# International Higher Education

## Number 43  Spring 2006

### Citations and Rankings
- **2** The Place of Citations
  - Amanda Goodall
- **3** The Tyranny of Citations
  - Philip G. Altbach

### International Issues and International Students
- **5** Affordability and Access
  - Tarla Shah
- **6** Foreign Higher Education Activity in Francophone Africa
  - Lisa Jokivirta
- **7** The Economic Perils of Cost Sharing in Developing Countries
  - Carlo Salerno
- **9** The New Landscape of International Student Mobility
  - Hey-Kyung Koh Chin
- **11** Where Are International Students Going?
  - William K. Cummings and Olga Bain

### GATS: The Latest News
- **12** GATS: The Way Forward after Hong Kong
  - Jane Knight
- **14** GATS: Hong Kong Fallout
  - David Robinson

### Internationalization and Transnational Developments
- **15** Transnational Higher Education: A South African Perspective
  - Prem Naidoo
- **17** Mongolian Universities and Globalization
  - Altantseleng Sodnomtseren

### Private Higher Education
- **18** A Latin American Private University Strives to Become “World Class”
  - Pedro Rosso and Nicolás Velasco
- **20** The Gray Zones of Higher Education in the United States
  - Joshua Woods
- **22** Costa Rica: Public Continuity, Private Gains
  - Daniel C. Levy

### Countries and Regions
- **23** The Politics of Uganda
  - A. B. K. Kasozi

### Departments
- **25** News of the Center
- **26** New Publications
The Place of Citations in Today’s Academy

AMANDA GOODALL

Amanda Goodall is a doctoral researcher at Warwick Business School, University of Warwick, UK. E-mail: amanda@amandagoodall.com; www.amandagoodall.com.

Citations are references to authors in other academic papers as acknowledgment of their contribution to a specific research area. The field of bibliometrics was pioneered in 1955 by Eugene Garfield. He saw that information tools could be used by scholars to map scientific trends, assess the influence of individual papers, and of course trace the impact of their own work.

The Institute for Scientific Information (ISI) is the citation index most used today by the academic community. ISI includes bibliographic data on the sciences, social sciences, and more recently the arts and humanities.

The most common use of the database is for retrieving journal articles. However, increasingly bibliographic data are being used as a heuristic technique for assessing scientists’ work, and they are even being used by governments to evaluate whole nations’ research output. In today’s academy, citations have become a central indicator of quality and productivity, one that was unavailable a small number of years ago.

The use of such bibliographic data is important. It represents a shift in emphasis away from the quantity of journal articles, onto assessing the actual influence of academic work. One influential article matters more than 10 that nobody cites.

However, language biases have traditionally been shown to exist within ISI because of the dominance of English, although, as most international journals are increasingly producing English versions, language bias is steadily becoming less of a problem. There are those who assert that the global dominance of English is a form of cultural imperialism. But then, academic publications tend to follow research money, and the United States still has the largest research budget of any nation.

Weaknesses

Many deans, department heads, and recruitment committees are using citations as part of the assessment process involved in making new appointments. By going through databases like ISI, selection panels can check if a candidate’s work is making an impact by being cited by other researchers in their field.

To some, using citations as a measure of research quality is still a controversial practice. Critics assert that bibliographic data were not intended to be used as tools for measuring excellence but instead for information retrieval. Despite objections, bibliometric measures have become part of the evaluation process of academic research.

A common criticism of citations data is that an author can receive citations for bad work as well as for work that is viewed as good. This happens, some argue, because authors will often cite a piece of work that is receiving criticism and, therefore, the publishing author of “bad science” might accrue as many citations as someone publishing quality work. Of course, what is considered “bad science” may be hotly disputed, and these disputes themselves are part of the process of scientific development.

It is my belief that, in general, studies genuinely shown to be wrong or to have been falsified will not go on to generate high numbers of citations. Of course, there will always be exceptions. Papers that are repeatedly referenced negatively may generate a small bubble of citations, but it is unlikely that future work from the same author will receive a great deal of attention. Indeed, authors who write on bibliographic data on the whole agree that citations analyses are a reliable indicator of performance over long periods of time.

There are also problems with the accuracy of bibliographic data collection. Inconsistencies in methods of referencing and inaccuracies in citation statistics have been common factors. Self-citing presents another potential glitch, and this can take two forms: first, overciting one’s own work in academic papers and, second, self-citation in articles to try to raise a journal’s “impact factor.” Journal-impact factors measure the intellectual influence of journals by counting which ones are receiving the most citations (over the latest two years) by publishing authors. So, for example, if the most cited work is coming from articles in “Journal of Great Work” then this will increase the impact factor of that publication.

Traditionally, the status of an academic journal was built up through the reputation of editors, the editorial board, and the eminent scholars who published ground-breaking research between the covers of the periodical. Of course, time and again the most influential work failed to appear in the top publications. There have been many examples of articles that become the most cited yet that failed to be accepted by leading journals in their field.

When ISI first began to assess academic journals using this methodology, there were inconsistencies; and this is where the notion of self-citation returns. One study that looked specifically at this issue reported a significant correlation between self-citation levels and impact-factor scores across six journals in...
the field of anaesthesia. Some of these loopholes have been closed. Nevertheless, journal impact factors should still be applied with some caution.

Comparing Citations Across Disciplines
When using citations as any kind of measure of quality, it is important to recognize the huge differences between disciplines. For example, a very highly cited social scientist (say, one of Harvard’s best professors) might have a lifetime citation score of around 3,000–4,000, whereas a top molecular biologist could have a score of over 15,000–20,000. The discrepancies in citation levels across disciplines are demonstrated in the number of new cited references that appear in ISI every week. The sciences generate approximately 350,000 new cited references weekly, the social sciences 50,000, and the humanities 15,000.

Bibliometric indicators have been used more consistently across the sciences than in the humanities and social sciences. Such use is most evident in the natural and life sciences. These disciplines publish more journal articles and have a higher prevalence of coauthorship. In the social sciences, it is now quite common for there to be up to three authors attributed to an article, but any more is unusual—whereas in the sciences, coauthors can easily extend to the tens or twenties.

Another issue that skews disciplinary comparison is the publication rhythm and turnaround times of journals. Some medical disciplines have weekly journals; in history, the journals are often quarterly. In the discipline of economics it can take up to two years from the time an article has been accepted to the date of publication. In the arts and humanities, writing articles for journals is much less common. These disciplines tend more toward publishing monographs.

Conclusion
One of the most interesting, though possibly unsurprising, outcomes associated with the heightened awareness of citations is the extent to which they are being used to create league tables of top scientists. In 2005, Jorge Hirsch developed an h-index, essentially a method of counting citations, which he uses to identify and rank the most-cited physicists. For some scholars, counting one’s own citations has by repute become almost obsessional. I personally know of a physicist who checks his numbers every single morning.

It could be argued that this level of citations awareness is somewhat unhealthy and overly competitive. Then again, maybe it is inevitable in a world that celebrates those who are first—to identify a fact or explain a phenomenon. It is worth mentioning at this point that for those who would like to improve their citation levels there is a very quick and easy method. Ensure that you place all your academic papers (and others) onto your website with live links to the full text. This will not only generate a few more citations for you, but also, and more importantly, it will get your work out to other scholars and generally disseminate your ideas more widely. This must be good for science.

The Tyranny of Citations

Philip G. Altbach

Philip G. Altbach is Monan professor of higher education and director of the Center for International Higher Education at Boston College. See also “The Place of Citations in Today’s Academy,” by Amanda Goodall, in this issue—for a related perspective.

