not on what it inherited in terms of natural resources. This book was widely considered as a tipping point in how national leaders viewed their countries’ economic competitiveness. Porter argued that future economic success would favor the innovators, countries that possessed firms that could generate and capitalize on new ideas. Importantly, he also noted that future economic prowess would be sustained not through the development of a standardized template of success that could be adopted by all nations, but rather that a

¹ All monetary units in this paper are provided in U.S. Dollars

wide range of idiosyncratic, local factors including, “national values, culture, economic structures, [and] institutions” (Porter, 1990b) would define each nation’s success.

Porter’s work was operationalized in the World Economic Forum’s Global Competitiveness Report, which described higher education’s role in strengthening businesses as national economies strengthen:

Although less-advanced countries can still improve their productivity by adopting existing technologies or making incremental improvements in other areas, for those that have reached the innovation stage of development, this is no longer sufficient for increasing productivity. Firms in these countries must design and develop cutting-edge products and processes to maintain a competitive edge. This requires an environment that is conducive to innovative activity, supported by both the public and private sectors. In particular, it means sufficient investment in research and development (R&D), especially by the private sector; the presence of high quality scientific research institutions; extensive collaboration in research between universities and industry; and the protection of intellectual property (Schwab, 2011, p. 7).

In other words, a nation’s ability to compete in the international trade arena (e.g., developing products that can be exported or attracting foreign direct investment) is linked to the quality of its higher education system. In this sense, higher education effectively serves as a key intermediate input into a country’s production of both goods and services (Goswami, Mattoo, & Saez, 2012).

Moreover, higher education is also an industry that should be viewed for its own contributions as a final product to a nation’s international trade portfolio (Lane & Johnstone, 2012). In his classic set of lectures on

the development of the modern university, Clark Kerr (1963) describes the growing importance of the university’s invisible product: knowledge. In addition to that knowledge supporting the development of innovation for business and industry, knowledge has become an important part of the export and import activities of some nations. In fact, for nations such as Australia, the United Kingdom, and the United States, higher education has emerged as one of their largest service exports (Lane & Owens, 2012).² Increasingly, with the mobility of students, faculty, programs, and institutions around the globe, colleges and universities are themselves important international economic actors. In fact, in a review of 70 economic impact reports written between 2001 and 2011 by higher education institutions in the United States, Lane and Owens (2012) found that 70 percent of the reports attempted to account for the ways in which the universities contributed to the economic competitiveness of their states. The three most referenced contributions came in the form of attracting international students; educating a globally competitive workforce; and helping to attract international trade in other sectors, through alumni connections, knowledge spillover, and raising awareness of the local region. A report from the State University of New York at Buffalo (UB) stated the issue this way:

With the heavy international presence at its campuses, UB plays an important role in expanding the global awareness of Buffalo Niagara. For many overseas, the first time they hear of Buffalo is when they hear about UB. This association helps to cultivate an international image of Buffalo Niagara as a region that is plugged into the knowledge based economy. Closer to home, UB’s national profile assists efforts to re brand the region from a snowy factory town to a center for innovation (Foster et al, 2007).

² When countries report the value of educational exports, they primarily capture monies generated through the purchase of educational goods by international students, including related travel expenses. To date, it has been very difficult to capture Foreign

Direct Investment (FDI), which is typically significantly underreported.

What is Cross-Border Higher Education?

National trade policy will intersect with the interests of the higher education sector in a number of different ways. Higher education increasingly serves as an important supporter of a nation's ability to compete economically, through the production of an educated workforce, development of commercially viable innovations, and playing other roles critical for supporting business and industry that engage in international trade. According to what is known in trade terms as the 'modes of supply' under the World Trade Organization's (WTO's) General Agreement on Trade in Services (GATS)³, the following constitute the primary ways in which higher education services are traded:

Cross-Border Supply ('mode 1')

This recognizes the provision of services where the service crosses borders. Such provision would primarily focus on the delivery of education via online or other distance means, wherein the service provider, as the exporter (e.g., university) is in one country and the consumer, as importer (e.g., student) is located in another. It is estimated that the global e-learning market, which include online provision, e-books and rentals, and educational gaming exceeded \$91 billion in 2011. Although it is not clear what proportion of this figure is represented by tertiary education services, one-third of all private equity expenditures in global

education are at the postsecondary level (IBIS Capital, 2013).

Consumption Abroad ('mode 2')

In this form, the consumer (e.g., student) moves across borders to consume the service (e.g., education). With 4.5 million tertiary education students having studied abroad in 2012, student mobility is, by far, the largest of higher education's contributions to international trade (OECD, 2014). Expenditures include the costs associated with the delivery of the service (e.g., tuition and fees, if such are charged) as well room and board. Nations that provide significant subsidies to higher education and in turn charge very low or no tuition/fees to students will have a lower calculated export value than those with higher tuition/fees. That said, international students in low tuition/fee countries still expend discretionary monies in the local economy, help internationalize the educational experience, and build important cultural ties with the host nation.

Commercial Presence ('mode 3')

In some cases, the service provider (university) establishes (i.e. invests in) a physical presence in a foreign country in order to render services. This is a small, but rapidly growing form of higher education's cross-border engagement

³ See Appendix A for a list of countries with education related GATS commitments as well as a brief description of the commitments within each mode.

and includes the development of international branch campuses (IBCs)⁴ and other foreign outposts (e.g., outreach offices, research sites, academic partnerships and other forms of service provision) as well as the acquisition of existing providers by a foreign educational corporation. As indicators of the significance of this form of trade, the Cross-Border Education Research Team⁵ (C-BERT, 2015) has identified 231 operating international branch campuses and Zimny (2011) estimated educational Foreign Direct Investment in 2009 at approximately \$9 billion (because of data integrity issues, we believe this number underestimates the actual value of education-related FDI).

Presence of natural persons ('mode 4')

In this mode, individuals travel across borders to provide the service, such as faculty members traveling to a foreign destination to teach a course. The movement of faculty across borders particularly on a temporary basis is not tracked by any source known to us. However, it is generally considered that activity in this area is increasing as institutions expand their global footprints, engaging in a range of curricular and research partnerships that involve mode 4 supply. There are also a growing number of foreign faculty who "fly in" and deliver guest lectures or perform other services. A third category includes the staff working in academic programs delivered in overseas environments. In that respect, this form of trade is often tied to a commercial presence abroad.

How do Cross-Border Higher Education and Trade Issues Intersect?

The idea that higher education crosses borders is not a new concept. For centuries, students, faculty, and knowledge have moved across national boundaries. In many cases, these movements were facilitated by the individuals

themselves or under the auspices of institution to institution arrangements. While many trade representatives understand education to be a tradable service that can or should be regulated by a trade agreement between nations, a vast

⁴ We define International Branch Campus as an entity that is owned, at least in part, by a foreign education provider; operated in the name of the foreign education provider; engages in at least some face-to-face teaching; and

provides access to an entire academic program that leads to a credential awarded by the foreign education provider.

⁵ Authors Kinser and Lane are co-founders of C-BERT.

●●● How do Cross-Border Higher Education and Trade Issues Intersect?

majority of higher education leaders are not inspired by this concept and often operate internationally without considering the relevance of trade agreements. In fact, in many cases, such exchanges operated outside of regulatory frameworks and when governments were involved their involvement was facilitated by diplomats rather than trade officials. Take, for example, the establishment of Alliances Françaises, the British Council, Germany's DAAD, and the US Fulbright Commission. Each of these entities was established on the premise that CBHE was an important diplomatic engagement; only in the last couple of decades has its economic impact begun to take more prominence in the thinking of governments (Lane, 2015).

In this section we unpack some of the regulatory and policy tensions that exist between trade and CBHE, identifying limitations that are set forth in GATS agreements as well as considerations often heard from education officials. In many cases education and trade officials have shared concerns; however, they will use very different language to describe these concerns. In other cases, officials in one sector will be completely unaware of the concerns and activities of officials in the other sector. To note, many CBHE activities occur outside of GATS or other trade frameworks. For example, of the five largest importers of International Branch Campuses (IBCs), only China has undertaken commitments on education under the GATS; the United Arab Emirates, Qatar, Malaysia, and Singapore have not. In some cases, such as with the Australia-Singapore Free Trade Agreement, nations have set up bilateral trade agreements to regulate their relationship, including on education services; but such agreements are not common and most CBHE activity occurs outside of such agreements.

Here we use the GATS framework to illustrate some of the policy considerations that might exist when a trade agreement is present and then discuss associated concerns in the

education sector. The majority of GATS commitments on higher education services contain some type of limitation (see Appendix A for a list of commitments). These limitations can be placed on *market access*, which limits in a variety of ways the entry of foreign services or services providers into a national market, or on *national treatment*, which can restrict the activities of foreign services or services providers once they have entered the national market.

TABLE 1
LIMITATIONS IN GATS COMMITMENTS
ON HIGHER EDUCATION SERVICES

Mobility	Limitations on Market Access		Limitations on National Treatment	
	None	Some	None	Some
Cross-border supply	40	9	41	8
Consumption abroad	46	3	46	3
Commercial presence	25	24	34	15
Presence of natural persons	1	48	6	43

Source: World Trade Organization, I-TIP database

Of the four modes, cross-border supply and consumption abroad are the least restricted, both in terms of market access and national treatment. The restrictions on these modes mostly concern limiting educational funding and scholarships, especially services funded from government sources. In other words, degree programs, online courses, and students studying abroad are generally (though not always) free to move across borders; however, they commonly face restrictions in terms of their ability to access the type of support that domestic students and institutions receive from their home government.

