

**GENERAL AGREEMENT ON TRADE IN SERVICES (GATS),
AND HIGHER EDUCATION IN LATIN AMERICA
Some ideas to contribute to the discussion**

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*Paper prepared for the Convention of Universities Members of Columbus
(Paris, July 2002).*

SUMMARY

This paper is a preliminary version in which some key aspects are identified. It will incorporate further elements with the discussion stemming from this first approach. The fundamental idea is to contribute to the debate which has started in Latin America concerning GATS and Higher Education. The first part presents basic information on the GATS, which can be skipped by those who are acquainted with this agreement. The second and third parts present information on the GATS and Higher Education in Latin America. The fourth part presents four scenarios of Higher Education in the region, in order to facilitate discussion on the themes covered. Lastly, several discussion areas are identified on the possible impact that the GATS may have on Higher Education in the region.

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BASIC INFORMATION ON THE GATS²

The General Agreement on Trade in Services (GATS), is a legal, executive, multilateral agreement, dealing with the international commerce of services. Higher Education is a component of the educational sector, which is one of the twelve broad sectors constituting the agreement. These are:

- Business, including professional services and computer science
- Communications
- Construction and related engineering
- Distribution
- Educational
- Environmental
- Financial
- Health and Social Services related
- Tourism and services related to travel
- Recreational, cultural and sportive
- Transport
- Other services not included

The GATS is administered by the World Trade Organization (WTO). The WTO is the only worldwide international body that deals with the rules on commerce among nations. In it agreements are discussed, negotiated and signed by most of the nations involved in trade in the world and ratified by their respective parliaments. Until now there are 144 countries members of OMC. In that number are covered all Latin American countries, including Cuba. The GATS is one of the key agreements, which was negotiated in the Uruguay Round and implemented in 1995.

The forms of trade, more commonly called "forms of supply"³ in the agreements, are as follows:

² The information in this first part is mainly based upon the following documents: Jane Knight, *Trade in Higher Education Services: The implications of GATS. The Observatory Report*, March, 2001; OECD/CERI, *Current Commitments under the GATS in Educational Services*, 2002; WTO, *The General Agreement in Trade in Services - objectives, coverage and disciplines*, Secretariat, 1994; WTO, *An Introduction to the GATS*, Geneva, Switzerland, 1999; Per Nyborg, *GATS in the light of increasing internationalisation of Higher Education: Quality assurance and recognition*, Council of Europe, 2002.

- 1) *Cross-border supply* (does not require physical displacement, e.g. continuing or distance education via telecommunications or mail);⁴
- 2) *Consumption abroad* (e.g. students who go and study in another country)⁵;
- 3) *Commercial Presence* (e.g. The service supplier establishes a territorial presence in another country to render service, either as local headquarters or as a satellite campus, twin institutions, or franchise agreements with local institutions)⁶
- 4) *Presence of natural persons* (person of one Member entering the territory of another Member temporarily to render services, such as researchers or professors)⁷

The most important *rules of the GATS* are:

Concerning coverage:

All services traded internationally have the coverage of all twelve sectors of the service.

Concerning obligations:

³ The objective of the forms of supply is to overcome the barriers considered by the GATS as inhibitors of the flows of services. Among the general barriers are: - the lack of transparency in the regulatory, financial and policy frameworks of governments; - unjustified delays in the approval of governments; - fiscal discrimination; - differential treatment of foreign institutions.

⁴ This modality of supply considers the following specific barrier: -inappropriate restrictions on electronic transmission of course materials; -economic needs test on suppliers of these services; -lack of opportunity to qualify as degree granting institution; - required to use local partners; -denial of permission to enter into and exit from joint ventures with local or non-local partners on voluntary basis; -excessive fees/taxes imposed on licensing or royalty payments; -new barriers, electronic or legal for use of Internet to deliver education services; -restrictions on use-import of educational materials.

⁵ This modality of supply considers the following specific barriers: - visa requirements; - recognition of foreign degrees; - quotas for foreign students; - employment restrictions for foreign students; - recognition of qualifications in the host country.

⁶ This modality of supply considers the following specific barriers: - prohibition of supply of services from foreign companies; - lack of access to a license to award a recognized degree; - restrictions in the recruitment of foreign professors; - high subsidies or aids to local institutions.

⁷ This modality of supply considers the following specific barriers: immigration or residence requirements; - recognition of qualifications; - employment regulations.