The analysis of citations—examining what scholars and scientists publish for the purpose of assessing their productivity, impact, or prestige—has become a cottage industry in higher education. This approach has been taken to extremes both for the assessment of individuals and of the productivity and influence of entire universities or even academic systems. Pioneered in the 1950s in the United States, bibliometrics was invented as a tool for tracing research ideas, the progress of science, and the impact of scientific work. Developed for the hard sciences, it was expanded to the social sciences and humanities.

Citation analysis, relying mostly on the databases of the Institute for Scientific Information (ISI), is used worldwide. Increasingly sophisticated bibliometric methodologies permit ever more fine-grained analysis of the articles included in the ISI corpus of publications. The basic idea of bibliometrics is to examine the impact of scientific and scholarly work, not to measure quality. The somewhat questionable assumption is that if an article is widely cited, it has an impact, and also is of high quality. Quantity of publications is not the main criterion. A researcher may have one widely cited article and be considered influential, while another scholar with many uncited works is seen as less useful.

Bibliometrics plays a role in the sociology of science, revealing how research ideas are communicated, and how scientific discovery takes place. It can help to analyze how some ideas become accepted and others discarded. It can point to the most widely cited ideas and individuals, but the correlation between quality and citations is less clear.
**An American Orientation**

The bibliometric system was invented to serve American science and scholarship. Although the citation system is now used by an international audience, it remains largely American in focus and orientation. It is exclusively in English—due in part to the predominance of scientific journals in English and in part because American scholars communicate exclusively in English. Researchers have noted that Americans largely cite the work of other Americans in US-based journals, while scholars in other parts of the world are more international in their research perspectives. American insularity further distorts the citation system in terms of both language and nationality.

The American orientation is not surprising. The United States dominates the world’s R&D budget—around half of the world’s R&D funds are still spent in the United States, although other countries are catching up, and a large percentage of the world’s research universities are located in the United States. In the 2005 *Times Higher Education Supplement* ranking, 31 of the world’s top 100 (research-focused) universities were located in the United States. A large proportion of internationally circulated scientific journals are edited in the United States, because of the size and strength of the American academic market, the predominance of English, and the overall productivity of the academic system. This high US profile enhances the academic and methodological norms of American academe in most scientific fields. While the hard sciences are probably less prone to an American orientation and are by their nature less insular, the social sciences and some other fields often demand that authors conform to the largely American methodological norms and orientations of journals in those fields.

**A Small Subuniverse**

The journals included in the databases used for citation analysis are a tiny subset of the total number of scientific journals worldwide. They are, for the most part, the mainstream English-medium journals in the disciplines. The ISI was established to examine the sciences, and it is not surprising that the hard sciences are overrepresented and the social sciences and humanities less prominent. Further, scientists tend to cite more material, thus boosting the numbers of citations of scientific articles and presumably their impact. As Amanda Goodall points out, the sciences produce some 350,000 new, cited references weekly, while the social sciences generate 50,000 and the humanities 15,000. This means that universities with strength in the hard sciences are deemed more influential and are seen to have a greater impact—as are individuals who work in these fields. The biomedical fields are especially overrepresented because of the numbers of citations that they generate. All of this means that individuals and institutions in developing countries, where there is less strength in the hard sciences and less ability to build expensive laboratories and other facilities, are at a significant disadvantage.

**The Use, and Misuse, of Citations**

It is important to remember that the citation system was invented mainly to understand how scientific discoveries and innovations are communicated and how research functions. It was not, initially, seen as a tool for the evaluation of individual scientists or entire universities or academic systems. The citation system is useful for tracking how scientific ideas in certain disciplines are circulated among researchers at top universities in the industrialized countries, as well as how ideas and individual scientists use and communicate research findings.

A system invented for quite limited functions is used to fulfill purposes for which it was not intended. Citation analysis purported to measure the productivity of scholars and scientists—although productivity is defined narrowly in terms of published scientific articles cited in journals and, to some extent, books and other sources available to the ISI database. Scientists who are widely cited are deemed to be more productive and influential and presumably rewarded for their work. Hiring authorities, promotion committees, and salary-review officials use citations as a central part of the evaluation process. This approach overemphasizes the work of scientists—those with access to publishing in the key journals and those with the resources to do cutting-edge research in an increasingly expensive academic environment. Another problem is the overemphasis of academics in the hard sciences rather than those in the social sciences and, especially, the humanities.

Academics in many countries are urged, or even forced, to publish their work in journals that are part of a citation system.

Academics in many countries are urged, or even forced, to publish their work in journals that are part of a citation system—the major English-language journals published in the United States and a few other countries. This forces them into the norms and paradigms of these journals and may well keep them from conducting research and analysis of topics directly relevant to their own countries.

Citation analysis, along with other measures, is used prominently to assess the quality of departments and universities around the world and is also employed to rank institutions and systems. This practice, too, creates significant distortions. Again, the developing countries and small industrialized nations that do not use English as the language of higher education are at a disadvantage. Universities strong in the sciences have an advantage in the rankings, as are those where faculty members publish in journals within the citation systems.
Conclusions
This article criticizes the unsophisticated use of citation analysis for the evaluation of individuals, departments, institutions, and systems. The misuse of citation analysis distorts the original reasons for creating bibliometric systems. Inappropriately stretching bibliometrics is grossly unfair to those being evaluated and ranked. The “have-nots” in the world scientific system are put at a major disadvantage. Creative research in universities around the world is downplayed because of the control of the narrow paradigms of the citation analysis system. This system overemphasizes work written in English. The hard sciences are given too much attention, and the system is particularly hard on the humanities. Scholarship that might be published in “nonacademic” outlets, including books and popular journals, is ignored. Evaluators and rankers need to go back to the drawing boards to think about a reliable system that can accurately measure the scientific and scholarly work of individuals and institutions. The unwieldy and inappropriate use of citation analysis and bibliometrics for evaluation and ranking does not serve higher education well—and it entrenches existing inequalities.

Affordability and Accessibility

Tarla Shah

Tarla Shah is managing editor of Higher Education Digest and on the staff of the Centre for Higher Education Research and Information, at the Open University. Address: Centre for Higher Education Research and Information, Open University, 44 Bedford Row, London WC1R 4LL, UK. E-mail: T.Shah@open.ac.uk.

This report provides comparable cross-national data on affordability and accessibility of higher education. It shows how different countries perform on a spectrum of indicators of affordability and accessibility and allows nations to see how well they are doing relative to other countries around the world. The report also assigns different rankings to countries’ efforts in making education accessible and affordable.

Including both costs and resources, the report uses the following sets of indicators to look at affordability: costs as a fraction of ability to pay support as a fraction of ability to pay, support as a fraction of costs, and cost minus support as a fraction of ability to pay. The indicators used for accessibility are participation rates; attainment rates; the educational equity index (the quantification of educational inequality by measuring the degree to which students from high-socioeconomic-status backgrounds—as measured by paternal education levels—are overrepresented in higher education; and gender parity index.

The affordability section of the report looks at data on affordability of higher education in 15 countries. The report compares countries on six different measures of affordability (as a percentage of ability to pay): education costs, total costs, net costs, net cost after tax expenditure, out-of-pocket costs and out-of-pocket costs, after tax expenditures. These taken together provide the following weighted overall affordability ranking:


The analytical findings of the study on comparative affordability reveal a number of trends. Sweden is the most affordable country because of its combination of low educational costs, generous grants, and high take-up of loans. Finland and the Netherlands also do well because of low to middle educational costs, generous grants, and reasonable but limited loan programs. Because of limited student aid programs, the rest of continental Europe fares only moderately well despite low educational costs. The United Kingdom and New Zealand are near the bottom of the ranking because of high costs and low national incomes.