For the vast majority of commitments, there is no guaranteed treatment at all for mode 4 mobility (presence of natural persons) within the

higher education sector. Instead of dealing with higher education faculty directly, for example, most countries have decided to address this in the context of horizontal mode 4 commitments, which apply (unless otherwise specified) to all sectors in which the country has scheduled specific (sectoral) commitments. That is to say, faculty and other academic staff fall within in the same provisions for cross-border labor issues as any other type of temporary worker, regardless of sector. There are several countries that do specify minimum qualifications or prior experience; otherwise this mode of mobility shares the same freedom to move across border as any other worker (see Harding and Lammey, 2011 for an explanation of issues associated with academic personnel cross borders).

The most significant complicating factors emerge in the context of foreign investment (or mode 3 supply) when branch campuses and other outposts are established in foreign locations. When campuses move across international borders, three main actors emerge: the home institution that is establishing a campus overseas, the importing government/regulating bodies, and the exporting country government/regulating bodies (Owens & Lane, 2014). Issues of ownership, rights and finances are complicated as these three actors have competing and often conflicting roles and responsibilities. Jurisdictions overlap several areas: (1) mission; (2) ownership; (3) investment; (4) revenue; and (5) regulation (Lane & Kinser, 2011a). Nations have decided to approach these through various methods (Table 2), often requiring some type of domestic representation in the ownership and governance structures.

TABLE 2

LIMITATIONS ON COMMERCIAL PRESENCE

Market Access	National Treatment
Foreign equity limitations	Faculty qualifications requirements
Juridical persons (corporation) requirement	Funding from state sources limitation
License to operate requirement	Nationality requirement for owner, board, director
Nationality requirement for owner, board, director	
Expressly prohibited	Expressly prohibited

The GATS provides an important framework to understand, from a trade perspective, the ways in which CBHE services are traded, even though CBHE policy issues often cut across these so-called ‘modes of supply’. In order to more clearly understand the intersection of higher education and trade, we discuss four primary areas of policy concern—authorization, finances, curriculum and academic freedom, and quality assurance—and highlight how these concerns affect the four modes of CBHE supply delineated under the GATS.

1. Authorization

A fundamental responsibility of the government is to authorize the presence of foreign actors, individuals and institutions, to enter the country and provide education within its borders. Each country approaches the authorization process differently. On one end of the spectrum, nations

●●● How do Cross-Border Higher Education and Trade Issues Intersect?

have very liberalized authorization requirements with limited visa and institutional registration requirements. On the other end of the spectrum, nations can have very strict visa requirements and highly specialized requirements that institutions must meet prior to entering the country. Some of the key policy issues in this area can be seen in Table 3.

TABLE 3
KEY CROSS-BORDER HIGHER
EDUCATION POLICY ISSUES,
AUTHORIZATION

Mode	Mobility ¹	Key Policy Issues
1 Cross-border supply	Program	authorization, chartering
2 Consumption abroad	People (student)	student visa, intent to return
3 Commercial presence	Campus	ownership, chartering, free-trade zones
4 Presence of natural persons	People (faculty)	work visa

¹The taxonomy of people, program and campus mobility is based on OECD (2004) and used by WTO (2010).

The most common requirements, well known to both education and trade officials, are related to visas. Each country establishes the terms under which a foreign individual may enter their borders and how long they are allowed to stay. Some countries also require their own citizens to obtain exit visas prior to leaving their home nation. Most countries have established a specific set of visas for individuals intending to study in their country, as differentiated from working or visiting for tourist purposes. In terms of trade agreements, consumption abroad is the

least restricted mode of supply. However, in many cases other government policies may limit such consumption. For example, travel by students and visiting scholars may be limited by specific visa terms such as in the United States. In addition, government sponsored study abroad programs, such as those from China, Russia, Saudi Arabia, and the United States place limits on the students studying abroad ranging from restricting at which foreign institutions they may attend to requiring students to return to their home country after completion of their studies (Lane & Kinser, in press).

The most significant limitations come in modes 1 and 3 in which programs and institutions cross borders. Every country has a right to determine if an educational provider, whether via an online delivery system or physical presence, can provide an educational service to a student within its borders. In some countries, online provision is not regulated; in other countries it is not allowed or recognized as a legitimate educational service. When an institution seeks to set up a physical presence, however, a whole host of authorization challenges are triggered. For example, an institution may be required to set up a locally chartered corporation, which in many cases would operate as a wholly or partially owned subsidiary of the home institutions. Some nations, for example, have specified ownership requirements that insist on local partners with significant financial investment in the venture. Therefore, when Monash University (Australia) established a campus in Kuala Lumpur, their local partner SunWay, retained a 51% ownership stake in the local entity and they developed a management-operating agreement assigning responsibility for the various administrative and academic expectations. Even when local regulations do not have such requirements, it is not unusual for institutions to create alternate governance structures for these cross-border activities. For example, SUNY Korea, a branch campus of the State University

of New York, is governed by a wholly-owned subsidiary registered in the United States; but obligated to meet the educational regulations of operating in South Korea.

These arrangements can sometimes also create governance concerns in that there may be expectations of who should be on the governance group. When non-academic partners are included on the governance group, there can be concerns about who controls the academic and admissions policies. There have been examples when private partners have exerted pressure to change such policies out of financial concerns about the financial stability of the institution. As a result, some nations and most institutions now create legal or contractual firewalls to ensure that the academic institutions retain absolute control over all academic and admissions decisions. However, private partners may assume financial and administrative responsibility for the physical plant and administrative infrastructure.

What institutions setting up shop overseas may not consider is that their designation in the home country (public v. private v. for-profit) does not necessarily translate into the foreign country. For example, the branch campus of a public university may be considered a for-profit corporation by the receiving nation. Such designations should not alter the mission of the exporting institution; however, for some in the education sector there is an identity associated with their home country designation that can be troubling when lost in their cross-border pursuits.

Some countries have also set up “free-trade” zones for the purposes of recruiting foreign educational institutions. One of the most well-known is the Dubai International Academic City, which exempts institutions within its borders from certain educational and corporate regulations established by the federal

government, including establishing a parallel quality assurance regime so that institutions do not have to comply with local quality assurance regulations (Lane, 2010). These free trade zones can provide a number of incentives for the foreign provider; but the marketing of such zones may not always match the reality on the ground and it remains the responsibly of the foreign provider to understand all the requirements associated with offering education in that country.

Setting up a new educational entity in a foreign country is similar to when multi-national companies expand their services to new countries and university leaders should be well advised to work with their colleagues in trade to understand the challenges associated with such activities.

2. Finances

Colleges and universities are very much aware of institutional-level financial issues with cross-border higher education, such as identifying revenue streams to cover cost. External requirements tend to receive less attention. In particular, the financial regulations of the foreign country, as well as how foreign operations are treated by the home country are important to consider. The financial considerations can be extremely complicated and this section provides only an overview of some of the most critical issues for trade and education leaders to consider. Table 4 provides an overview of the key policy issues associated with each mode of cross-border provision.

TABLE 4

KEY CROSS-BORDER HIGHER EDUCATION POLICY ISSUES, FINANCES

Mode		Mobility ¹	Key Policy Issues
1	Cross-border supply	Program	tuition and fees
2	Consumption abroad	People (student)	student financial aid, economic impact
3	Commercial presence	Campus	subsidies, foreign direct investment, corporate taxes
4	Presence of natural persons	People (faculty)	personal income taxes

¹The taxonomy of people, program and campus mobility is based on OECD (2004) and used by WTO (2010).

Globally, foreign direct investment (FDI) flows have increased markedly in the last three decades, largely due to more liberalization of regulations regarding the influx of FDI in general and, particularly, within the education sphere (Razin & Sadka, 2007; McBurnie & Ziguas, 2007; UNCTAD, 2015). With respect to commercial presence, FDI can take multiple forms. For example, a foreign entity may purchase a local college such as when Manipal Global in India purchased the American University of Antigua. A joint partnership can be arranged, or institutions can retain sole ownership of a foreign location. As mentioned above, Monash University’s campus in Malaysia in a joint venture with a Malaysia company; whereas its South African campus is a wholly owned subsidiary (Lane, 2010). From a trade perspective, FDI is calculated by the net inflows of investment minus the net outflows and inflows can include a range of items such as building facilities, purchasing equipment, or paying staff. However, educational institutions also bring with them the academic capital that they have created over many decades (Lane &

Owens, 2012). This academic capital (e.g., knowledge about how to deliver learning opportunities, conduct research, and engage with the community) is an important non-monetary contribution to building educational capital in the importing nation (Kinser & Lane, 2013). It is this latter type of capital that most higher education leaders focus on rather than the more monetary aspects. The point is that different local regulations require different models, with different financial implications (e.g., direct subsidies, research support, preferential tariffs, repatriation of revenues, etc.). Institutions need to consider that what is permissible FDI in Malaysia is different from what is permissible in South Africa.

The other modes of CBHE (1, 2, 4) have fewer financial policy consideration. The movement of faculty across borders may have tax implications on the income earned while providing a service in the country (or they may be exempted from such tax requirements). Students crossing borders should be aware of whether the country in which they are studying provides subsidies for international students and any associated requirements for accessing those funds. Importantly, such subsidies can boost the recruiting efforts of local institutions. On the other hand, government restrictions on tuition and fees could significantly inhibit a foreign institution’s ability to recover costs, especially in cases where domestic public institutions have low or no tuition or fees. In other cases, the government of the exporting country has restrictions on not allowing an institution to charge a lower tuition rate than that charged at the home campus; this type of restriction usually applies to public colleges and universities in the United States. In such instances, the institution looking to deliver their program overseas may want to avoid locations where the market expectation is below that of the rate charged in the home country and target places where that tuition rate is on par with or below the going market rate.