The GATS establishes a series of obligations which involve all of its Members. Some of these obligations apply to trade in services in a general manner (unconditional obligations), while others apply only to Members that have established specific commitments in their programmes (conditional obligations):

a) *Unconditional obligations:*

- The obligation of the "Most Favored Country" (MFC), implies equal treatment of all partners. This means that if a country permits another to compete in one sector, the rest of the countries will be included in the same agreement. In a similar manner, should a country decide to exclude foreign competition from another, this exclusion agreement will apply to all others.
- Transparency
- Arbitration of disputes
- Monopolies

b) *Conditional obligations:* The objective of these obligations is to protect the national objectives. They are only applicable to commitments that figure in the charter for every country, that is, the degree and magnitude of the obligation is determined by each country⁸:

- Market access (MA). Each country will determine restrictions of access to the market corresponding to each sector committed.
- National Treatment (NT). It implies the same treatment to national and foreign suppliers.

The GATS operates on the basis of an agenda in which every round of negotiations means increasing liberalization, embracing more sector and discarding major restrictions⁹. The process takes place in a "bottom up" manner, that is, each country determines the type and reach of its commitments in each sector, within the context of a progressive liberalization.

HIGHER EDUCATION AND THE GATS

⁸ Knight (op.cit. p.8), has already pointed out that critics do not believe such obligations would suffice to protect education as a "public good".

⁹ The key dates for the agenda are: - 2000: negotiations start officially; - March 2001: The Trade Services Council establishes the guidelines and procedures for the negotiations; - November 2001: Doha Declaration that reaffirms the guidelines and procedures for the negotiations and establishes some key elements in the calendar, including the deadline for the conclusion of the negotiations; - June 2002: Petitions of access to markets; March 2003: initial proposals for access to markets; - 2003: Taking stock: Fifth Ministerial Conference (Mexico); January 2005: Deadline for the signature of the GATS.

According to recent information "*education - together with the energy sector - is one of the sectors where the Members of the WTO have been the least inclined to plan commitments of liberalization*"¹⁰. On the other hand, according to the same source, most countries in OECD (25 out of 30) have made commitments in the domain of educational services, contrary to what has happened in countries non-Members of OECD. Among the few that have gone ahead, some have made commitments at high level, with views towards attracting foreign educational investments, such as the Kyrgyz Republic, Lesotho, Moldova and Sierra Leone.

The educational trade includes five categories: primary, secondary, higher, adults and 'others'. The higher education category includes the following activities: technical educational services and post-secondary vocational; other services of higher education leading towards a university degree or other.

Commitments

In the beginnings of 2002, forty two countries belonging to WTO, have already made some commitment to at *least some educational sector*.¹¹ All of the OECD countries are included in this group, with the exception of Canada, Finland, Iceland, Korea and Sweden.

The number of countries who have made a commitment with the category of *higher education* now reaches 32¹², that means 22% of the 144 countries. From those 32, 14 belong to OECD, 12 to the European Union, two in the Caribbean and only two in Latin America. Of the 32 countries which have signed commitments, 10 utilize a classification which limits the commitment to the private sector. On the other hand, 15 of the 32 countries have established commitments of access to the market for the forms of trade #1 (Cross-border supply), #2 (consumption abroad) and #3 (Commercial presence)¹³. Moreover, 22 of the 32 countries - which include

¹⁰ OECD/CERI, Current commitments under the GATS in Educational Services, 2002.

¹¹ OECD/CERI, idem

¹² Australia, Albania, China Taipei, Croatia, Estonia, Georgia, Hungary, Jamaica, Japan, Jordan, Latvia, Lesotho, Liechtenstein, Lithuania, Mexico, Moldova, Norway, New Zealand, Oman, Panama, Poland, Slovak Republic, Czech Republic, Kyrgyz Republic, P.R of Congo, Sierra Leone, Slovenia, Switzerland, Trinidad and Tobago, Turkey.

¹³ These countries are: Australia, New Zealand, Switzerland, Croatia, Estonia, Georgia, Jamaica, Jordan, Latvia, Lesotho, Lithuania, Moldova, Oman and Slovenia.

Mexico and Panama - have established whole commitments for modes of supply 1, 2 and 3¹⁴.