The accessibility section of the report looks at data on accessibility of higher education in 13 countries. Using the different indicators of accessibility, the country rankings are as follows:


The findings on comparable accessibility suggest that the Netherlands and Finland have high participation rates and good or excellent gender parity scores. Finland’s high score is largely due to its very high participation rates. The Netherlands gets the top spot because of its excellence in education equity and gender parity. The United Kingdom, the United States, Canada, Australia, and Ireland cluster in the mid-to-high zone of the rankings, which demonstrates striking evidence of policy congruence across a shared linguistic zone. Germany, Belgium, and Austria fare well in terms of gender parity index, but are at or near the bottom of the other three accessibility measures. None has a particularly high participation or attainment rate, and all of them have student bodies that are elite relative to the national make-up.

Overall, the report concludes that Finland and the Netherlands are the “undisputed success stories” of the survey in terms of both accessibility and affordability. Both have large student bodies, high attainment rates, extensive grant pro-
Foreign Higher Education Activity in Francophone Africa

Lisa Jokivirta

Lisa Jokivirta is research officer at the Observatory on Borderless Higher Education. Address: Observatory on Borderless Higher Education, 36 Gordon Sq., London, WC1H OPF, UK. E-mail: l.jokivirta@obhe.ac.uk. URL: www.obhe.ac.uk.

Previous research on foreign educational activity in Africa has mainly focused on the English-speaking parts of the continent. Based on a substantial report, this article is an attempt to gauge the scale and nature of transnational higher education in francophone Africa and to raise practical questions over the sustainability of the francophone capacity-building model versus the more revenue-generating model generally found in the anglophone world.

Francophone Africa consists of 29 countries (18 where French is the official language, 6 where it is one of two official languages, and 5 where French is not one of the official languages but still has a powerful presence). The combined population is approximately 394 million (conflicting figures). Francophone Africa does not constitute a single political, economic, or cultural entity, and member countries exhibit a highly varied scale of foreign educational activity. There is a correlation between national economic conditions (i.e., GDP per capita) and level of foreign activity, with the least-developed countries remaining largely unaffected by this type of provision. The most active and diverse sites of transnational higher education are concentrated in the North African and Indian Ocean regions.

There is a growing demand for transnational higher education across francophone Africa. Although very few countries have developed regulatory frameworks for transnational higher education, most governments have encouraged this type of provision in an attempt to curb study-abroad rates and maximize tertiary participation. Other perceived benefits include domestic capacity building, widening student choice, and enhancing innovation and competitiveness in the sector. Yet opportunity is matched by attendant risk. Political upheavals and uncertainty have deterred foreign investment in certain countries. There appear to be limited possibilities for institutional partnerships due to a widespread lack of local expertise. Concerns over financial risk have also been raised due to the tradition of “free university education for all.” Incoming providers have reported difficulties in subsidizing the costs of tuition fees and in many cases have failed to secure local investment. The lack of regulatory framework for foreign providers might facilitate entry into the market, but concerns have also been raised over “soft market” value.

Until now, the vast majority of foreign educational projects have been spearheaded by the developed countries of the francophone world (particularly France). The Agence universitaire de la francophone (AUF), an international body dedicated to promoting a language “under threat,” has been at the forefront of developments. A “top-down” capacity-building approach has been adopted, in line with the inherited francophone tradition of “free university education for all.”

Trends in Foreign Provision

There would appear to be no comprehensive list of transnational higher education in francophone Africa. The Observatory on Borderless Higher Education’s report provides 20 examples of both face-to-face and distance/online foreign educational activity in order to distill emerging models and trends. Large-scale foreign operations that were established prior to the mid-1990s have generally been in receipt of multi-lateral funding (mainly from the AUF) and are almost entirely owned and operated by a consortium of foreign actors. This could reflect an attempt to reduce operational costs and share risk management, particularly as the majority of entities continue to subsidize student fees. This scenario appears to have limited the potential for widespread access, as the majority of tuition-free programs are confronted by growing capacity problems.

There is evidence over time of greater ambition and commitment on the part of joint ventures. The overall shift is from small-scale, capacity-building projects (generally sustainable over a limited funding period) to more large-scale, economically driven ventures. There is a potential shift toward a branch campus model in countries such as Mauritius, Senegal, and Lebanon, where national authorities have explicitly invited foreign institutions to commence operations. The diversification of actors (particularly from the United States and India) suggests that not only French-speaking countries have an interest in operating in francophone Africa.

While still a minority trend, e-learning is increasingly viewed as a viable alternative to large-scale face-to-face delivery.
Poor technological infrastructure, low bandwidth availability, and language remain important barriers to online access. There is a growing risk of overlapping activity in online and distance learning due to the proliferation of players in the market, and several e-university ventures have collapsed after the initial funding period ended.

Until now, transnational higher education in French-speaking Africa has developed in relative isolation from the other language communities on the continent. One site where the anglophone and francophone worlds meet is the African Virtual University (AVU). In March 2004, the AUF formed a partnership with the AVU to collaborate in the development of course content in French. The AVU’s recent partnership with the agency might be viewed as an attempt to bridge the existing divide and promote institutional collaboration between the two language communities. The prospects of cross-fertilization (rather than ongoing separate development by language) remain unclear.

ISSUES AND IMPLICATIONS

There is currently a paucity of information on foreign educational activity in French-speaking Africa. An overview of cross-border developments suggests that transnational activity based on the capacity-building model can develop on a substantial scale, but the prospects for long-term sustainability remain less clear. Large-scale developments are almost exclusively concentrated in the more developed countries of the subregion. This trend is likely to continue as incoming providers attempt to achieve a more refined balance between developmental/commercial objectives. Mauritius, Tunisia, and Senegal offer good examples of how national governments can put in place a range of structures and incentives to bring foreign educational provision into the mainstream.

It is indisputable that over the past decade transnational activity has expanded significantly in French-speaking Africa, foreign ventures have become more ambitious and the type of providers has become increasingly diverse. As cross-border activity becomes increasingly widespread across the subregion, the question begs to be raised: how might countries in francophone Africa maximize the developmental benefits and minimize the potential risks of transnational higher education?

For further details, please refer to the two-part report “Higher Education Crossing Border in Francophone Africa: Opportunities, Challenges and Implications” at www.obhe.ac.uk.

Cost Sharing in Higher Education Financing: Economic Perils in Developing Countries

CARLO SALERNO

Cost sharing, shifting part of the burden for financing higher education away from the state and onto students and families, is a phenomenon that has taken on global proportions. Nowhere, though, has it received greater endorsement than in the developing world and particularly in sub-Saharan Africa. A shortage of public funding, rapidly expanding enrollments, and strong endorsement from international aid agencies like the World Bank have all worked in concert to push cost sharing as the way for such nations to strengthen their fragile higher education sectors and spur economic growth.

The practice makes for sound economic policy, particularly on equity grounds. Investment in higher education yields significant private returns; and from an equity standpoint, whoever benefits ought to pay. Since both individuals and society reap the rewards from education, an equitable financing scheme implies sharing the costs. The potential gains from cost sharing are readily apparent in the success of its most ardent fans: Anglo-Saxon countries. Indeed, one of the major strengths behind the American, British, and Australian systems is their universities’ ability to exploit this supplemental
income and leverage their reputations through the presence of high-quality faculty, talented students, and state-of-the-art facilities.

Yet what is good for the goose is not necessarily good for the gander. The introduction of cost-sharing mechanisms in developing countries has certainly generated much-needed revenues for perennially underfunded systems. At the same time, the unintended consequences stemming from the way it has been adapted to fit these countries’ unique economic circumstances raise serious concerns about the appropriateness of cost sharing as a long-term financing strategy.