3. Curriculum & Academic Freedom

Although it is common across the globe for countries to establish national curricula or standards that apply to lower levels of education, within higher education, principles of academic freedom⁶ often give wide latitude to individual institutions and their faculty regarding what to teach and how to teach it. How much latitude, of course, varies by nation (Marginson, 2014). In most western liberal democracies, academic freedom is held as a strong value across academia and gives protection to the university as a visible critic of society and its leaders. In more authoritarian states, specific topics and activities are prohibited, either by regulation or cultural traditions. Cross-border higher education necessarily encounters these differing interpretations of academic freedom when principles held in one country are limited or extended by the principles in another country.

Many western universities and faculty consequently insist on Western-style academic freedom when operating in other countries (for example via modes 3 and 4), and their hosts will accommodate them via regulatory exemptions or contractual arrangements that purport to guarantee academic freedom. For example, China allows uncensored access to the internet for most foreign universities and has promised full academic freedom for programs sponsored by major U.S. universities like Duke and New York University⁷. Students studying

abroad (mode 2) are more likely to adapt to local interpretations of academic freedom, however, unless they are part of a term sponsored by their home university. Mode 1 mobility generally has fewer issues with academic freedom except in countries with strict regulation of internet access or in places where it is regulated more similar to mode 3 mobility.

TABLE 5
KEY CROSS-BORDER HIGHER EDUCATION POLICY ISSUES, CURRICULUM & ACADEMIC FREEDOM

Mode	Mobility ¹	Key Policy Issues
1	Cross-border supply	transfer of learning
2	Consumption abroad	People (student) export controls/national security
3	Commercial presence	Campus language of instruction, religious/cultural education
4	Presence of natural persons	People (faculty) intellectual property

¹The taxonomy of people, program and campus mobility is based on OECD (2004) and used by WTO (2010).

⁶ In the United States, academic freedom is generally considered to follow the 1940 Statement of Principles on Academic Freedom and Tenure by the American Association of University Professors. The statement stipulates that faculty are entitled to freely conduct research and publish the results, and have the freedom to discuss any topic relevant to their subject in the classroom.

⁷ According to testimony to the U.S. House of Representatives Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations, "Is Academic Freedom Threatened by China's Influence on U.S. Universities?" (Jun 25, 2015, Congressman Chris Smith, Chair).

Apart, then, from the broad concerns with academic freedom in CBHE curricula, several other specific policy issues within each mode are identified in Table 5. Curricular issues primarily involve the content of the program of study and what a nation has established as requirements for earning a degree⁸. For cross-border supply, a common concern is whether learning earned via this mode is transferable to the national system of education. This is tightly connected to the extent that this mode is authorized within a nation, as indicated earlier, or whether it has the appropriate recognition within the nation's quality assurance regime, as discussed below. Students who study overseas (mode 2) may have restrictions on the subjects to which they have access. For example, visiting students and faculty may not be allowed to participate in courses or research that involve advanced technology. This is often framed as enforcing export controls due to national security concerns (an exemption explicitly allowed under GATS Article XIV bis). Mobility based on commercial presence can require institutions to provide specific programs or conduct research only in authorized subjects. They may have to teach in a local language, or be required to teach only in a foreign language (English is the most frequently required language). Nations may also have degree requirements that include a religious or cultural component (e.g., required courses in Islam, or national history). The presence of natural persons can trigger similar requirements as mode 3 in terms of providing only authorized curricula and limits on research partnerships. A separate issue relates to the protection of intellectual property for commercial rather than national security purposes.

4. Quality Assurance

Quality assurance refers to the policies and procedures countries use to identify (i.e. recognize) legitimate institutions of higher education and establish standards for their operation. Quality assurance regimes emerged in most countries over the last 30 years as a widespread strategy to recognize the growing diversity of higher education institutions (Kinser, 2014). In particular, private sector initiatives in higher education, including for-profit and cross-border higher education, were seen as low-quality providers that could not be trusted to naturally serve the public good. Following the early examples of accreditation in the United States and validation schemes in the United Kingdom, most countries eventually established a quality assurance agency dedicated to evaluating institutions operating within its borders and establishing quality standards for academic institutions and programs. The agency typically is an arm of the national or sub-national government, or operates as a non-governmental organization with official recognition from the state to perform quality assurance functions.

Quality assurance has been one of the most significant criticisms against undertaking education commitments under the GATS (and trade agreements more generally). For cross-border higher education, the issue is one of educational sovereignty (Lane & Kinser, 2011b; Kinser, 2014). Protecting the academic integrity of higher education is in the national interest, and there are few examples of countries that have relinquished this obligation once a quality assurance regime has been put in place.⁹ Seen in this light, nations have placed limitations on

⁸ This may suggest additional concerns about quality, but the focus in this section is on curricular content.

⁹ Even in places like United Arab Emirates, where the quality assurance function is, in some cases, delegated to

a foreign agency, the regulations still require all institutions to get the approval of an agency before operating in the country.

market access to higher education via local quality assurance regulations. The policy issues, however, vary depending on mode of supply. Table 6 highlights a few of the significant issues for each mode.

TABLE 6
KEY CROSS-BORDER HIGHER EDUCATION
POLICY ISSUES, QUALITY ASSURANCE

Mode		Mobility ¹	Key Policy Issues
1	Cross-border supply	Program	fraud, illegitimate activity
2	Consumption abroad	People (student)	credential harmonization
3	Commercial presence	Campus	equivalency of standards
4	Presence of natural persons	People (faculty)	expertise and qualifications

¹The taxonomy of people, program and campus mobility is based on OECD (2004) and used by WTO (2010).

Cross-border supply tends to focus quality assurance policy on protection against fraudulent or illegitimate activity. Because quality assurance is a national activity, and supply happens from a provider nonresident in the country, the ability for an agency to hold the provider responsible is limited. Therefore

requirements are established that govern distance delivery that are aimed to ensure that actual education is being provided, rather than just the award of a credential from a degree mill. Consumption abroad increasingly requires quality assurance agencies in multiple countries to agree on quality standards (or recognition) with respect to the award of degrees¹⁰. This harmonization of standards, for example, is occurring in Europe through the European Quality Assurance Register for Higher Education (European Association for Quality Assurance in Higher Education, et al, 2015). The idea is to develop a registry of recognized quality assurance regimes that will be accepted across borders. For commercial presence, apart from the significant interplay between quality assurance and educational sovereignty that emerge when opening borders to foreign institutions of higher education, there are questions about whether quality assurance standards should be the same for branch campuses, or if some distinctive process should be established. Nations have made different decisions on this point, so there is as yet no consensus. Finally, quality assurance regulations tend to specify the qualifications necessary for visiting faculty or other foreign academics to provide instruction. This means recognizing terminal degrees awarded in other countries, for example. Quality assurance may also have regulations surrounding the number of foreign academics allowed, or their eligibility to teach certain subjects.

¹⁰ Here the concern is for students who may take part of their program of study in one country and wish to finish their degree in another country. Quality assurance involves

the recognition of institutions in both countries as legitimate providers of higher education.

What is the Economic Value of Cross-border Higher Education?

The economic value of the cross-border tertiary education trade activities is not effectively captured by existing official statistics on international trade or investment (Bashir, 2007). To compensate, multiple indicators, often as surrogates, are used to estimate the value of trade. These indicators do not always overlap cleanly with the GATS categories. While the absolute value of tertiary education's trade value may not be explicitly clear, it is widely acknowledged that the value of this sector is growing. This section discusses international education trade through students, revenues generated through students, campuses, and money invested in campuses through foreign direct investment.

1. Student Mobility

Global trends.¹¹

In the past ten years, the tertiary education sector has grown both in terms of the numbers of students enrolled and as a percentage of

adults worldwide who have received tertiary education. During this same time, the number of postsecondary students enrolled outside their country of citizenship doubled from 2.1 million to 4.5 million, an annual average growth rate of 7 percent. The rise in globally mobile students reflects growing university enrollment around the world (see Table 7).

TABLE 7

KEY TERTIARY EDUCATION INDICATORS

	2000	2012
Global tertiary enrollments	99.4 million	178 million
Percent of adult population with college education	19%	29%
Internationally mobile tertiary enrollments	2.1 million	4.5 million
Percent of global tertiary enrollments	2%	2%

Source: UNESCO Institute for Statistics (UIS) and OECD Education at a Glance

¹¹ Unless otherwise noted, all data presented here are drawn from the UIS, as well as the OECD and Eurostat data collections on mobile students. While these collections are as comprehensive as possible, data on student mobility are underreported. Not all countries report data to international statistical institutes. Not all countries breakout student mobility numbers by country of origin.

These data cover only students who pursue a higher education degree outside their country of residence and exclude students who are under short-term, for-credit study and exchange programs that last less than a full school year.

Students studying abroad have consistently represented about 2 percent of all global enrollments. However, experts deem higher education a high growth industry because of the rapidly increasing number of students pursuing education. Estimates for higher education enrollments range from 260 million in 2025 to 400 million by 2030 while study abroad participation rates are estimated to increase to about 3 percent (Böhm, Davis, Meares & Pearce, 2002). If the 7 percent growth rate holds over the next ten years, between 7 and 10 million students will be enrolled in a college or university abroad by 2025.