In Latin America, Mexico, Panama and Costa Rica have established commitments with the educational sector, and only the first two, with the Higher Education subsector¹⁵. Concerning to modes of supply, the characteristics set out in the commitments of these two countries are identified in Table 1:

¹⁴ Besides Mexico and Panama, the other countries are: Hungary, New Zealand, Norway, Poland, Switzerland, Turkey, Albania, China Taipei, PR of Congo, Croatia, Estonia, Georgia, Jamaica, Jordan, Latvia, Lesotho, Liechtenstein, Lithuania, Moldova and Oman.

¹⁵ Besides its commitments in Higher Education, Mexico has established commitments with the categories of "primary", "secondary", and "others"; and Panama with "primary" and "secondary".

Table 1
Limitations by forms of supply in Higher Education (Mexico and Panama)

	Cross-border supply	Consumption abroad	Commercial Presence	Presence of natural persons
Mexico	MA(*): No limitations NT(**): No limitations	MA: No limitations NT: No limitations	MA: Foreign investment up to 49% of the registered capital of enterprises. Previous authorization is needed from the Ministry of Education or a State authority NT: No limitations	MA: No limitations except where indicated in horizontal agreements NT: No limitations except where indicated in horizontal agreements
Panama	MA: No limitations NT: No limitations	MA: No limitations NT: No limitations	MA: Higher education institutions must be approved by the Ministry of Education and inspected by the University of Panama. NT: No limitations:	MA: No limitations except where indicated in horizontal agreements NT: No limitations except where indicated in horizontal agreements

(*) MA: Market Access (Each country will determine restrictions of access to the market corresponding to each sector committed)

(**) NT: National Treatment (It implies the same treatment to national and foreign suppliers)

Source: Taken from Table "Limitations by Mode of Supply", OECD/CERI, 2002

In order to have a base of comparison, the limitations by mode of supply established by the European Community can be examined for the 12 countries that have signed commitments, limited to services in the private sector¹⁶.

¹⁶ Limitations by forms of supply in higher education in European Community:

- *Cross-border supply*: MA: Nationality requirement. Nevertheless, nationals of a third country can obtain authorization from proper bodies to establish and direct an educational institution and teach. NT: Nationality requirement for suppliers of services in matters of examination of State diplomas (or certificates).
- *Consumption abroad*: MA: no limitations. NT: no limitations.
- *Commercial presence*: MA: no limitations. NT: No limitations, with the exception of Greece, where the members of the Executive Board must be Greek nationals.

While the European Community has signed commitments in all categories, except for those corresponding to "Others". The United States of America has only signed commitments for the "other" category, that is, it has not signed for any of the other categories (higher education, primary, secondary and adults). However, even if the USA has not signed commitments for the Higher Education category, paradoxically it has presented a proposal at this level as indicated below.

Proposals

Countries that have expressed interest in the manner of proposals to eliminate barriers in educational services are the USA, New Zealand, Australia and Japan. It is interesting to see how these proposals underline the need of governments to preserve their right to sovereignty in the determination of their own educational policies. The USA proposal (submitted in December 2000) focuses on private Higher Education. It is recognized that education is a governmental function. Moreover, in countries where public and private education co-exist, private education should complement public education, but not replace it. The proposal of New Zealand (presented in June 2001) considers that, since education is a vital sector for countries, barriers should be eased taking care at the same time not to affect the system of public Higher Education. At the same time it recalls the lack of clarity of the expression "Other types of education". The proposal of Australia (presented in October 2001), recognizes that governments play an important role in the financing, supply and regulation of education, together with the private sector and non-governmental organizations. The proposal of Japan (presented in March 2002), is the first one to emphasize the need to improve the quality of education in every country and to ensure the quality of transnational education. Specifically, it indicates the need to: i) maintain and improve the quality of educational activities in each country; ii) to protect consumers of education against low quality services; iii) take the necessary measures to ensure international equivalencies of degrees and

Presence of natural persons: MA: no limitations, except as indicated in the horizontal section and subject to the following specific limitations: -F: Nationality requirements. However, nationals of a third country can obtain the authorization from proper bodies to establish and direct an educational institution and teach. I: Nationality requirement for services supplied concerning authorization to deliver diplomas (or certificates) recognized by the State. Greece: Nationality requirements for professors. NT: no limitations with the exception of those indicated in the horizontal section. (Taken from the Table on Limitations by mode of supply, OECD/CERI 2002)

diplomas. Considering the diverse situations encountered in the different countries, attention is called to the need to ensure the quality of transnational education through the setting up of an information network, as a manner of protecting consumers- both at the level of students and of the countries themselves.