**Where Do the Problems Lie?**

The term cost-sharing subsumes many different practices and the debate surrounding it is as much political as it is economic. There are three fundamental differences between the phenomenon and its application in developed and developing countries. The first is its distribution across the student population. In places like the United States, all students at both public and private institutions receive some type of subsidy and pay some level of fees, whereas places like Ethiopia or Uganda tend to fully subsidize a small number of academically talented students and charge all other students the full cost. The second involves the funding recipients. Tuition revenues from cost sharing in developed countries have largely benefited public institutions; however, in developing countries publics garner some of the new private financing, but a substantial portion is channeled into the development of a parallel private higher education sector. The third distinction deals with the underlying infrastructure. Countries like the United States, the United Kingdom, and Australia have created schemes to make education nearly costless at the point of use and repayment manageable over time and under differing economic circumstances. Developing countries have introduced tuition but, lacking the relevant infrastructure, have done so without a functioning loan or grants scheme.

The first problem is that instead of promoting equity, cost sharing in developing countries discourages it. Taxpayers fund public services they can then use, but only a very small fraction of the public actually enjoys the benefit. And since that public subsidy is based on merit, those who do receive the subsidy are least likely to need it: the wealthy children who have attended the best primary and secondary schools. For the overwhelming majority of the college-going population, cost sharing effectively becomes “cost shouldering.”

Second, without the necessary support infrastructure, this particular form of cost sharing is also hindering developing nations’ overall economic growth. Annual tuition at public institutions may only run into the hundreds of dollars (and at privates in the low thousands); but when per capita GDP is less than $1,000, the up-front investment is remarkably high. Driven by the belief in what it can provide, cost sharing forces families to invest an unreasonably large percentage of their available income into education (particularly a small number of professional fields), which drives down consumer demand for goods in other areas of the economy. Rapid annual growth in the number of graduates may be lauded by many, but the high unemployment level among such individuals provides evidence that this mode of financing may in fact be responsible for depressing national growth by oversupplying labor markets while simultaneously depressing consumer demand.

The third and perhaps most interesting problem is that the additional funding is being channeled mainly to newly established private providers. Often referred to as “garage colleges,” most are small for-profits that open and close with alarming frequency and generally only offer professional programs in business, education, or computer science. From an economic standpoint, it is questionable whether such a large percentage of tuition funding ought to be allocated toward the provision of a narrow set of programmatic offerings at institutions that have considerable incentive to overcharge students and shirk on quality. Moreover, such a strategy does little to enhance access by encouraging a more even geographic distribution of higher education providers. For-profit privates’ most lucrative markets are the same populous areas in which the small numbers of public institutions operate.

### Is There a Solution?

Unfortunately, identifying a more preferable alternative financing scheme is difficult. One obvious solution would be to design the current system of subsidies on the basis of need rather than merit. The difficulty, of course, is how to calculate need in such a situation. Another solution would be to more evenly distribute public subsidies or create a rudimentary loan scheme using nontraditional cost-recovery mechanisms (e.g., the introduction of promissory notes and tax deductions). Such a system will invariably lose money, but this must be weighed against the benefits it provides by increasing participation and freeing up current income that can be spent on strengthening other consumer markets.

Managing the relationship between cost sharing and private expansion is tricky. An effective quality assurance mechanism can help ensure that tuition fees going to private providers are invested in education activities rather than investors’ pockets, but it cannot encourage a for-profit-dominated private sector to provide loss-making yet economically crucial nonprofessional programs needed for meeting the national labor market’s needs. If the strategy is to support a private system, then more must be done to discover financial incentives that will encourage privates to offer a broader curriculum more capable of meeting the countries’ labor-market needs.
Private financing of higher education is clearly crucial to maintaining an efficient, quality-driven system, but it is not a panacea for the problems currently facing developing countries. The push for a more balanced mix of public and private funding is necessary, but the way it has been so wholeheartedly and rapidly embraced is disconcerting without further research on the economic consequences that cost sharing will have on developing countries in the long run.

The New Landscape of International Student Mobility

Hey-Kyung Koh Chin

Hey-Kyung Koh Chin is senior program officer of research and evaluation, at the Institute of International Education in New York City. She is also the editor of the Open Doors Report on International Educational Exchange. Address: Institute of International Education, 809 United Nations Plaza, New York, New York 10036. E-mail: HKOH@iie.org.

Some patterns and shifts emerge in comparing data for 2004/05—the most recent year for which data exist on international students in US higher education from the Open Doors Report on International Educational Exchange—with the previous year. The regions of origin of international students remained virtually unchanged in 2004/05. As has been the case for many decades, the largest proportion of international students came from Asia (57 percent), up 1 percent from 2003/04. Enrollments from Europe (13 percent) and Latin America (12 percent) remained the same, while enrollments from Africa (6 percent) declined 1 percent, and those from North America (5 percent) and the Middle East (6 percent) remained unchanged. India was the leading place of origin of international students for the fourth year in a row, with 80,466 students in the United States (14 percent of the total). But after several years of double-digit growth, the increase from 2003/04 to 2004/05 was only 1 percent. Five-year enrollment trends for the other three leading sending countries showed varied rates of growth: enrollments from China, the second-largest sender, increased until 2002/03, declined in 2003/04, then increased slightly in 2004/05; enrollments from Japan increased until 2001/02, declined slightly in 2002/03, declined steeply in 2003/04, and increased again 2004/05; and enrollments from Korea experienced a steady increase throughout.

In the United States the distribution of international students by state has not changed much over time. The five leading host states in 2004/05 were California, New York, Texas, Massachusetts, and Florida. New York City was once again the largest metropolitan area hosting international students, followed by Los Angeles, Boston, Washington DC, and Chicago. International students tended to be heavily concentrated within the United States: the leading 25 host institutions were all doctoral research institutions, each of which hosted 3,000 or more international students and are located in just 13 of the 50 US states.

With respect to their personal profile, international students were largely studying business and management, followed by engineering. One major troubling shift in 2004/05 was a 25 percent decline in international student enrollments in mathematics and computer sciences. Other fields of study that showed the largest declines in enrollments included social sciences (15 percent) and fine and applied arts (12 percent), with the largest growth in physical and life sciences (11 percent) and intensive English language (8 percent). As in the past, the primary source of funding was personal and family funds, with almost two-thirds of international students (62 percent) relying on these funds to support their studies in the United States in 2004/05. The gender ratio has become steadily more balanced since the earlier years of the census, with 44 percent female students in 2004/05 versus 30 percent in the 1970s. Unchanged over time are the marital status and visa status of international students, with 85 percent single and 87 percent coming to study on F (student) Visas in 2004/05.

The most significant change has been in total enrollments, which has generated a large degree of concern and discussion among US educators, government officials, and business leaders. In 1954/55, there were 34,232 international students studying at US colleges and universities. Half a century later, in 2004/05, the number had grown to 565,039. This number represented a decline of 1.3 percent from 2003/04, which followed a 2.4 percent decline the previous year, and minimal growth of 0.6 percent in the year prior. These years followed on the heels of two consecutive years of 6.4 percent increases and nearly 30 years of fairly steady and sometimes strong growth. Given the recent reversal, what has been the impetus behind the declines?

Reasons for the Decline

Much of the decline has been attributed to tightened student visa review procedures implemented after September 11, 2001, which included personal interviews for all applicants and other new screening measures. The addition of several hundred consular officers this past year to handle the backlog generated in spring and summer 2002 and 2003 by these new require-
ments and a priority given to timely issuance of student visas reduced the waiting time and increased the visa approval rate to pre–September 11 levels in most countries. However, student perceptions have not caught up with reality. International students who might not have seriously considered studying abroad anywhere other than the United States became increasingly open to other options, especially those countries with quicker visa-issuing procedures.