Destination and origin

The most basic questions asked have to do with sending and receiving statistics: Where do students come from and where do they go? Almost 90 percent of all international students come from Asia (53 percent), Europe (23 percent), or Africa (12 percent). About 2 million of all students come from an Asian country, with students from China, Korea, and India making up a considerable amount of the total. A second large group of international students includes European citizens swirling through the European Union, the majority of whom participate in programs inspired by the regional mobility policies in the European Higher Education Area (EHEA).

Mobility patterns often overlap with language, with students preferring to study in a country where the local language is familiar or where they see a positive benefit in learning the local language. The most popular destinations continue to be English-speaking countries. Over 50 percent of all students go to one of six countries: Australia, Canada, France, Germany, the United Kingdom, and the United States. While these countries have been popular historic destinations and the total number of foreign students choosing to study in them continues to increase; their market share is actually declining, meanwhile countries like Korea, New Zealand and Russia are gaining popularity. About 8 percent of all students known to be studying abroad, or just over 350,000 students, now choose to study in China.

International students can also be measured as a proportion of total enrollments. Looking at student mobility this way accentuates the robust nature of education markets in Australia, New Zealand and the United Kingdom. Not only do these countries count among the top receivers in terms of student enrollment numbers, they also rank among the top receivers in terms of percentage of total national enrollments (Institute of International Education, 2014a).

TABLE 8

TOP STUDENT MOBILITY COUNTRIES, SENDING AND RECEIVING

Top Senders		Top Destinations	
Country	International Students	Country	International Students
China	694,400	United States	886,000
India	189,500	United Kingdom	481,000
Korea	123,700	China	356,500
Germany	117,600	France	295,000
Saudi Arabia	62,500	Germany	282,200
France	62,400	Australia	247,093

Source: Institute of International Education (IIE) Project Atlas, Atlas of Student Mobility and UNESCO Institute for Statistics (UIS)

Exchange balance

The global international educational exchange balance statistic offers insight into the relationship between inbound and outbound students. The Institute of International Education (IIE) Project Atlas (2014a) estimates that Sub-Saharan African and South & West Asian students are the most likely to leave their region of origin – three students leave for every one that arrives for study. Meanwhile, North American and Western European students are the least likely to travel outside of their home region. The inbound-outbound ratio in these two regions is about four to one. The inbound-outbound ratios of the remaining regions are more evenly distributed.

Regional mobility

A closer look at student mobility data reveals a regional preference. On average, 21 percent of all international students came from neighboring countries that share a border. Over the past decade, the share of mobile students studying within the Arab States increased from 12 to 26 percent. Regional mobility has increased in Central and Eastern Europe (from 25 to 37 percent), as well as in sub-Saharan Africa (from 18 to 28 percent). Regional hubs and regional economic communities have begun to play important roles in shifting the global student flow¹². This suggests possible trade policy interactions with closer economic integration and reduction of barriers to entry occurring alongside increased recognition of education and qualifications.

¹² For example, the Inter-University Council for East Africa has since 2009 been integrated into the East African Community framework.

Regional hubs attract students from all over the world, but are also favored destinations for students within regions. The United Arab Emirates (Dubai) now outpaces the United Kingdom in attracting students from the Arab States and has become the third most popular destination (followed by France, the United States) for students from the region. South Africa attracted 22 percent of all mobile students from sub-Saharan Africa in 2012, while regional enrollments in Ghana and Uganda are also increasing. A description of several of the emerging educational hubs can be found here: <http://www.globalhighered.org/edhubs.php>.

2. Trade in Services

The services sector forms an important component and growing proportion of gross domestic product (GDP) among industrialized and emerging economies. Services account for about three quarters of GDP in OECD economies. Estimates place the service sector at right around 50 percent of GDP in some developing nations (World Bank, 2015). Within the services sector, international education is estimated to generate between \$80 and \$90 billion¹³ in revenues for host countries, although global data are underreported (Ruby, 2009).

Trade in educational services

One of the challenges in obtaining education services statistics relates to how these data are defined and reported globally. In 2010, seven major international organizations revised and published the Manual on Statistics of International Trade in Services. MSITS 2010 sets out an internationally agreed framework for the compilation and reporting of statistics of international trade in services in a broad sense.

¹³ Ruby (2009) outlines a methodology that estimates a global average of \$20,000 in trade revenue per international student.

Education services are defined in two separate categories. Cross-border higher education trade activities are included in both categories, but not all activities are captured by both metrics.

The education services category presents further complications because the most commonly available data does not separate tertiary education from its other forms. Furthermore, the numbers that are available only reflect a portion of the activities, as investment transactions (i.e. foreign-established branch campuses) are not accounted for in the Balance of Payments, from which this data is calculated. Similarly, with no systematic collection or reporting of student and/or teacher mobility, the picture painted by the available data is likely to underestimate the amount of actual activity occurring.

- Personal travel – Education related expenditure (code 242)¹⁴. Personal travel covers goods *and* services acquired by persons going abroad for purposes other than business. Education-related, which includes expenditure for tuition fees, food, accommodation, local transport and health services, acquired by non-resident students.
- Education services (code 895). This category comprises services relating to all levels of education whether delivered through correspondence courses, via television, satellite, or the Internet, or by teachers, among others, who supply services directly in host economies. Excluded are education services provided to non-residents who are present in the territory of the service supplier (included in travel).

¹⁴ Under the Extended Balance of Payments Services (EBOPS) classification.

●●● What is the Economic Value of Cross-border Higher Education?

Using education related travel expenditures as the more representative metric of the two, the global economic value of study abroad totaled just over \$71 billion in 2012. The majority of reported export activity takes place in OECD nations, although developing nations' education exports total about \$78 million. Among

developing nations that report such data, Moldova (\$36 million), Swaziland (\$12 million), and Afghanistan (\$9 million)¹⁵ stand out as top exporters. Among high-to-mid-income non OECD economies, Turkey (\$248 million), Costa Rica (\$156 million) and Hungary (\$124 million) are top exporters.

TABLE 9

GLOBAL TRADE IN TRAVEL-RELATED EDUCATION SERVICES, 2012, IN \$ MILLIONS

	Imports	Exports	Trade Balance
OECD	19,573	44,304	24,731
High/Mid-income ^a	2,748	1,079	(1,668)
Low-income ^b	3,313	78	(3,234)
Total	25,633	45,462	19,829

Source: Personal travel – Education related expenditure (code 242) International Trade Center (ITC), UNCTAD, WTO joint dataset. World Bank country economy classification. a. High/Mid-income includes High-income non-OECD and Upper-middle-income non-OECD economies, b. Low-income include Lower-middle-income and Low-income economies.

Over the past four years, economic trends mirror those of student enrollments – a steady increase, especially in OECD economies. Trade data for 2009 and 2010 are the most complete; several low-income economies have not yet reported for 2011 and 2012. Figures each year are consistent in terms of countries that reported, however some caution should be used when comparing year on year trends since more recent years are missing data. As noted before, the figures captured through the UN trade dataset underreport the full extent of study abroad, especially regionally among lower

income countries. Despite these missing data points, the data indicates that students are increasingly mobile across all national income types. These figures show that year after year, students from non-OECD countries are spending more money on educational travel abroad. In other words, students from developing economies are increasing spending on educational services outside their country of origin.

¹⁵ As mentioned above, available data sources are known to underreport these flows, notably in terms of regional trade where relatively more significant cross-border activity may be occurring between developing countries. National statistical agencies may also vary widely in timeliness and consistency of data reporting. The relatively high figures for Afghanistan for instance are believed to reflect a more

consistent data monitoring and reporting mechanism in the context of post-war efforts to improve country governance.

FIGURE 1

GLOBAL TRADE IN TRAVEL-RELATED EDUCATION SERVICES, 2009-2012, IN \$ MILLIONS



Source: Personal travel – Education related expenditure (code 242) International Trade Center (ITC), UNCTAD, WTO joint dataset. World Bank country economy classification (1) High/Mid-income includes High-income non-OECD and Upper-middle-income non-OECD economies, (2) Low-income include Lower-middle-income and Low-income economies.

National estimates of international education exports

Global statistics for educational trade, specifically student mobility, are incomplete; but several studies from Anglophone nations have provided some evidence that suggests a considerable economic contribution to local communities. Because of the limitations in the United Nations Manual on Statistics of International Trade in Services definitions of educational trade, several countries have invested time into calculating national estimates of the economic impact of international higher

education. These estimates differ among themselves in definitions and calculus, but they complement international statistics by providing a more robust picture of education-related economic activities. The economic impact of cross-border education goes beyond tuition fees, food, accommodation, local transport and health services. Students buy non-essential services, pay taxes, and contribute to local jobs in the economies where they study.

In the United States, the Department of Commerce estimates that overall international students contribute about \$27 billion to the

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economy. NAFSA: Association of International Educators (2014) calculates that the economic impact of this money rounds out to about \$30,200 per international student to the local community. This conservative estimate is limited to tuition fees and living expenses, without including any type of multiplier effect to track those student dollars into local economies. The Open Doors report (Institute of International Education, 2014b) estimates that about 65 percent of the monies these students spend come from personal and family sources. In Canada, the Department of Foreign Affairs and International Trade found total international student spending surpassed \$6 billion, generating \$445 million in government revenue and creating 81,000 jobs. International students contributed about \$30,000 per student to local economies. This report further calculates that about 83,000 students worked during their stay, paying about \$300 million to the Canadian government in various revenues (Roslyn Kunin & Associates, 2009).