It is interesting to observe that, of the four countries having presented concrete proposals, three, namely New Zealand, Australia and Japan, are among those that have experienced the greatest increase of attendance of foreign students during the past decade¹⁷. On its part, historically, the USA receives the greatest number of foreign students.

REACTIONS OF CONCERNED PARTIES

GATS negotiations are carried out usually by staff members of Ministries of Commerce or Foreign Affairs. In most cases, this is done with a total lack of knowledge of the issues at stake in the sector under negotiation. In the case of the educational sector, it would be the Ministries of Education, the educational institutions themselves, and the people involved therein (internal actors) and others interested in such issues (external actors).

It could be said that there has not been much reaction to such negotiations, precisely for the lack of knowledge of the interested parties themselves. Also because, even with adequate information, it is not easy to evaluate the impact of such agreements. Nevertheless, some international bodies have already manifested their criticisms through different declarations. Among these, it is worth mentioning the joint Declaration signed by different associations, whether American or European: Association of Universities and Colleges of Canada; American Council of Education, European University Association; Council for Higher Education Accreditation¹⁸.

¹⁷ OECD-US Forum, op.cit.

¹⁸ Besides presenting a series of principles, the declaration expresses that: "Our institutions are committed to reducing obstacles to international trade in higher education using conventions and agreements outside of a trade policy regime. This commitment includes, but is not limited, to improving communications, expanding information exchanges, and developing agreements concerning higher education institutions, programs, degrees or qualifications and quality review practices. Our respective countries should not make commitments in Higher Education Services or in the related categories of Adult Education and Other Education Services in the contexts of the GATS. Where such commitments have already been made in 1995, no further ones should be

Other associations mainly NGOs have also manifested criticisms towards the educational GATS, and keep the community informed through their own Web site. Such are: the Global Trade Watch; the National Unions of Students in Europe (ESIB), the World Trade Organization of Teacher's Trade Unions; the Transnational Education, among others.

In Latin America, only recently has any attention been given along these lines. It started in Brazil, at the meeting of the Social Forum of Porto Alegre in February 2002. The participants adopted a resolution proposing a global pact that would ensure the consolidation of the principles of action approved at the World Conference on Higher Education promoted by UNESCO in Paris in 1998.

Two months later, in April 2002, and alerted by the presentation on the GATS made by Marco Antonio Dias, former Director of the Division of Higher Education of UNESCO¹⁹, the participating rectors at the III Iberoamerican Summit of Rectors of Public Universities, signed the Porto Alegre Charter. In this document they inform the academic university community and the society in general on the nefarious consequences of GATS and request the governments of their respective countries not to become engaged in any commitment concerning higher education²⁰.

forthcoming. AUCC, ACE, EUA, and CHEA convey this joint declaration to the Government of Canada, the Office of the United States Trade Representative, the European Commission, individual European States that are members of the nascent European Higher Education Area, and all interested Member States of the WTO for their attention". AUCC, ACE, EUA, CHEA, Joint Declaration on Higher Education and the General Agreement on Trade in Services, September 2001.

¹⁹ The title of the presentation was; Higher Education: public domain or commercial service regulated by WTO?

²⁰ In this letter it is considered that the agreement "seriously hurts the policies of the equity that are indispensable for social balance, in particular for developing countries, that are necessary to correct social inequalities and which bear serious consequences on our cultural identity. It also disturbs the consolidation and transmission of ethical and cultural values and affects our aspirations of striving towards a more democratic and just society through a sustainable development. All of these aspects contribute to higher education, whose specific mission is defined in terms of the concept of a public social good, oriented to the improvement of the quality of life of our peoples. In no case this goal could be achieved if it is transformed in a mere merchandise or the object of speculation in the market, through its commercialization at international level. Lastly, among

The Rectors' Summit originated other reactions in Brazil, such as that of ANDIFES (National Association of Leaders of Federal Institutions of Higher Education), who sent the Porto Alegre Charter (signed by the Rectors) to the President of Brazil.

