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International trade in education and its discontents: Threat or benefit?

The idea of trade in education faces criticism from many valid viewpoints. Some argue that education is a public good not to be commercialized. Others oppose the concept of importation of foreign philosophies and ideas about the nature of what is to be learned. In this piece, international educational policy expert Stephen P. Heyneman systematically addresses these main strands of criticism and provides his own responses to them.

Stephen P. Heyneman

A vibrant economy requires trade. Trade requires the export of goods and services which others need and the importation of goods and services which others have at a cheaper price and higher quality. But the nature of trade is not stagnant; countries which import particular goods and services today may be an exporter tomorrow. The general conclusion would be that lowering of barriers to trade is beneficial to all sides. However the history of this principle is littered with regulatory exception. At one time India prohibited the importation of foreign automobiles; Brazil prohibited foreign-made computers. These restrictions were rationalized on grounds that the domestic products were essential to the local culture, that they were essential to maintain the integrity of the local economy, that they provided much-needed employment and that they were in the national interest. Today, Brazil and India allow the importation of computers and automobiles. Both now manufacture these products domestically. Moreover because of the willingness to lower import barriers India and Brazil now export products and services to many new partners. In general the lesson has been consistent with the theory that trade would be beneficial to all parties.

Today arguments for restricting trade are made with respect to the import and export of educational goods and services. Are these arguments compelling? Should education be an exception to the lessons of trade learned from other sectors? Is the trade in education services a legitimate subject for the World Trade Organization (WTO), the international body which helps govern the rules and regulations pertaining to international trade?

DEFENDING THE PUBLIC GOOD

Those who oppose international trade in education argue that education is a public good. Were a country to open up its higher education sector to international providers for instance, they say it would threaten the public interest in several respects. It would include the importation of foreign philosophies and ideas about the nature of what is to be learned. This threatens the right of nations to raise citizens in their own cultures and with their own identities. It would include the use of fees and hence by being available largely to the wealthy, it would threaten the equality of educational opportunity. It would distort education by being delivered on the basis of commercial principles. It would emphasize subjects which generate economic returns to the detriment of subjects needed for social cohesion – history, languages, arts and humanities. It would emphasize research based on commercial principles (‘knowledge capitalism’) rather than those of academic curiosity and the search for truth. If traded internationally education would cease to serve the interests of the nation and the wider community. Were trade in education to be allowed, it would lower the will of public authorities to fund education, hence putting public education at risk. And it would threaten the social contract across generations, the promise of free education for all (Tilak, 2004, 2005).

CRITICS OMIT SECTOR COMPLEXITIES

Those who favor considering education (or some sub-sectors) as a legitimate topic for trade reduction make the following points. They say the education sector is not simple. It contains *products* (books, software, curricular packages, laboratory equipment), *services* (testing, test preparation, management

“ Without tuition fees, low income taxpayers pay for the education of the wealthy.

consulting), and *programs* (degrees and certificates of completion). Most objections to the education trade apply only to the latter category. Education trade may span pre-school, primary, secondary, tertiary and adult education. It includes corporate training, vocational training, and distributive education (from Microsoft etc.). Most objections to education trade apply only to primary, secondary or higher education. Education trade includes non-profit as well as for-profit organizations (many objections do not distinguish between the two) and it includes minor children subject to mandatory education as well as adults who make their own decisions and finance their own programs (Heyneman, 2001). If arguments over education trade were subjected to the characteristics of each category, preferred public policy might differ by sub-sector. For instance, concerns over ‘privatization’ may be more relevant to primary schooling than to the trade in equipment destined for school chemistry laboratories, yet both are considered ‘education’.

As a public good, education is mixed. In some cases (my ballet lessons?) it is a purely private benefit. In some cases (business school and corporate training), it is both. And in some

“ Privatization concerns may be more relevant to primary schooling.