For financial and geopolitical reasons, as well as the need for a highly educated labor force, the global competition for international students has been intensifying. Although competition has been eroding the US share in comparison with four of the leading host countries (Australia, France, Germany, and the United Kingdom) from 47 percent in 1997/98 to 40 percent in 2003/04, the United States continued to host more than twice the number of its closest competitor, the United Kingdom, in 2004/05.

Many of the other leading host countries have developed international student recruitment strategies at the national level, supported by substantial financial investments. In contrast, because international education policy in the United States, like other elements of higher education policy, is highly decentralized, the federal government only plays a limited role. Instead, international recruitment plans are developed and carried out by individual institutions, with scarce resources for recruitment activities (at most institutions), and usually in competition with one another. There are other significant reasons for declining enrollments beyond student concerns over visa approval delays. The rising cost of US tuition, along with alternative access to US degrees—through distance education, branch campuses, and joint degrees—have also contributed to slower growth and, from some countries, declining numbers.

Not all of the declines can be attributed to post–September 11 perceptions about visa difficulties, to increased competition, or to domestic US conditions. Expanded capacity of both public and private tertiary education institutions at both the undergraduate and graduate levels has created more educational opportunities for students in their respective home countries. A number of these “sending countries” have also themselves become regional host countries as their higher education sector expands and their economies become globalized. The Institute of International Education’s Atlas of Student Mobility, a web-based information resource, provides a snapshot of these dynamic paths of global international student mobility.

Hints of a Possible Turnaround
To supplement the Open Doors fall 2004 data by collecting responses from US institutions about the current semester, the Institute of International Education recently conducted a fall 2005 online survey in cooperation with leading professional organizations in the field of international education. While not as comprehensive as the data in Open Doors, the online survey does suggest some strengthening of international enrollments going forward. Of the 970 responding institutions overall, regardless of type of institution, 34 percent reported an increase, 33 percent reported a decline, and 34 percent reported level enrollments. Of the 106 responding institutions that enroll more than 1,000 international students, 33 percent reported an increase, 43 percent reported a decline, and 24 percent reported level enrollments. Focusing on new enrollments (students beginning their studies in fall 2005), 40 percent reported an increase, 26 percent reported a decline, and 34 percent reported level enrollments. Of the responding institutions (106) that enroll more than 1,000 international students, 51 percent reported an increase in new enrollments, 26 percent reported a decline, and 24 percent reported level enrollments.

The majority of respondents reported even levels of increase and decrease with regard to new student enrollments for countries overall. But in response to a breakdown by leading sending countries, more respondents reported increases rather than declines: 29 percent reported an increase (20 percent a decline) for new enrollments from China, and 36 percent reported an increase (17 percent a decline) for Korea. Conversely, most respondents reported declining enrollments from large Muslim countries: 20 percent reported a decline in new enrollments from Indonesia (15 percent an increase), 18 percent reported an increase (10 percent a decline) for Malaysia, and 20 percent reported an increase (14 percent a decline) for Pakistan. Regarding new and continuing enrollments by academic level, 109 of the responding institutions (47 percent) noted that declines were more evident at the undergraduate level, 66 (29 percent) noted more declines at the graduate level, and 56 (24 percent) noted similar levels of declines at both levels.

In a separate survey conducted by the Council of Graduate Schools, the “2005 International Graduate Student Admissions Survey II: Final Applications and Admission,” graduate institutions reported a 3 percent increase overall in new graduate international student enrollments over the previous year, 25 percent of responding institutions reported an increase in new enrollments from India and 29 percent reported an increase from China. New data from the Open Doors 2005/06 census will not be available until November 2006, but it appears likely, based on these smaller samples, that enrollment totals for many leading sending countries will have rebounded to pre–September 11 levels.

While these data offer some encouragement, the US government and US higher education institutions are still actively engaged in dialogue about how to reverse negative perceptions.
and how to streamline the review process for student visa applicants so that the United States remains the leading host country for international students. A summit of university presidents hosted by the US secretary of state and US secretary of education, held in January 2005, articulated a strong commitment at the national level, while US higher education institutions continue to develop their own strategies to attract international students.


Where Are the International Students Going?

William K. Cummings and Olga Bain

William K. Cummings is professor of international education and international affairs and Olga Bain is assistant professorial lecturer in the Graduate School of Education and Human Development, George Washington University. Address: Graduate School of Education, George Washington University, 2134 G Street, NW, Washington, DC 20052, USA. E-mail: wkcum@gwu.edu, obain@gwu.edu.

Foreign student enrollments in US higher education was steadily up through 2001 but has turned down since. In 2003/04 according to the Institute of International Education (IIE) there was a decline of 2.4 percent, and in 2004/05 there was a further decline. According to the IIE, the drop was 1.3 percent relative to the 2003/04 total. The IIE figures include nearly all individuals on temporary visas for academic work encompassing three rapidly expanding subgroups that are not degree earning—the foreign individuals in optional practical training, those with undeclared majors, and persons in “other” nondegree work. If the focus is only on students in degree-earning programs, the rates of decline are at least 50 percent greater than the above-noted rates of decline—that is a cumulative decline over the last two years of over 5 percent rather than 3.6 percent. Separate from the magnitude of the drop is the question of where it has occurred. Where in the United States is the shrinking pool of international students going—both geographically and by sector? And what is behind these shifts?

Geographic Locus

Most recent reports note shifts in the country of origin of foreign students. Clearly the numbers from Muslim countries are down; from 2002 there was a sharp drop in students from the Middle East, and this past year, the numbers from Indonesia fell off. Lately there is also an apparent decline in students from China.

Surprisingly, in view of the economic trade rhetoric associated with recent reports of foreign student enrollments, there is little commentary on the geographic areas foreign students are inclined to select and reject. But a look at the numbers suggests a shift away from the Northeast toward the Southwest and mountain states. Within each region, there are more complicated patterns. For example, while the Northeast is down, Maryland is steadily up. And while the West is down, Hawaii is up.

Sectoral Shifts

Another perspective on recent trends is to consider the sectoral choices of foreign students. Using 1994 as the base year, most sectors experienced substantial growth in foreign student enrollments through 2001 with the exception of the baccalaureate sector that first experienced a sharp drop through 2000, followed by a slow recovery. For most of the other sectors, 2001 was the beginning of a downturn with signs of recovery in 2004. In contrast, for the university sector (including Research I and II and Doctoral I and II), 2004 was the first instance of a substantial downturn in over two decades.

The downturn for the university sector is especially notable as a relatively large proportion of the foreign students in this sector receive graduate assistant and research assistant stipends. Thus, despite the substantial incentives offered by this sector, there has been a decrease in the number of foreign students attracted to the United States to pursue these opportunities. Indeed, the numbers are down even though, according to the Council of Graduate Schools, many graduate schools report they have increased their admissions rates in an attempt to maintain their traditional intake of foreign-born graduate students.

Despite the substantial incentives offered by this sector, there has been a decrease in the number of foreign students attracted to the United States to pursue these opportunities.

Turning to the other sectors, it can be argued that their primary focus is on providing associate-level or undergraduate education for a fee. To learn more about the behavior of the institutions in these sectors, we sampled 107 institutions in the liberal arts sector, 70 in the specialized sector, and 40 in the associate sector and compiled detailed statistical profiles of each institution from 1994 through 2004. The following generalizations are based on our analysis of the respective samples.
Foreign student enrollments in the baccalaureate sector have been relatively stable.