In May 2002, the Brazilian Society for the Progress of Science (SBPC) requests the President of Brazil, Fernando Henrique Cardoso, to state explicitly the government's position on this matter, which was responded by the Minister of Foreign Affairs, Celso Lafer, in June 2002. In the response, the Minister states that negotiations for the liberalization of of the sectors should not, on the short term, bring major problems to Brazil, since *"(...) this sector is already liberalized within the terms of the GATS, that is, there are no restrictions to Access to Markets (Article XVI of GATS) to the national processing (Article XVII of GATS) in the existing Brazilian legislation. (...) The only thing that can be requested from Brazil by other members of the Organization in the negotiations would be the consolidation of the current regulatory situation (...)"*²¹

HIGHER EDUCATION AND GLOBALIZATION IN LATIN AMERICA: FOUR POSSIBLE SCENARIOS

In the points previously covered, two dynamic processes can be identified:

- 1) On the one hand, the dynamics of the GATS, from whose perspectives there would seem to be no doubt nor uneasiness concerning its program, since the reality of the market progressively imposes itself through deeds. This kind of dynamics - which not only pertains to GATS but also to lucrative markets which are rapidly emerging independently from GATS - is surrounded by an aureole of mistrust on the part of the educational community in both the advanced and non-advanced countries. This mistrust is nurtured not only on the implications that results from treating education "as a merchandise", but also because the decisions and inherent processes are developing with the exclusion of the interested parties, that is the educational world.

the serious problems that result from this circumstance, is a critical standardization of education and the serious damage it represents to national sovereignty and to the people.

²¹ Jornal da Ciencia, Quarta-Feira, 12 de Junho, 2002.

- 2) The second dynamic process consists of the statements from the critics and the refusal from the academic world, particularly through associations and international NGOs. In Latin America, the refusal is based on a legitimate mistrust, from the academic world, since there are elements to prove the vulnerability of our countries in the free trade scheme. In this sense, ECLA (Economic Commission of Latin America) has ascertained that - differently from one of the basic principles of the WTO - in the case of this region, efforts of economic opening up that took place in the decade of the 90s did not result in economic growth²². On the other hand, from the viewpoint of the educational market, it is obvious that our countries are seen as objectives of economic gain, as consumers, and they would find great difficulty in becoming successful competitors in the world market of knowledge already quite unbalanced. In this sense, none of the countries in Latin America is in the list of the 23 countries that attract the greatest number of foreign students²³.

Facing both dynamics, the one of the market with its relentless agenda and that of the necessary criticism, it is urgent at international, regional and national levels, to favor a possible third space, where it would be possible to build desirable options that could be considered as alternatives to those options which, in another manner, reality will continue to impose.

There follows then, different scenarios of higher education in Latin America. These do not pretend to prognosticate verities for the future. Reality is far more imbricate and complex than that which can be shown in the identified scenarios, which only pretend to search a first approach to the problem. The scenarios have been put together taking two dimensions into account: One, the type of link that countries may have with globalization; and the other dimension, the type of connection that countries may have with the markets. Scenario A represents the continuity of the present scenario, that is not sustainable. Scenario B, even if not very probable on the short term, represents doubtlessly the desirable scenario. Scenarios C and D, unless conditions change represent a quite probable trend.

²² ECLA/CEPAL, Globalización y Desarrollo (Globalization and Development), Santiago de Chile

²³ By order of importance, the countries that at present attract the greatest number of foreign students are: USA, UK, Germany, France, Australia, Japan, Belgium, Canada, Spain, Austria, Switzerland, Italy, Turkey, Netherlands, Denmark, Norway, Hungary, Ireland, New Zealand, Poland, Finland, Czech Republic, Republic of Korea. Among the countries that have experienced the greatest growth in attracting foreign students are: by order of importance: Australia, UK, New Zealand, Germany, Austria, Japan, USA, Canada, France (OECD-US Forum, Washington, 2002)

Table 2
Possible scenarios for Higher Education Institutions
in Latin America

Type of Market	Type of link with Globalization	
	Globalization with subordination	Globalization with interaction
The current "undefined" Market continues	A	
Market regulated by educational agreements		B
Market regulated by commercial agreements (such as GATS)	C	D

**SCENARIO A:
Globalization with subordination and an "undefined" current market**

This scenario would represent the continuation of the current scenario in Latin America. This scenario is not exempt of a market, that is, it does have a market, although sometimes vaguely identifiable.