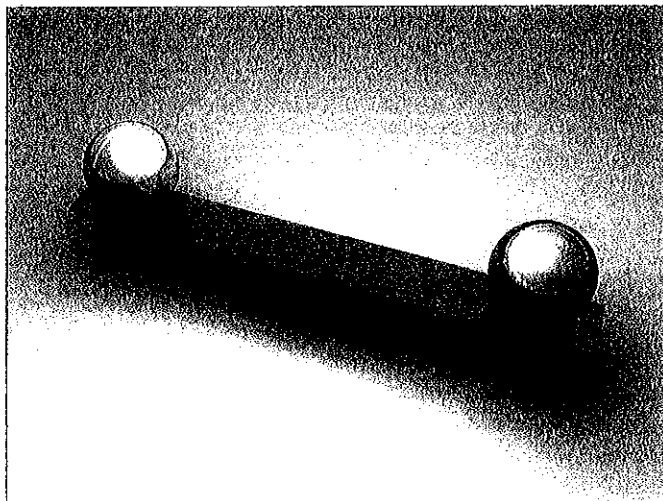


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Pro and contra. Both critics and champions of international trade in education need to appreciate the complexity of the sector.

cases (public literacy and following public consensus that more historians are needed) it may be a pure public good. The definition of public good is sometimes treated simplistically. National parks and museums are public goods, but entry fees are charged because public goods are not free of private cost. Public interest is parallel to a public good. It is in the public interest to have high quality higher education, but to achieve it may require importation just as computers were in Brazil and automobiles in India. In essence, to achieve a viable public good, importation may be a necessity (Agarwal, 2006a; 2006b; 2009). Trade in education may be a necessity for human rights (Heyneman, 2007). A fee-paying adult in Greece may wish to take a course from the British Open University. To deny that citizen the right of access to the program of choice, in a democracy, is unacceptable.

Critics suggest that trade in education can lead to commercialization and the distortion of scientific investigation.

They argue that faculty salaries, influenced by a school or department's income-generating capacity, will tilt the acquisition of faculty in favor of characteristics independent of scholarship. But the opposite may be true. The quality of teaching depends on a university's ability to compete for research resources. If financed on an open basis in which universities compete, research helps insure that universities and faculty will be at the center of innovation, a position of strength passed to students. Moreover, if faculty salaries are set independent from demand and productivity, it leads to university stagnation and irrelevance (Heyneman, 2007).

TUITION FEES SUPPORTING SOCIAL EQUITY

Critics of education trade argue that tuition and other fees will lead to inequity of access. But without tuitions, low income taxpayers pay for the opportunity of wealthy children to attend. University systems without high portions of their income from non-state

sources have lower access for the poor and tend to concentrate the poor in low status institutions. Quite contrary to the popular image, tuitions can support social equity (Yossi, Arun & Gamaron, 2007). Part of the public's misunderstanding has to do with the inexperience of how world class university incomes are managed. They are not managed like railroads. Top administrators plan the cross-subsidization of important low income generating functions by high income-generating functions. Egyptology and classics thrive at the University of Chicago because income is re-purposed from the business school. In response, the business school prides itself in being part of a greater university, a prestige it could not easily achieve on its own (Padilla, 2005). Finally, tuitions themselves can be used to cross-subsidize. Of the incoming class at a world class university families of only one student in three pay the full amount. The other two are subsidized by the high tuitions of the one third. In essence tuitions can be used to generate income from the rich to support the poor. This is often not mentioned by those who protest against the trade in education.

TRADE BARRIERS LOWERING DESPITE CRITICISM

Opponents argue that education trade would place local culture at risk and import English, other dominant languages and philosophies antithetical to local preference. Proponents of international trade point out that no country in the WTO has proposed that curriculum for minor children should not remain within the prerogative of government (Payne, 2008). However, where adults are concerned the choice of instruction language and topic of study is their natural right. Opponents argue that education trade would weaken

public willingness to fund education. Proponents counter with the argument that international trade would strengthen the public commitment to fund education because the rise in quality would strengthen public confidence. Without education quality public confidence is low; with rising quality public confidence is likely to rise as well. Critics of education trade argue that the WTO poses a threat to national sovereignty - that the organization forces changes on the unwilling and weak. Proponents point out that the 'commitments' made at the WTO are simply commitments to discuss an issue, not a commitment to a reduction in specific barriers (Payne, 2008). Opponents suggest that education should not be treated as just another sector, but because of its sensitivity it should be excluded from trade discussions. However compelling these arguments may be to some, trade ministers do not seem to have taken notice. Countries which commit themselves to discuss reductions in barriers to education trade tend to be the same countries willing to lower trade barriers in other parts of the economy (Payne, 2008).

In sum, any country hoping to rapidly and perhaps radically improve its education system, and many of its sub-sectors, should consider importing products, services and perhaps programs. And any country which has found a means of efficiently providing high quality education at affordable prices should consider exporting its methods and content to parts of the world where it is scarce and in need.

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