In Australia, the total export income generated by all international education activity in 2013

was \$12 billion, comprising revenue from fees, goods and services by onshore students, earnings from other educational services; and royalties on educational services (2014). The Australian Council for Private Education and Training (2009) estimates that foreign students added a 30 percent value to local labor markets while their relatives coming to visit brought in an additional \$365 million in tourism revenues. In the United Kingdom, the Department for Business, Innovation and Skills estimates that in 2011 education exports were worth \$26 billion to the British economy (Conlon, Litchfield & Sadlier, 2011). Although the United Kingdom receives fewer foreign students than the United States, international students are allowed to be employed while in school whereas employment while enrolled in college is generally prohibited in the United States. British calculations further note that students spend their wages on items beyond essential accommodations, boosting revenues in non-essential categories as well.

TABLE 10

EXPORTS OF EDUCATIONAL SERVICES, NATIONAL ESTIMATES

Export Country	Year	2000		Most Recent Year	
		\$ billion	% total service exports	\$ billion	% total service exports
Australia	2013	2.0	11.8	12.0	5.8
Canada	2010	0.8	2.1	6.0	9.6
United Kingdom	2011	4.0	3.2	26.0	8.4
United States	2013	10.0	3.5	27.0	3.2

Source: (1) 2000 data from OECD (2002); (2) Most recent year calculations from national statistics offices: Australian Bureau of Statistics; Canada Department of Foreign Affairs and International Trade; United Kingdom Department for Business, Innovation & Skills; United States Department of Commerce.

No international organization consistently reports a full list of education as international trade indicators, leaving calculation methods and data sources to national statistics, which are often calculated in different ways making comparison difficult, if not meaningless. A further issue that hinders comparable measurement lies in the multiplier effect of dollars brought into communities. While the NAFSA estimates do not include any multiplier effect, the British report multiplied dollars spent by 1.5 in order to more fully estimate the distribution of these revenues beyond educational expenses and immediate living accommodations. Even still, the consensus among these reports indicates that international students contribute substantively to local economies, not only through the tuition fees they pay to universities; as active participants in labor and consumer markets, they contribute revenues to governments and private business.

3. Campus Mobility

Media attention has created a broader awareness of the physical movement of colleges and universities across international borders. These presences can take a variety of forms, including research sites, outreach offices, study abroad locations, and international branch campuses (IBCs). In addition, there is a growing trend of educational corporations, largely for-profit, purchasing existing colleges and universities in different countries¹⁶. As discussed below, both creation of new branch campuses and acquisition of existing institutions by foreign entities contribute to the international trade value of education, through foreign direct investment.

TABLE 11

TOP INTERNATIONAL BRANCH CAMPUSES, BY EXPORT AND HOST COUNTRY

Branch Campus Exporters			Branch Campus Hosts		
Export Country	Campuses	% of total	Host Country	Campuses	% of total
United States	82	35	China	31	13
United Kingdom	33	14	United Arab Emirates, Dubai	24	10
Russia	20	9	Singapore	13	6
Australia	16	7	Qatar	11	5
France	20	7	Malaysia	9	4
Other	63	27	Other	143	62

Source: C-BERT branch campus listing, 2015. The full list is available at www.globalhighered.org

¹⁶ For example, Laureate Education, a US based corporation, owns or manages higher education institutions in 29 countries around the world

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To our knowledge, the IBC is the only physical presence that has been regularly tracked, work that is being done by the Cross-Border Education Research Team (C-BERT) at the State University of New York at Albany¹⁷. C-BERT (2015) data indicate that 231 IBCs were in operation in March, 2015, with another 24 reported to be in development. There are 31 countries exporting IBCs to 70 countries (Table 11 lists the top export and import nations). The IBC market is still very concentrated from a national perspective – the top five senders export 73 percent of all overseas campuses. This market concentration is even more noticeable when looking at the rest of the exporters lists. Of the 31 sending countries, 16 countries have sent only one campus abroad. However, an emergent group of nations is steadily more active – India (8 campuses), Netherlands (7), Malaysia (6), China (6), Germany (5), and Canada (5).

Taking a broader look at the distribution of IBCs throughout the global market, we see the trade trend concentrated between high performing economies. Table 12 shows us that just over 51 percent of all branch campus trade occurs between OECD nations and high to upper-middle income economies. In fact, 18 OECD nations export 78 percent of all branch campuses. That being said, non-OECD nations are beginning to act as exporters as well. Ten high and upper-middle income nations export 17 percent of all campuses; Russia is the predominant exporter among that group, sending 20 campuses to 10 different countries, all former Soviet states with the exception of the

United Arab Emirates. China and Malaysia have also begun to export campuses following Russia's lead to send campuses to regional neighbors or historical allies. Malaysian universities appear to be very versatile in campus export patterns, sending campuses to four continents across all income distributions. Three low-income economies export only 4 percent of all campuses. India is the most versatile of the bunch, sending 8 campuses to countries in Asia and the Middle East. Pakistan and the Philippines are also exporters – both send campuses to the Middle East.

Using the World Economic Forum's Global Competitive Index, Zhang, Kinser, and Shi (2014) determined the vast majority of branches were established by innovation-driven economies. Of the 181 innovation-economy branches they identified, only eleven were established in factor-driven economies, with another 66 established in efficiency-driven economies¹⁸. The majority were established in innovation-driven economies, suggesting that export from innovation economy to innovation economy is the most common form of branch campus export.

17 Data on IBCs are continually collected by C-BERT researchers, making it the most comprehensive resource available. Foreign outposts other than IBCs exist (e.g., research field stations, joint curricular ventures, academic franchises and subsidiaries, etc.), but there is no source that tracks their existence (Kinser & Lane, 2012).

18 Factor-driven economies use low wages and natural resources for competitive advantage; efficiency-driven economies compete through the development of a skilled workforce and increased product quality; innovation-driven economies rely on business sophistication and innovation to develop advanced production processes and the capacity to create unique products.

TABLE 12

NUMBER OF INTERNATIONAL BRANCH CAMPUSES, BY COUNTRY ECONOMY

		Host Country ^a			Total
		OECD	High/Mid-income	Low-income	
Export Country Economy	OECD	51 (12)	118 (14)	12 (7)	181(18)
	High/Mid-income ^b	7 (5)	17 (6)	16 (4)	40 (10)
	Low-income ^c	1 (1)	9 (3)	0 (0)	10 (3)
	Total	59	144	28	231(31)

Source: C-BERT list of known branch campuses, 2015. World Bank country economy classification. a. *Note on how to read the table.* The first number is the number of IBCs that the exporting countries send to importing economies. The second number in parenthesis represents the number of exporting countries. For example, 12 OECD countries send 51 campuses to other OECD countries; b. High/Mid-income includes high-income and upper-middle-income non-OECD economies, c. Low-income includes lower-middle-income and low-income economies.

Branch campuses present two primary economic considerations for discussions of trade in services. First, the development of an IBC acts much like the development of a university in any country, serving as an economic engine for the local community in terms of workforce development, attracting of international students, and developing innovation. The key difference is that the country is importing the academic capital from another country to capture these benefits (as differentiated from “growing their own”). For example, as we noted earlier, the UAE has become one of the most popular destinations for international students in the Middle East and this is largely due to the large number (33) of IBCs operating in the country – the students are, for the most part, not traveling to Dubai to attend the native institutions. The large number of IBCs

in Dubai reflects the significant expat population in the Emirate, the free trade zones established to incentivize education-related FDI, and the geopolitical position of Dubai as a global travel and business nexus.

A second form of economic value in these endeavors is the financial and academic capital that comes to be invested in the host country. The creation of an IBC requires a sizeable investment in terms of the creation of the campus and then its ongoing operation. In some cases, much of this money comes from local sources such as the host government or local investors. In other cases, the university in the home country expends funds for such facilities and operations, which can contribute to FDI. The actual financial models vary markedly. However, what is not as clear is the academic capital, or the “accumulated knowledge and instructional/research expertise of an educational organization.” that comes to be invested in the foreign country (Lane & Owens, 2012, p. 227). Rather than investing in creating a tertiary institution from scratch, the IBC brings with it the academic capital that has accumulated over several decades or centuries of the home campus’ operation. This academic capital, and the associated institutional reputation and legitimacy, can be important for increasing the rapidity of academic development in the country, helping attract and grow business, and position the nation as an educational hub, as is the case with the UAE.

4. Foreign Direct Investment

Education is a growing form of Foreign Direct Investment, which “takes place when a corporation in one country establishes a

●●● What is the Economic Value of Cross-border Higher Education?

business operation in another country, through setting up a new wholly-owned affiliate, or acquiring a local company, or forming a joint venture in the host economy” (Moran, 2012). The movement of educational capital across borders has been a fairly recent phenomenon, given that historically higher education has been largely a function of the state, with limited private pecuniary attributes. Zimney (2011) using data from the UNCTAD Database, estimated that as of 2009 FDI in education was \$9 billion, as compared to only \$100 million in 1990. Within this analysis, 70% of the world’s total education FDI is located in developing nations. And, these numbers are likely on the low side as not all nations report FDI in the education category and many nations have differing definitions of FDI, particularly in terms of level of ownership that must be met (Razin & Sadka, 2007). The specific projects represented in these numbers are not known, but it is very likely that the vast majority of this activity is represented by 1) the development of international branch campuses and other foreign education outposts; and 2) acquisitions of local universities by foreign educational corporations.

A note on data quality

This section highlights the difficulty with assessing the global value of education exports and foreign direct investment, despite the fact that it is a rapidly growing form of trade. In many cases, national statistical agencies do not measure the full extent of student mobility, much less keep track of other cross-border activities such as programs or campuses. In those countries that do report reliably to international agencies, the trade in services definitions are limited to a subset of student mobility activity. For a more comprehensive understanding, any sort of economic impact has to be extrapolated from other indicators. Finally, there is no common set of definitions or measurements shared among all countries. While the available data sources at least provide some insight into the global education market, the Ruby (2009) rough estimate of about \$20,000 per student will benefit from precision and refinement.