In terms of consumption abroad, the Latin America elites have been consumers of education, - and continues to be though to a lesser degree - through mode 2 of supply according to the GATS classification. Especially in the decades of the 70s and 80s, many Latin American countries (among them Brazil, Mexico, Venezuela and Colombia) invested great sums of money in grants and scholarships for students, which in many cases did not revert in benefit of the institutions of their own countries. That is, the policies benefited more the individuals than the institutions. This was due to the brain drain, whether internal (being engaged in private activities different from those for which they were trained) , or external (remaining in the country where they had completed their studies). In this mode of commerce, the institutions of the more advanced countries have obtained huge economic benefits²⁴ not only because of the investments made in

²⁴ At global scale, trade in higher education approaches 3% of the total services rendered. In several countries educational services are within the first five ranks in the export sector (Oosterlinck, OECD/US Forum, Washington, 2002).

education by private persons or by government²⁵, but also because a good portion of this investment remained in the host country, through the different processes associated with the brain drain²⁶.

Besides this manner of participating in the international market of knowledge -through the consumption abroad- a crowd of new suppliers is arriving in Latin America, in still unknown proportions²⁷, and which constitutes mode 1 (cross border supply, according to GATS), and to a lesser extent in mode 3 (commercial presence). These new suppliers are already competing with institutions in the region, particularly in degree programs in business and computation, while the countries themselves are unable to control such situation.

The development of an internal market in higher education is another important aspect present in some countries of the region. It should be pointed out that Latin America is the region in the world with the fastest growth of the private sector in the last two decades²⁸. At present the mean percentage of registration in the private sector reaches 38%. In the mid-1990s in the region, five countries had a higher registration rate in the private sector than in the public one, a situation rarely encountered at global level²⁹.

²⁵ In the USA in the year 2002, foreign students spent U\$S 10.29 billion dollars. This makes education the 6th exporter of the country. (The Chronicler of Higher Education, January 8, 2002).

²⁶ García Guadilla, Carmen (1996). Exode of Talents, The UNESCO Courier N° 10 (37).

²⁷ See Rodríguez, Roberto (2001) La educación superior y el mercado: Configuraciones emergentes and nuevos proveedores (Higher Education and the Market: Emerging configurations and new suppliers). XXth General Assembly of GLACSO, Mexico.

²⁸ Johnstone, Bruce (1998) Financing and Management of Higher Education: A Status Report on Worldwide Reforma, World Bank, Washington.

²⁹ The profile of the private sector at global level (not included Latin America) is as follows:

- a) Countries with large private Sector (more than 50%) are Japan, Philippines, South Korea, Indonesia, Bangladesh.
- b) Countries with a medium sized private sector (between 25 to 50%): USA, Canada, Australia, New Zealand, India and some English-speaking African countries.
- c) Countries with a small private sector (less than 25%): most of the countries of Western Europe.

Table 3
Classification of Latin American countries by percentage of registrations
in the private sector. 1995.

Registrations in the private sector			
More than 50%	Between 50 and 25%	Between 25 and 10%	Less than 10%
Dominican Republic 71.2% El Salvador 69.1% Colombia 64.1% Brazil 58.4% Chile 53.6%	Paraguay 46.7% Peru 35.9% Venezuela 35.6% Nicaragua 34.2% Guatemala 28.8% Mexico 25.2%	Costa Rica 23.9% Ecuador 23.2% Argentina 20.3% Honduras 12.5%	Bolivia 8.5% Panama 8.4% Uruguay 6.0% Cuba 0%

Source: García Guadilla, C. *Higher Education in Latin América, Quantitative View*, UNESCO-CRESALC, Caracas, 2000.

It is important to indicate that the private sector is indeed heterogeneous, since it consists of different models: the secular élite, the religious, and the 'absorption of demand'³⁰. In this sense, even if there are private institutions of excellent quality, whether the secular elite model or the religious one, the same can't be said of the one of 'absorption of demand' model, which, indeed, is more numerous. In some cases (e.g. Colombia, El Salvador and Bolivia), some of the institutions that are included in the last model are called "Garage Universities".

As for the public education, education does not escape from its "merchandise" status, through professions in whose activity there is a private appropriation of an usufruct of a public good, which is education. This indicates that professions - which represent a relevant product of education, even if not the only one - do not escape away from the market laws that characterize today's scenario.

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- d) Countries with a nonexistent or incipient private sector (less than 10% or none): China and most of the Eastern European countries.