The great majority of the institutions in these other sectors are private institutions. In general, the institutions in these sectors have modest student-teacher ratios (on average 11 to 1), though many staff are part time, especially at those institutions specializing in business and fine arts. While many institutions have sought to improve their quality, some, especially in the associate sector, have experienced financial hardships and hence some quality downgrading. For example, full-time faculty in the associate sector declined 20 percent between 1994 and 2001, and the average admission rate at these institutions exceeded 80 percent by 2001; the average SAT scores of students entering these institutions are comparatively low and have in the 2001–03 period experienced a decline.

Most have modest total enrollments (1,000 to 5,000 students) and some have experienced dramatic ups and downs in overall enrollments. The average enrollment in the associate-degree institutions was 2,554 in 1994, but declined to 1,832 in 2003. Average enrollments in the other sectors have been more stable.

Interest in foreign students at these institutions varies and has changed over time. Liberal arts institutions tend to seek a certain representative participation of foreign students to enhance the diversity of their student body. Specialized schools such as business, engineering, and fine arts have sought foreign students as part of their overall strategy to expand enrollments (in 2001 foreign students made up approximately 20 percent of the enrollments in these specialized institutions, or nearly four times the average percentage for other institutions in these three sectors). Institutions in the associate-degree sector have sometimes turned to foreign student recruitment to make up for declining domestic enrollments.

Foreign student enrollments in the baccalaureate sector have been relatively stable. There was a slight downturn from 1994 to 2001 followed by a leveling off. Enrollments in the associate-degree group went sharply down after 2001—10 percent from the 2001 peak, though still above the 1994 level—before apparently recovering in 2004. Within the associate sector, the downturn was less substantial for the upper tier of this sector, only 5 percent. That is, those institutions that only offer associate degrees experienced a much sharper decline (14 percent) than those offering bachelor’s and associate degrees.

Turning to the specialized sector, overall there was a modest increase in foreign student enrollments through 2001 followed by a 10 percent decline after 2001. But within this sector there is much variation. All parts, except specialized medicine, have experienced declines since 2001. Some specializations such as business, health, fine arts, and engineering are dramatically down (to their 1994 level or below). The average number of foreign students enrolled in business specialty schools is down nearly 50 percent from its 2001 peak. Specialized engineering and fine arts both declined by about 15 percent.

A Dual Market for Foreign Students?

For the university sector, we find there was essential stability in foreign student enrollments until the last two years. But in other sectors under scrutiny here we find a more complicated picture. The liberal arts sector is holding steady, but there have been ups and downs in the associate sector along with declines in several subgroups of the specialized sector.

Whereas in the university sector, private institutions experienced a larger drop in foreign student enrollments than public institutions, for the baccalaureate and associate-degree sectors the public institutions experienced a greater decline. This suggests a “dual” market—for associate and four-year-degree institutions, foreign students tend to be more price sensitive. For graduate studies, foreign students are prestige sensitive. Behind these differences is the reality that a greater proportion of foreign students in graduate studies receive financial aid than do those at the undergraduate level.

GATS: The Way Forward After Hong Kong

Jane Knight

Jane Knight is adjunct professor at the Comparative, International, Development Education Centre, Ontario Institute for Studies in Education, University of Toronto, Canada. She is currently working at CENEVAL in Mexico City. E-mail: janeknight@sympatico.ca and jane.knight@ceneval.edu.mx.

The General Agreement on Trade in Services (GATS) negotiations during 2005 were basically in a logjam. The current round of negotiations, known as the Doha Round, was scheduled to end in January 2005, but there have been major delays and the end date is now set for October 31, 2006. It is important to realize that the Doha Round includes negotiations on three different aspects of international trade—two that deal with goods and one that focuses on services. The first is “agriculture,” with which the most contentious issue is the reduction of domestic support to farmers—primarily by the European Union and the United States. The second is “non-agriculture market access,” regarding which the reduction of tariffs is the key stumbling block, and the third is trade in services as enshrined in GATS. The first two issues created the paralysis, but the logjam has been loosened by agreements at
the December 2005 WTO meeting of trade ministers in Hong Kong. Some of the focus may now return to negotiations in the 12 service sectors of GATS, and the pressure will be strong to increase the breadth and depth of commitments. To date, there have been a disappointingly low number of commitments in GATS. As a result, WTO-member representatives in Geneva have made renewed efforts to develop new means of encouraging countries to improve their offers. These new strategies are the focus of this discussion.

As of January 2006, a total of 45 countries (the EU is counted as one country) have made a commitment to the education sector. Thirty-six of these countries have agreed to liberalize access to the higher education subsector. Education is one of the three sectors (health, education, and culture) that are often referred to as the “sensitive sectors” and seen to be undercommitted. They may well be targets for increased pressure. The major focus, however, will continue on the big sectors such as financial services, information technology, telecommunications, and others.

It is important to remember some of the fundamental principles and rules of GATS to understand the implications of the proposed changes.

It is important to remember some of the fundamental principles and rules of GATS to understand the implications of the proposed changes. First, the “bottom-up” nature of GATS allows any country to choose whether or not it will make a commitment in any of the 12 sectors and what degree of market access will be permitted. Furthermore, because negotiations are based on a bilateral request/offer system, any country is free to make a request of another, and in return any country is free to decide if or how to respond to the request. Thus countries, especially developing countries, are able to decide if, how, when, and under what conditions they will participate in the GATS negotiations. This bottom-up nature of GATS has provided a substantial degree of flexibility, but it is this flexibility that may be at jeopardy with the introduction of new negotiating strategies. There is also a “top-down” approach of GATS. This approach is the Most Favored Nation rule (all countries have to be treated the same) and National Treatment, which stipulates that where offers have been made domestic and foreign providers must be treated equally. These rules will not change.

**New Options to Strengthen GATS Commitments**

A number of developed countries, frustrated by the lack of increased access to trade in services, are proposing some new “complementary approaches” for negotiations. They include a variety of methods designed to push countries, especially developing countries, to commit to liberalization in a greater number of sectors and, more importantly, to deepen market access by the removal of more and more barriers to trade. This is in line with the goal of progressive liberalization, but the options being suggested may be seen as a threat to some of the basic bottom-up rules and flexibilities built into the GATS framework. The proposed new approaches include the following options:

*Plurilateral negotiations.* This alternative would involve a group of countries, with common interests in a specific sector, making a *joint approach* to a country for market access in specific sector/s. This is very different from the agreed-upon “bilateral approach.” It puts increased pressure on a country to agree to the request, given the consequences of refusing a group of potentially important and powerful trading partners.

*Numerical targets and indicators.* This option would basically constitute a formula approach proposing that countries should include a minimum number of new or improved commitments in an agreed-upon number of subsectors. The number or percentage of subsectors would differ for developed and developing countries. This proposal is perceived by many countries as ignoring the fundamental principle that countries can choose the sectors to which they commit themselves. The education sector may be vulnerable given the low number of commitments to date.

*Qualitative parameters for modes of supply.* It is suggested that specific types of barriers be removed for all commitments to a particular mode of delivery, irrespective of the subsector. For example, one could take the often-used restrictions related to limited foreign ownership in mode three (commercial presence). The new approach would mean that any barriers related to foreign ownership for mode three would be eliminated across all sectors/subsectors.

These are three examples of the new “complementary approaches” being suggested. Others include reduction in the number of Most Favored Nation exemptions and benchmarking. They are labeled as “plurilateral, sectoral, and modal” approaches and will be the subject of much heated debate. The details of these new approaches are not known, but the position of many countries is that they will significantly erode the flexibilities available to them to liberalize in sectors they choose and to the extent that they wish.