Education, Trade Policy and Interagency Action

Various government agencies have been involved in promoting cross-border higher education development, having connections to economic, diplomatic, and national security agendas (Lane, 2015). These are typically diplomatic-focused endeavors, such as Alliance Française from France; Deutscher Akademischer Austauschdienst (DAAD) and British Council, from Germany and the United Kingdom respectively; and the Chinese-sponsored Confucius Institutes. Each of these government backed entities has had a goal of using higher education to strengthen the diplomatic and, by extension, economic ties between nations. The engagement of Ministries of Trade in CBHE has not been as well documented as the more diplomatic focused endeavors. However, the importance of connecting higher education and business and industry is well established in terms of universities attracting the “creative class” (Florida, 2002), creating “super mentors” to cultivate small business (Clifton, 2011); producing knowledge spillover that drive innovation (Carlino, 2000). In fact, Etzkowitz and Leydesdorff (2000) argue that successful local innovation systems resemble a triple helix that weaves together capabilities of government, industry, and higher education.

Progressing on a separate tract has been academia’s involvement in international higher education. These activities include areas of international student enrollments and faculty exchange, international

partnerships, borderless higher education as implied by online and distance learning, and the establishment of foreign educational outposts to further academic and financial objectives for the institutions involved (Hudzik, 2011). The overlap between the cross-border engagements of colleges and universities and a nation’s trade policies, however, has received limited attention. The purpose of this paper is to identify areas of overlap so that shared objectives can be pursued. The following areas are suggested for interagency consideration.

Privatization and educational organizations

The development of educational trade, particularly when services are provided abroad, is largely a domain of private higher education. Even for institutions that may be considered “public” in their home country, their presence in the host country will usually be considered to not be “public” and they are subject to the rules and regulations of the host country.¹⁹ Some governments, such as Singapore and Qatar, have gone so far as to provide direct subsidies to attract the development of IBCs. Other countries such as China and Malaysia have required that foreign universities partner with local business or educational institutions in order to form the IBC. The private sector is also involved in recruiting international students and promoting academic programs abroad for faculty and

¹⁹ How educational institutions are classified can vary dramatically across national borders. Terms such as “for-profit”, “non-profit”, “foundation”, and “private” are used in different ways by different nations. The same institution may be described by

each of these terms depending on the nation where they have a presence (Bjarnason, et al., 2009).

students. It is therefore important for the trade aspect of rules governing various modes of supply—in particular commercial presence and consumption abroad—consider both governmental and nongovernmental actors involved in the activities.

Tax free zones

A number of governments create tax free zones as a way to entice business to relocate within their borders. Relevant to the current discussion, countries such as the United Arab Emirates and Malaysia have used their ability to create tax free zones to develop areas specifically intended to recruit IBCs. In a rather novel approach, New York State, under its START-UP NY initiative, has created tax free zones on or near public and private college campuses as a means for fostering new startup companies, enticing expansion of existing companies, and recruiting companies from out of state. Trade policy communities should understand the ways that eligibility criteria for these zones will overlap with the interests of local academic institutions. For example, the tax-free zones in New York are required to support the academic mission of the sponsoring campuses such as through provision of applied learning experiences, joint research labs, sponsored research, provision of adjunct professors and so forth. Business are attracted to the program as they can take advantage of an educated workforce, an established technological infrastructure, and the knowledge spillover that occur by clustering near an educational organization.

Intellectual property and knowledge exemptions

A number of governments, often through the trade ministries, have instituted rules and regulations that restrict the flow of certain types of research and research related materials. The intent is often to inhibit potentially dangerous knowledge from falling into the wrong hands or to protect a country's natural ecosystem. For example, in 1999 the United States passed the International Traffic in Arms Regulations. Despite an exclusion for fundamental research, there have been numerous examples of foreign research

collaborations being interrupted and foreign-born academics working in the United State being restricted from continuing to work on certain federally funded projects deemed to be protected. Similar regulations have said to have been invoked to exclude students from countries where there is an embargo from enrolling in courses at US-based IBCs where certain forms of protected knowledge was to be taught. A further restriction on trade is invoked when countries cite protection of natural resources and biodiversity to prevent foreign academic researchers from studying native biological samples. The Convention on International Trade in Endangered Species of Wild Flora and Fauna, for example, restricts academic research on certain species to scientists in their native countries. Currently 180 States have ratified the Convention, including nearly all members of the United Nations. Any trade agreements that included rules and/or market access commitments in educational services would need to accommodate these types of international agreements.

Economic and social value statistics and measures

This brief highlights the challenges inherent in assessing the global value of education exports and foreign direct investment, despite the fact that it is a rapidly growing form of trade. In many cases, the value has to be extrapolated from other indicators and there is no common set of definitions or measurements shared among all countries. Some countries have developed economic impact formulas that include multiplier effects of students on the broader economy while other countries have opted for more conservative estimates, focusing only on tuition fees and living expenses. Despite these differences, these government agencies have a concrete figure that can be used across a variety of public platforms. In the case of the United Kingdom, once an economic impact number was estimated, that figure was used in various briefings to other government departments, cited along with the methodology in white papers, and used in parliamentary discussions. The economic impact estimate ultimately impacted public and private perceptions of education as trade, enabling

international education to be treated with the same importance as any other staple component of the economy. We are unaware, however, of instances where Ministries of Trade and Education collaborate on the development of a common methodology to measure the value of international education trade. In part this may be because economic value is often paired with social value in the way universities consider their public purpose (Kezar, Chambers, and Burkhardt, 2005). In other words, the public good argument needs to be considered alongside the economic arguments when trade and education policy communities discuss the value of cross-border higher education.

Academic and economic development policies

Higher education provides a number of important support functions for the economic competitiveness of nation's business and industry. Why should this linkages end at the national borders? We discuss above the phenomenon of universities operating foreign outposts. Governments often do the same for the purposes of growing international trade. Yet, rarely is their consideration given to how these efforts might complement each other. A very basic option would be to co-locate those presences that operate in the same country. If a university has a branch campus, the government might consider locating its trade office in the same facilities²⁰. Foreign-based trade missions partnering with educational outposts can, for example, assess the skill needs in partner countries or develop pathways for students and faculty to participate in cross-border higher education. At a more strategic level, as is the case in Germany, government investment in cross-border engagements can be tied to the nation's economic strategy. For example, the development of German bi-national universities

occurs in countries where German has a strategic economic interest, often represented by the presence of German-based multi-national companies. The development of these educational activities provides a local pipeline of workers with a familiarity with the German language, culture, and work ethic. Overlapping agendas in academic development and economic development can focus conversations on the potential impact of international education trade.

Bilateral & multilateral agreements encompassing higher education services.

Since the creation of GATS in 1994 the supply of cross-border higher education has increased significantly. In fact, outside of the GATS frameworks and the trade arena itself, a number of non-binding bilateral and multilateral agreements have been developed around higher education services. One of the most well-known is the Bologna Process, which has worked to create a European higher education market that allows the free flow of students across borders. The model is one of developing a consistent set of policies regarding degrees and student mobility, along with cross-border recognition of national quality assurance agencies. European efforts have been further developed through the Erasmus Programme that supports European students studying in other Erasmus countries, and through Erasmus Mundus, this program has been expanded beyond Europe to targeted third-countries. A multilateral approach can bring similar systems into more tight cooperative arrangements, and facilitate educational mobility of all sorts. At the same time it can serve as a harmonizing agent, and bring dissimilar systems into greater

²⁰ This is a strategy partially employed by the U.S. state of Alabama with Troy University locations worldwide [<http://trojan.troy.edu/globalcampus/>]

compatibility for the purposes of facilitating cross-border mobility. Given that these agreements in the educational space already exist, the building blocks necessary to establish binding commitments in higher education services would seem to be in place, or perhaps arguably they may make such trade commitments unnecessary. For example, while not explicitly driven by trade purposes, the Bologna process creates a system that addresses many issues covered under Modes 1, 2, and 3 by seeking to “harmonize” curricular design and degree recognition among multiple nations, making it easier for students, faculty, and graduates to move between nations. In the context of pursuing harmonization between countries with greater disparities in curriculum however, the potential role for trade commitments may vary. Education and trade officials should be aware of the entirety of inter-governmental agreements that affect cross-border education and how they may affect the interests of the different education and trade communities.

Study Country initiatives

An increasing number of countries actively market their higher education system in order to attract more international students through interagency marketing campaigns (e.g.: Study in Brazil, Contact Singapore). The purpose of these study initiatives is to pool the resources of multiple entities to brand the education sector and market to students outside of the country, with an emphasis on attracting and recruiting international students. These programs can be offered in a variety of ways. Maintaining a web presence, through a webpage and social media, is the most common method. At times these organizations recruit overseas as well or host national conferences and seminars. Some programs work to facilitate campus and faculty collaboration as well as to capitalize on opportunities made available by the national government or regional economic organizations. Each of these strategies implies various modes of supply for trade commitments. According to our analysis, 53 countries worldwide currently maintain a government sponsored “Study Country” initiative.

TABLE 13

STUDY COUNTRY PROGRAMS

Countries	
OECD	28
High/Mid-income	21
Low-income	4
Total	53

Source: Author research; national websites.