(In: García Guadilla, C. 2001. Lo público y lo privado en la educación superior: algunos elementos para el caso latinoamericano. (The private and the public in higher education: some elements for the Latin American case), *Revista de Educación Superior*, Vol. XXX, N° 119, México).

³⁰ According to Daniel Levy's classical classification, *Higher Education and the State in Latin América. Private Challenges to Public Dominance*. The University of Chicago Press, Chicago, 1986.

As for the quality assurance requirements, even if some countries in the region - among them Mexico, Chile, Brazil, Argentina, Costa Rica, Colombia - developed systems of evaluation and /or accreditation, many other countries have not achieved such action. This implies that the latter countries have not been able to establish the slightest order in their internal market, and are represented by an anarchic growth of institutions in the private sector, and by the degradation of the quality of their public institutions.

The continuity of this scenario implies struggling on one hand, with an internal market that the countries themselves have not been able to regulate, as well as with the presence - basically through mode 1 of supply (distance education) - by external suppliers who are starting to compete with national institutions. This, together with the presence of mode 2 of supply (consumption abroad), with, as a consequence, the brain drain previously discussed.

All of the above - and many other aspects that cannot be possibly identified in this brief article - explains the efforts that have been taking place in Latin America to overcome, rather than to provide continuity, to the present scenario.

SCENARIO B:

Globalization with interaction and a regulated market by educational agreements

In this scenario, efforts are made to harmonize the public with the private, starting with the fact that education is a public good, within a conceptual approach oriented to achieve a sustainable social development. Better balanced at planetary level, with greater equity among and within the peoples of the world. An education that will shape responsible citizens at both local and global levels.

This is the most desirable scenario, since in it academic institutions will participate in the globalization of knowledge in an interactive manner, acquiring knowledge but also producing knowledge which is relevant to its societies, which in turn can interact with universal knowledge. This is the best scenario for both advance and non-advance countries, since when cultures become exclusive, they lose, when they become inclusive, they win.

In this scenario it is possible to accommodate international, regional and subregional agreements that have spontaneously been established among institutions in different parts of the world, oriented to create greater interaction, mobility and flexibility among parties. In the case of Latin America, the Agreements established by the Association of Universities of

the Montevideo Group (AUGM), that aim at orienting studies towards common sub regional problems in priority areas, including social development, health, the environment, the production of culture. In this case, integration is seen as an enhancement and a means of disposing of greater strength in the processes of academic globalization. In European Community, the Lisbon Convention and the Bologna Agreement for the European case, the latter meant to create a European Area for Higher Education for the year 2010.

Other international agreements would fit within this scenario, as for example, the activities, initiatives, conventions carried out by UNESCO, with views to create instruments or tools that would favor transnational education. The position of this Organization is indeed encouraging, since it strives at establishing spaces of internationalization with the presence of interested actors, and oriented to establishing education as a public global good. These initiatives must be reinforced with enough resources that will allow responding with greater speed and innovation to the urgent issues that arise from new conditions.

In this scenario, quality is inseparable from relevance, since institutional evaluations must take into account the pertinence that knowledge has for societies in which institutions are located, particularly in the case of the more vulnerable countries. In this scenario, quality national systems develop in all countries, since *"those countries that are not able to develop systems that will guarantee the quality of their Higher Education, are destined to remain in the periphery in the new global economy"*.³¹ It will thus be possible, from national systems, to establish collaborative links with international systems of accreditation.

Also in this scenario, international accreditation systems are developed that will respond to the needs in a new globalization context. These international activities are elaborated with criteria of collaboration that will take into account the different cultures and traditions of countries. All of this takes place in the framework of a sustainable international policy framework, that can manage adequately transnational suppliers, reconciling the public sector of higher education, the private sector and the interest and need of educational communities. It could take place through accrediting transnational entities, which would guarantee the quality of education, as well as take into account the interests of countries with less competitive institutions³².

³¹ Fred Hayward, Finding a Common Voice for Accreditation Internationally, CHEA, 2001.

³² Some initiatives have already been started on the need to have transnational entities capable of ensuring quality in the context of

SCENARIO C

Globalization with subordination and a market regulated by trade agreements (such as the GATS)

In this scenario there is a very high uncertainty. The only thing that is considered of greater certainty is that subordination will be more important, since trade agreements treat countries as if they were all the same, without bearing in mind the vulnerability that characterizes many countries in the Latin American region.