**The Meaning for Trade in Education Services**

If these new complementary approaches are eventually implemented, it is likely that many countries will be making and/or receiving additional requests for access to their domestic education markets. For countries that have already made a commitment to higher education, there may be increased pressure to remove restrictions or Most Favored Nation exemptions that were detailed. Education may be seen as a useful “horse-trading” sector—meaning that commitments to education will be given to gain access to other key sectors.

It is important to emphasize that there will be great speculation and controversy on these proposed changes to the GATS
methods of negotiation. This means that education policymakers and senior leaders need to develop a close and ongoing relationship with the lead trade negotiators and GATS experts in their country to become better informed and to influence future trade negotiations that involve education. Trade negotiators cannot be expert in all sectors, and thus the education sector has a role to play in providing analysis of the potential opportunities and benefits and/or the potential risks and disadvantages of trade in education services for their national higher education system.

GATS and Education Services: The Fallout from Hong Kong

David Robinson

David Robinson is associate executive director of the Canadian Association of University Teachers. Address: Canadian Association of University Teachers, 2675 Queensview Drive, Ottawa, Ontario, Canada K2B 8K2. E-mail: robinson@caut.ca.

After six days of intensive and often acrimonious negotiations, trade ministers from the 149 member countries of the World Trade Organization reached an agreement in December 2005 to restart stalled global trade talks. While the breakthrough in agricultural subsidies was clearly the centerpiece of the deal struck in Hong Kong, the final declaration adopted by the Ministerial Conference also has important consequences for ongoing negotiations on services, including education services.

The controversial section on services in the declaration—Annex C—will rapidly accelerate General Agreement on Trade in Services (GATS) negotiations over the next year. Responding to frustrations expressed by some developed countries about the perceived slow pace of GATS talks, WTO trade ministers endorsed a controversial proposal to transform the nature of negotiations in a way that will put new pressure on members to deepen commitments across all sectors. Of particular interest to the education community is the fact that the declaration calls on members to develop sweeping new disciplines on domestic regulation before the end of the current round of talks—disciplines that could have a profound impact on everything from accreditation procedures to quality assurance standards.

Plurilateral Negotiations: Intensifying GATS Talks

The Ministerial Declaration calls for a major change in the way services negotiations take place. Instead of the traditional one-on-one bilateral GATS talks, the declaration gives a mandate to members to enter into “plurilateral” request-offer negotiations. It is already an intimidating prospect for many nations to face powerful demandeur countries one-on-one as in the bilateral request-offer process. Now, under a plurilateral approach, individual members will have to confront a group of powerful countries that represent the most aggressive demandeurs in a particular sector. As intended, this will greatly intensify pressure on many countries to make GATS commitments in sensitive service sectors.

The essence of the proposed plurilateral talks is to give a free rein to the so-called “friends” groups. Until now, these groups have been largely informal, ad hoc, industry-driven coalitions of countries that are demandeurs in key sectors, including education. New Zealand, for instance, is leading a “friends of private education exports” group that is pressing for national treatment and freer market access for private providers.

With a mandate to undertake plurilateral negotiations, members of the friends of private education exports group will now work collectively to develop model schedules of GATS education commitments that they would like to see other countries adopt. These education schedules will form the basis for subsequent negotiations. The schedules will entirely reflect the choices and interests of the demandeurs, putting target countries in a difficult and largely defensive position. In effect, target countries will be forced to negotiate over exceptions for particular government measures affecting education, within a framework dictated by the demandeurs.

WTO trade ministers endorsed a controversial proposal to transform the nature of negotiations in a way that will put new pressure on members to deepen commitments across all sectors.

Domestic Regulation: Undermining Regulatory Authority

The second key issue arising from the Hong Kong Ministerial Declaration is the decision to conclude new disciplines on domestic regulation before the end of the current round. GATS Article VI:4 commits members to develop any “necessary disciplines” to ensure that “measures relating to qualification requirements and procedures, technical standards, and licensing procedures do not constitute unnecessary barriers to trade in services.” The aim of these disciplines is to require members to prove that these regulatory measures are “not more burdensome than necessary to ensure the quality of the service.”

The proposed disciplines explicitly target nondiscriminatory measures—that is, regulations that treat local and overseas providers the same. In other words, even if a regulatory measure is consistent with the nondiscrimination rules of GATS and the GATS market-access prohibitions, it could still be chal-
lenged under the proposed restrictions on domestic regulation.

The implication is clear: literally thousands of nondiscriminatory public interest regulations would be exposed to WTO oversight and potential challenge. At the stroke of a negotiator’s pen, every WTO member government’s existing GATS commitments—including those in education services—would be deepened.

The scope of these proposed disciplines is very broad. Many types of government measures covering education and other public services could be affected. Licensing requirements, for example, would apply not only to professional licensing but also to university and school accreditation, as well as broadcast licenses, licensing of health facilities and laboratories, waste disposal permits, and municipal zoning procedures. Technical standards, according to the WTO secretariat, refer not just to regulations affecting “technical characteristics of the service itself” but also to “the rules according to which the service must be performed.” This is a sweeping definition that would cover standards related to quality assurance requirements, health and safety regulations, sustainable environmental practices, and other vital regulations.

Surprisingly, this is not yet a hot-button issue among trade negotiators or even with many nongovernmental organizations. However, those of us who did flag these concerns with delegations in Hong Kong soon found signs of a growing unease with the planned rules on domestic regulation. The proposed disciplines, especially the necessity requirement, would unduly interfere with governments’ rights to regulate services.

A Victory for the Demandeurs
The ministerial mandate for members to engage in plurilateral negotiations and to develop disciplines on domestic regulation represents a major victory for the developed world. With respect to education, it means a powerful grouping of demandeurs led by New Zealand, the United States, and Australia will be able to place intense pressure on developing countries who are seen as potential new markets for education exports.

Education services are highly regulated in most countries to promote quality, protect students, and to ensure that domestic social, economic, and cultural priorities are met. All countries, but developing nations in particular, require flexibility to maintain and to extend their regulation of education services. As education systems develop, the need for additional regulation may arise. Therefore, it is important for developing countries to retain the flexibility to apply regulations suited to their developmental goals. For these reasons, WTO members must seriously reconsider and reject any intrusion of trade law into domestic education policy.

---

Transnational Higher Education: A South African Perspective

Prem Naidoo

Prem Naidoo is deputy executive director of the Higher Education Quality Committee, South Africa. Address: Higher Education Quality Committee, Council on Higher Education, PO Box 13354, The Tramshed, Pretoria 0126, South Africa. E-mail: naidoo.p@che.ac.za.

In the late 1990s, transnational education providers recognized South Africa as a major growth area for higher education and entered into various collaborative arrangements with local public and private institutions or offered the programs themselves. Prior to this, the apartheid state regulated the higher education sector, and only public providers were allowed to offer higher education in South Africa. In the early stages of the postapartheid period, the Department of National Education estimated that about 50 transnational providers had begun to operate in South Africa in some form or another.

The postapartheid constitution enshrined the provision rights of private and transnational providers. In 2000, a new regulatory framework was developed and implemented to integrate both private and transnational providers into the single coordinated national landscape of higher education.

Do They Provide More and Different Higher Education?
According to the new regulatory framework, all private and transnational providers had to be registered by the Department of National Education, have their qualification registered on the national qualification framework by the South African Qualification Authority, and quality assured by the Higher Education Quality Committee. In January 1999, the Department of National Education initiated the process of the registration of private higher education institutions, including

---

With respect to education, it means a powerful grouping of demandeurs led by New Zealand, the United States, and Australia will be able to place intense pressure on developing countries who are seen as potential new markets for education exports.
foreign/transnational providers. In 2000, 14 transnational institutions (11 universities and 3 colleges) from the United Kingdom, United States, Australia, and the Netherlands applied for registration. The Higher Education Quality Committee was not in operation at the time and the South African Qualification Authority conducted a paper-based evaluation of the proposed programs. In 2001, the Department of National Education registered four foreign institutions. The Qualification Authority granted accreditation to the programs listed below.