While the majority are affiliated with the education ministry, several countries have aligned their initiatives with trade, tourism, foreign affairs, or have created a separate organization specifically charged to promote the national higher education sector (see Appendix B for details). Overlaps between here for which the trade and education communities will need to pay attention include details such as the parameters of temporary student visas as well as ensuring educational stakeholders are part of trade missions.

Higher education and trade marketing strategies

As governments recognize the growing value of higher education as a tradable service, some are beginning to see that they can promote trade in this area in the same way as they do for their health, energy, or technology sectors. Given the importance of higher education to the innovation ecosystem, it is a logical extension to include them as part of the marketing strategies for international trade. Many universities, for their part, have extensive global engagements as well extensive regional and cultural knowledge that can be tapped into to support these efforts. Higher education institutions are already cognizant of the impact international engagement can have on their local communities (Hudzik, 2011). Trade policy communities and educational stakeholders can consider how to brand regional academic centers as focal points for innovation within an internationally-focused knowledge-based economy. Promoting the



international image of universities, such as the importance of global rankings for world-class universities²¹, overlaps with the trade community's interest in promoting the nation as an engaged participant in global trade conversations.

International alumni

International alumni of a country's higher education system are an important network for advancing the trade interests of a country. There are numerous anecdotal accounts of how the foreign education of heads of state and other senior government leaders help to build important diplomatic connections between two governments. Similar sorts of relationships suggest the trade implications for international alumni who assumed senior leadership roles in business and industry.

These individuals may have a familiarity with the country, along with a sentimentality of their time in college, that can be important foundations on which to build economic partnerships, either in terms of fostering trade engagements or garnering access to the broader business networks in the foreign country. Universities, however, typically consider their alumni to be institutional resources, to be cultivated for development purposes. Dialogue among trade representatives and the higher education community to develop common understanding of the role of alumni contacts and how their perhaps competing interests in the usefulness of alumni can be resolved to mutual benefit.

Conclusion

The global education market is growing rapidly as is its relevance to international trade discussions. Higher education represents an important services trade in its own right as well as provides support for fostering trade in other sectors. While there is yet to be clear agreement about how to measure the economic value of trade in higher education services, this paper uses several indicators to extrapolate and illustrate this value.

We also provided examples of where there is a nexus between trade policy and the cross-border engagements of higher education institutions. We endorse the effort for officials in the ministries of trade and education to work together to develop a cogent and consistent strategy for developing cross-border higher education as international trade.

²¹ See, for example, the Academic Rankings of World Universities (<http://www.shanghairanking.com/>), and the Times Higher Education World University rankings

(<https://www.timeshighereducation.co.uk/world-university-rankings>).

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Appendix A: Members with GATS commitments

The following tables summarize the GATS commitments undertaken by WTO Members in higher education services.²² As of June 2015, 50 WTO members have scheduled commitments in higher education services (including the European Union and its 28 member countries).

Table A.1: WTO Member Commitments in Higher Education Services

Albania	Kyrgyz Republic	Samoa
Armenia	Lao People's Democratic Republic	Saudi Arabia, Kingdom of
Australia	Latvia	Seychelles
Cabo Verde	Lesotho	Sierra Leone
Cambodia	Liechtenstein	Slovak Republic
China	Lithuania	Slovenia
Costa Rica	Macedonia	Switzerland
Croatia	Mexico	Taipei, Chinese
Czech Republic	Moldova, Republic of	Tajikistan
Democratic Republic of the Congo	Montenegro	Tonga
Estonia	Nepal	Trinidad and Tobago
European Union (28 member countries)	New Zealand	Turkey
Georgia	Norway	Ukraine
Hungary	Oman	Vanuatu
Jamaica	Panama	Viet Nam
Japan	Poland	Yemen
Jordan	Russian Federation	

²² We recall that where a country has undertaken commitments in a sector, this commitment represents the minimum guaranteed treatment being offered to foreign services providers (subject to any relevant 'horizontal' commitments which may apply to all sectors). Any limitations on this guaranteed treatment is also included in the schedule; for example, a limitation may apply to 'market access' (which can limit in a variety of ways the entry of foreign services or services providers into a national market) or on 'national treatment' (which can restrict the activities of foreign services or services providers once they have entered the national market). In GATS schedules, as in the tables in Appendix A, the listing of 'None' indicates that there are no limitations on the guaranteed treatment and hence the sector is fully open. Conversely, 'Unbound' indicates that there is no guaranteed treatment being offered at all.

Source: World Trade Organization, I-TIP database, June 2015

Table A.2: Limitations on Commercial Presence, Cross-border supply (mode 1), Programs

Country	Market Access	National Treatment
China	Unbound	Unbound
Costa Rica	Unbound	Unbound
EU	France: Condition of nationality. However, third country nationals can have authorization from competent authorities to establish and direct an education institution and to teach.	Italy: Condition of nationality for service providers to be authorized to issue State recognized diplomas
Japan	Unbound due to lack of technical feasibility	Unbound due to lack of technical feasibility
Kyrgyz Republic	None, except for on higher education services funded from State sources	None, except for on higher education services funded from State sources
Norway	Primary and secondary education are public service functions. Authorization may be given to foundations and other legal entities to offer additional parallel or specialized education on a commercial or non-commercial basis. Financial assistance to educational institutions or to students only available for studies at certified establishments.	None
Poland	Public system of education and of scholarships do not cover educational services supplied from abroad	None
Russia	None	None, except the following: unbound with respect to subsidies and other forms of State support, including access to the financial and other material resources of the State
Vietnam	Unbound	Unbound
Yemen	Unbound	Unbound

Source: World Trade Organization, I-TIP database

Table A.3: Limitations on Commercial Presence, Consumption abroad (mode 2), People (students)

Country	Market Access	National Treatment
Costa Rica	Unbound	Unbound
Japan	Unbound due to lack of technical feasibility	Unbound due to lack of technical feasibility
Poland	Public system of education and of scholarships do not cover educational services supplied abroad	None
Russia	None	None, except the following: unbound with respect to subsidies and other forms of State support, including access to the financial and other material resources of the State.

Source: World Trade Organization, I-TIP database

Table A.4: Limitations on Commercial Presence, Commercial presence (mode 3), Campuses

Country	Market Access	National Treatment
Australia	None	Unbound
China	Joint schools will be established, with foreign majority ownership permitted.	Unbound
Costa Rica	The establishment of public limited companies or any type of commercial enterprise for the purpose of providing university education is prohibited. The National Council of University Higher Education (CONESUP) authorizes the establishment and operation of private universities in the country (including fees, plans, study programmes, supervision, etc.) and is responsible for approving the teaching staff and executives of such universities.	The establishment of public limited companies or any type of commercial enterprise for the purpose of providing university education is prohibited. The National Council of University Higher Education (CONESUP) authorizes the establishment and operation of private universities in the country (including fees, plans, study programmes, supervision, etc.) and is responsible for approving the teaching staff and executives of such universities.
Czech Republic	Foreign nationals may obtain authorization from competent authorities to establish and direct an education institution and to teach. Condition of ensuring quality and level of education and suitability of school facilities.	None other than: majority of members of the Board must be of the Czech nationality
EU	Italy, Spain: Needs test for opening of private universities authorized to issue recognized diplomas or degrees; procedure involves an advice of the Parliament.; Great Britain: Unbound for education.	None
Hungary	Establishment of schools is subject to license from the central authorities	None
Jamaica	None; Local certification, registration, licensing required.	None
Japan	Formal Education Institutions must be established by school juridical persons.	None except as indicated in horizontal commitments.
Jordan	Commercial presence (in mode 3) is subject to 51% foreign equity limitation. Starting no later than 1 January 2004, 100% foreign equity will be permitted.	None
Kyrgyz Republic	None, except for on higher education services funded from State sources	None
Laos	Foreign equity participation limited to 51%.	Directors must be qualified teachers who are Lao PDR nationals.
Liechtenstein	Foreigners may establish commercial presence only when organized as juridical persons according to Liechtenstein law	None
Mexico	Foreign investment only up to 49 per cent of the registered capital of enterprises. Prior authorization is required from the Ministry of Public Education (SEP) or the State authority.	None

Table A.4: Limitations on Commercial Presence, Commercial presence (mode 3), Campuses

Country	Market Access	National Treatment
Nepal	None, except only through incorporation in Nepal and with maximum foreign equity capital of 51 per cent and except for education services funded from state resources. Foreign equity participation will be increased to 80 per cent after 5 years from the date of accession	None, except for education services funded from state resources.
Norway	Primary and secondary education are public service functions. Authorization may be given to foundations and other legal entities to offer additional parallel or specialized education on a commercial or non-commercial basis. Financial assistance to educational institutions or to students only available for studies at certified establishments.	None
Panama	Higher education establishments must be approved by the Ministry of Education and inspected by the University of Panama.	None
Russia	Unbound	Unbound
Sierra Leone	Unbound	Unbound
Slovakia	Foreign nationals may obtain authorization from competent authorities to establish and direct an education institution and to teach subject to complying with qualification and material requirements on establishment of such an institution	None other than: majority of members of the Board have to be of Slovak citizenship
Slovenia	None	None other than: majority of the Board must be of Slovenian nationality
Tajikistan	None, except the following: - commercial presence is allowed only in the form of a juridical person of the Republic of Tajikistan.	None
Trinidad and Tobago	Unbound	Unbound
Turkey	Private universities can only be established by foundations constituted Under Civil Code with the permission of the Council of Ministers, provided that the majority of the administration of such foundations must be Turkish citizens.	None
Ukraine	None, except in line with Ukrainian legislation, only a citizen of Ukraine may be the head of a higher education institution of all accreditation levels, notwithstanding the type of ownership	None

Table A.4: Limitations on Commercial Presence, Commercial presence (mode 3), Campuses

Country	Market Access	National Treatment
Vanuatu	None except services funded from state resources, and subject to approval by the Government of Vanuatu to ensure adequate standards of qualification of individuals and of organisations.	None except services funded from state resources
Vietnam	None, except: Upon accession, only in the form of joint-ventures. Majority foreign ownership of such joint ventures is allowed. As of 1 January 2009, 100% foreign-invested education entities are permitted. After 3 years from the date of accession: none.	Foreign teachers who wish to work in foreign-invested schools shall have at least 5 years of teaching experience, and their qualifications shall be recognized by the competent authority.
Yemen	None	Government scholarships and grants are only awarded to students in government educational institutions.