On the other hand, in this scenario, countries have not been prepared nor organized with regards to GATS. Thus, it is foreseen that they will not benefit from the advantages that this agreement may offer them, with the risk of being exposed to all disadvantages. Among them:

- a) the invasion of external institutions of dubious or unknown quality, as a result of not having established the necessary regulations to protect the country from such invasions.
- b) greater difficulties in the development of national higher education systems due to the presence of a strong external commercial competition;
- c) an increase in the complexity of national systems of higher education, on account of the coexistence of the unresolved internal with the external unknown.

SCENARIO D:

Globalization with interaction and a market regulated by commercial agreements (such as GATS)

Countries study and take knowledge of the possible impact of commercial agreements. They manage adequately the disadvantages and try to take maximum benefits of the advantages. However, taking into account the inequality conditions of departure, it is not difficult to presume that –for the majority of the region’s countries- it would require a great amount of efforts to overcome the disadvantages.

IS SCENARIO “D” (GLOBALIZATION WITHOUT SUBORDINATION AND WITH GATS) POSSIBLE?

globalization. Such is the case of the Meeting of Experts on "The Impact of Globalization in the Search for Quality", held in UNESCO in Paris in September 2001. However, there is need for a stronger participation of less developed countries, in order that those different perspectives, needs and interests may be duly expressed.

As could be seen in the previous section, scenario A represents the continuation of the present scenario, with little sustainability. Scenario B, even if not probable in the short term it is the most desirable, then relevant efforts need to be engaged. But, if conditions won't change, the scenarios C and D represent a quite probable trend. It seems thus necessary to study the consequences that they would imply. The difference between these two scenarios is that one of them can be carried out with lower levels of subordination. Is this possible? What would be the necessary conditions? Answering these questions represents a priority for Latin America that can no longer be delayed. The implications these forces may have in the Higher Education systems in the region are still poorly understood.

This responsibility must be assumed by the academic world, in communication with those representatives of government who are involved in trade agreements in the framework of GATS. Nevertheless, even without the GATS, it is important to recognize that the economic value of information is very present nowadays in our knowledge society. This implies that many of the questions that are presented in the following section are legitimate, even for a scenario where the educational agreements prevail over the commercial ones.

Some of the elements that should be taken into account in this debate are:

Regional and sub regional level:

- What impact can GATS have on the agreements on sub regional Higher Education which were drawn in the 1990s, as the TLC and MERCOSUR?
- What impact can GATS have on the evaluation efforts that MERCOSUR has started to carry out recently?
- Wouldn't it be convenient to develop other sub regional agreements of the MERCOSUR type, coordinated by sub regional institutions, in such a manner that the region may count upon adequate institutional backing that may serve as intermediaries with international existing bodies, and other on the way to their creation?
- What are the conditions to ensure legitimacy and credibility of the mediating regional institutions to participate in a position of equality *vis à vis* international bodies?
- What would be the requisites to guarantee that our countries are duly represented in the international bodies being created?

National level

- The diversity of national systems of higher education existing in the region, makes us think that the impact of the GATS on such countries will result in different effects, associated to the following areas:

Ensuring quality:

- What impact will GATS have in countries that already have - even if still rather weak - national evaluation and/or accreditation systems?
- What will be the impact in countries that have not yet succeeded in establishing such systems?

Public and private:

- What impact will GATS have in the private sector in countries where this sector is larger than the public sector? Will there be institutions that will become more competitive?
- What will be the impact on public matters where the public sector is larger than the private sector?

Public financing:

- What institutions or aspects must public financing give priority in the context of a more open commerce?
- What could be the best strategy of the state to guarantee equity within the new market conditions?
- What should the priorities be in the awarding of public resources aimed at setting up adequate institutional bases to establish linkages with regional and global levels?

Development of the country:

How can the inclusion of pertinence (relevance) criteria into quality criteria be guaranteed?

How can a greater commercial openness in educational aspects be harmonized with criteria for a sustainable social development?

Institutional level

The heterogeneity of institutions in each of the countries is most impressive. Considering both extremes, the region has some high quality universities - public or private - that are associated or twinned with top universities in advanced countries. On the other hand, there are many higher education institutions with scarce resources that operate at survival level. Between these two extremes, there is a range of other type of

institutions that need to be identified, so they may reply to the following question:
What can be the impact of GATS on each of these institutions of different types?