Source: World Trade Organization, I-TIP database

Table A.5: Limitations on Commercial Presence, Presence of natural persons (mode 4), People (faculty)

Country	Market Access	National Treatment
Albania	Unbound, except as indicated in the horizontal commitments.	None
Armenia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Australia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Cabo Verde	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Cambodia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
China	Unbound except as indicated in Horizontal Commitments and the following: foreign individual education service suppliers may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.	Qualifications are as follows: possession of Bachelor's degree or above; and an appropriate professional title or certificate, with two years' professional experiences.
Costa Rica	Foreigners wishing to provide such services are required by law to be members of the Professional College. To this end they must fulfil the requirements of nationality and residence. In some cases, the recruitment of foreign professionals by State institutions is possible only when there are no Costa Ricans ready to provide the service in the necessary conditions.	Foreigners wishing to provide such services are required by law to be members of the Professional College. To this end they must fulfil the requirements of nationality and residence. In some cases, the recruitment of foreign professionals by State institutions is possible only when there are no Costa Ricans ready to provide the service in the necessary conditions.
Croatia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Czech Republic	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
DR Congo	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Estonia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.

Table A.5: Limitations on Commercial Presence, Presence of natural persons (mode 4), People (faculty)

Country	Market Access	National Treatment
EU	Unbound except for France and Luxembourg concerning the temporary entry of professors where: as indicated in the horizontal section under (iii) and subject to the following specific limitations: The professors have obtained an employment contract from a university or other higher education institution; The work permit is delivered for a period not exceeding nine months renewable for the duration of the contract; Compliance with an economic needs test is required unless those professors are designated directly by the Minister in charge of higher education; The recruiting institution must pay a tax to the International Migration Office.	Unbound, except as indicated in the horizontal commitments.
Georgia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Hungary	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Jamaica	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Japan	Unbound	Unbound
Jordan	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Kyrgyz Republic	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Laos	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Latvia	Unbound, except as indicated in the horizontal commitments.	None
Lesotho	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Liechtenstein	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Lithuania	Unbound, except as indicated in the horizontal commitments; Self-employed persons are excluded.	Unbound, except as indicated in the horizontal commitments.
Macedonia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Mexico	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.

Table A.5: Limitations on Commercial Presence, Presence of natural persons (mode 4), People (faculty)

Country	Market Access	National Treatment
Montenegro	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Nepal	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
New Zealand	Unbound, except as indicated in the horizontal commitments.	None
Norway	Unbound, except as indicated in the horizontal commitments.	Unbound except as indicated in the horizontal section. Teaching qualifications from abroad may be recognized, and an exam must be passed.
Oman	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Panama	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Russia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Samoa	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Saudi Arabia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Sierra Leone	Unbound except as indicated in Horizontal Commitments. Approval shall be obtained from the Ministry of Education	Unbound except as indicated in Horizontal Commitments. Qualifications are as follows: Possession of a Bachelor's degree or above, and an appropriate professional title (e.g. Professor, senior engineer or lecturer or above, etc.)
Slovakia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Slovenia	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Switzerland	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Taipei	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Tajikistan	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Tonga	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.

Table A.5: Limitations on Commercial Presence, Presence of natural persons (mode 4), People (faculty)

Country	Market Access	National Treatment
Trinidad and Tobago	None (Registration and Certification requirements)	None
Ukraine	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Vanuatu	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Vietnam	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.
Yemen	Unbound, except as indicated in the horizontal commitments.	Unbound, except as indicated in the horizontal commitments.

Source: World Trade Organization, I-TIP database

Appendix B: Study Country Programs

The purpose of study initiatives is to pool the resources of multiple entities to brand the education sector and market to students outside of the country, with an emphasis on attracting and recruiting international students. The following table provides an overview of existing identified programs and the sponsoring agency. While many programs are housed within the national educational agency, often times with collaboration from the economic development or tourism national agencies.

Table B.1: Study Country Programs

Country	Program	Website	Sponsoring Agency
Low-income Countries			
Armenia	Study in Armenia	Website	Ministry of Education and Science
Egypt	Foreign Student Affairs	Website	Cultural Affairs and Missions Sector
Ghana	Study in Ghana	Website	Government of Ghana
Vietnam	Vietnam International Education Development	Website	Ministry of Education and Training
High- and Mid-income Countries			
Argentina	Estudiar en Argentina	Website	Ministry of Education
Brazil	Study in Brazil	Website	Brazilian Educational & Language Travel Association
China	Study in China - CSC	Website	China Scholarship Council, Ministry of Education
China, Hong Kong	Study HK	Website	Education Bureau
Croatia	Study in Croatia	Website	Agency for Mobility and EU Programmes, Institute for the Development of Education
Hungary	Study in Hungary	Website	Tempus Public Foundation
Jordan	Study in Jordan	Website	Ministry of Higher Education and Science Research
Latvia	Study in Latvia	Website	State Education Development Agency
Lithuania	Study in Lithuania	Website	Education Exchanges Support Foundation, Ministry of Education and Science
Malaysia	Study in Malaysia	Website	Ministry of Education
Mauritius	Study in Mauritius	Website	Ministry of Tertiary Education, Science, Research and Technology
Qatar	Qatar Foundation for Education, Science and Community Development	Website	Qatar Foundation
Romania	Study in Romania	Website	Ministry of Education and Research
Russia	Study in Russia	Website	RACUS, Ministry of Education and Science
Saudi Arabia	Study in KSA	Website	Ministry of Education, Higher Education

Serbia	Study in Serbia	Website	Ministry of Education, Science and Technological Development
Singapore	Contact Singapore	Website	Singapore Economic Development Board and Ministry of Manpower
Thailand	Thailand International Education Expo	Website	Department of International Trade Promotion, Ministry of Commerce
Turkey	Study in Turkey	Website	Higher Education Business Council, Foreign Economic Relations Board
United Arab Emirates	Higher Education Institutions Guide	Website	Ministry of Higher Education and Scientific Research
Uruguay	Study in Uruguay	Website	Ministry of Foreign Affairs
OECD Countries			
Australia	Study in Australia	Website	Australia Trade Commission
Austria	Study in Austria	Website	Agency for International Mobility and Cooperation in Education, Science and Research (OeAD)
Belgium - Flanders	Study in Flanders	Website	Agency for Mobility and Cooperation in Higher Education in Flanders
Canada	Study in Canada	Website	Citizenship and Immigration Canada
Czech Republic	Study in Czech Republic	Website	Centre for International Cooperation in Education, Ministry of Education, Youth and Sport
Denmark	Study in Denmark	Website	Danish Ministry of Higher Education and Science
Estonia	Study in Estonia	Website	Archimedes Foundation
Finland	Study in Finland	Website	Centre for International Mobility, Finnish Ministry of Education and Culture
France	Study in France	Website	Campus France Agency
Germany	Study in Germany	Website	German Academic Exchange Service (DAAD)
Iceland	Study in Iceland	Website	Icelandic Research Center, RANNIS
Ireland	Education in Ireland	Website	Enterprise Ireland, Minister for Education and Skills
Italy	Study in Italy	Website	Ministry of Education, University and Research
Japan	Study in Japan	Website	Ministry of Foreign Affairs
Luxembourg	Study in Luxembourg	Website	Grand Duchy of Luxembourg
Netherlands	Study in Holland	Website	Netherlands Organisation for International Cooperation in Higher Education (NUFFIC)
New Zealand	Study in New Zealand	Website	Education New Zealand
Norway	Study in Norway	Website	Norwegian Centre for International Cooperation in Education
Poland	Study in Poland	Website	Ministry of Science and Higher Education
Portugal	Study in Portugal	Website	General Director of Higher Education
Slovakia	Study in Slovakia	Website	Ministry of Education, Science, Research and Sport
Slovenia	Study in Slovenia	Website	Government Communication Office
South Korea	Study in Korea	Website	National Institute for International Education
Spain	Estudiar en España	Website	Ministry of Education, Culture and Sport, Ministry of Innovation and Tourist Technology

●●● Appendix B: Study Country Programs

Sweden	Study in Sweden	Website	Swedish Institute
Switzerland	Study in Switzerland	Website	Swiss Universities' International Marketing
United Kingdom	Education UK	Website	British Council
United States	Education USA	Website	Bureau of Educational and Cultural Affairs, Department of State

Support to Enhance Development of Trade in Services Negotiations

With support from the UK Trade Advocacy Fund, ILEAP, CUTS International Geneva and the University of Sussex's CARIS are undertaking a series of interventions that seek to contribute to the increased and more effective participation of LDCs, LICs, LMICs and RECs in multilateral, regional and bilateral services trade negotiations.

Through the studies, toolkits and training to be delivered, the envisaged results aim to assist these stakeholders in increasing their participation in services trade.

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