**Transnational Providers and Programs in South Africa**
The four transnational providers that offer various bachelor’s and master’s programs in South Africa are: De Montfort University (United Kingdom), the Business School of Netherlands, Bond University (Australia), and Monash University (Australia). In 2000, the enrollments at these four transnational institutions totaled 3,165, accounting for 0.5 percent of the total number of students enrolled in both private and public higher education. It is clear from the statistics that transnational provision is relatively small in South Africa and has the following provisioning patterns: of the 3,165 students that were enrolled in transnational provision in 2000, 88 percent were in the fields of business, commerce, and management studies; 5 percent in the fields of culture and arts; 6 percent in human and social studies; and 1 percent in health sciences and social services; 50 percent of the enrollments in transnational programs were at the master’s level (MBA only) and the rest at the undergraduate level. These institutions offer programs similar to other higher education institutions and hence do not offer different education.

**Do They Offer Better Education?**
Thirty-seven MBA programs from 13 public universities, 5 public technikons (technikons are similar to the former polytechnics in England), 4 transnational providers, and 5 local private providers were evaluated by the Higher Education Quality Committee using peer panels and criteria in 2003. The following accreditation outcomes were made public in May 2004:

* MBA programs at public universities. Eighteen (100 percent) programs were assessed. Of these, seven (35 percent) received full accreditation, eight (48 percent) received conditional accreditation and three (17 percent) had their accreditation withdrawn.

* MBA programs at public technikons. Five (100 percent) programs were assessed. Of these, not a single one received full accreditation, two (40 percent) received conditional accreditation, and 3 (60 percent) had their accreditation withdrawn.

* MBA programs at local private providers. Ten (100 percent) programs were assessed. Not a single one received full accreditation, 4 (40 percent) received conditional accreditation, and 6 (60 percent) had their accreditation withdrawn.

* MBA programs offered by foreign or transnational providers. Four (100 percent) programs were evaluated. None of these received full accreditation, 1 (25 percent) received conditional accreditation, and 3 (75 percent) had their accreditation withdrawn.

Transnational providers fared the worst among all the institutional provider types. Three of their four MBA programs did not satisfy the minimum requirements and had the recognition of their accreditation withdrawn. The reasons for withdrawal of accreditation ranged from the lack of competent and adequate academic staff to deliver the program to the lack of curriculum depth and rigor associated with master’s programs.

The MBA reaccreditation results indicated that transnational providers in South Africa were not necessarily providing education of a higher quality than local institutions. This is the case in spite of the fact that these institutions may very well be offering MBA programs of a good quality at home, which is demonstrated by the fact that many have accreditation. The MBA review showed clearly that the quality of delivery was site dependent and that justified reputations in other countries were no guarantee of good quality when programs traveled cross-border and were offered under a completely different set of resourcing conditions.

The expansion of private and transnational higher education worldwide has been generated to a large extent by the social demand for “more,” “different,” and “better” higher education. South Africa is no exception.

However, empirical evidence has shown that transnational education in South Africa provides access that is not particularly significant, given the size and nature of their enrollments in comparison with the rest of the higher education system; offers “cherry-picked” programs, mainly in business and management, and does not contribute significantly to the comprehensive human resources development needs of the country; and does not offer better-quality education.

On the basis of the evidence in the preceding sections, it can be concluded that transnational institutions in South Africa do not necessarily provide “more,” “better,” and “different,” higher education.
The Impact of Globalization: A Case of Mongolian Universities

Altantsetseg Sodnomtseren

Altantsetseg Sodnomtseren is director of international relations at the National University of Mongolia and a Humphrey Fellow at Pennsylvania State University. Address: Office for International Relations, National University of Mongolia 46A/523 Ulaanbaatar 210646 Mongolia. E-mail: int_rel@num.edu.mn; axs993@psu.edu.

The challenges of globalization have hit Mongolia at a time when the country started reforming the entire education system. During the 1990s, the Mongolian higher education sector was fully shaped in terms of ownership, governance, funding, and academic curriculum. By 2004, there were 183 higher education institutions, of which 47 were public, 129 private, and 7 foreign. About 82 percent of private and 61 percent of public institutions were not accredited. The government of Mongolia found higher education the most promising sector for cost sharing and shifted a part of its fiscal burden to institutions and recipients of services (i.e., students). Direct funding of universities and colleges ceased in 2003. Currently, 95 percent of the institutional budget relies on the tuition fees of students. About 60 percent of students obtain loans and grants on the basis of merit and needs.

In this changing environment, higher education institutions have been challenged to embrace global forces and compete for resources, particularly for research funding, qualified faculty, and students.

Opportunities and Challenges of Globalization

A positive impact of globalization is increased awareness about Mongolia and widened access to resources. Since 1990, over 70 PhD dissertations and master’s theses have been completed at US institutions on topics related to Mongolian studies. Over 50 ongoing research projects have been identified (see www.mongoliacenter.org).

Taking advantage of these developments, the government of Mongolia implemented 49 foreign-funded projects in higher education and human resources development. The university administrators have been able to expand internationalization from interuniversity partnerships to regional networking. Visible trends of internationalization are demonstrated in the forms of collaborative research, joint academic programs, and programs in English, enrollment of foreign students, and growth of student and faculty exchange. For example, the National University of Mongolia set up a “sandwich” program—Bachelor of International Commerce with the Agricultural University of Hebei in China—and summer programs in Mongolian studies, biodiversity, anthropology, and archaeology. The growth of foreign students averages 15 to 20 percent a year, and the annual contribution to a university budget is about US$200,000. Currently, 20 foreign faculty members are working on a long-term basis and about 60 joint research projects are ongoing. Every year, approximately 200 foreigners visit the university.

Eventually, globalization has heightened competition. The penetration of foreign educational institutions into Mongolia has threatened local universities that are far behind the global higher education market leaders from the United States, the United Kingdom, and Australia, as well as behind some innovative Asian universities. In the mid-1990s, Russian universities set up their branches in Mongolia. Later, Dutch and Australian universities established MBA programs in affiliation with Mongolian institutions. Recently, South Koreans invested in the foundation of three private colleges. Parallel to foreign investment, an increasing number of Mongolian students have left for overseas studies. According to the source, 740 students were studying in the United States in 2003, an increase of 29 percent compared to the previous year. Three hundred other students study in Japan, and 184 are enrolled in graduate programs in Korea.

Globalization has heightened competition. The penetration of foreign educational institutions into Mongolia has threatened local universities that are far behind the global higher education market leaders.

While institutions from overseas compete for recruitment of students through educational advisory centers, embassies, and alumni, those who physically entered and set up branches in Mongolia compete for local funds, scholarships, acquisition of land, and other real estate. With private support, South Korean Khuree University started construction of a new campus, and another Buddhist organization got land for building an educational center in the most expensive zone of the city near Bogd Khan Mountain, a mountain registered as a Biosphere Reserve in UNESCO’s Man and Biosphere Program. International organizations and companies, too, intensify the competition by employing and outsourcing faculty and young scholars and offering adult education, youth programs, and overseas degree programs.

In the face of such attractive offers and resources, Mongolian universities, lacking modern educational facilities and promising work and career opportunities, face difficulties to retain faculty members. The country is facing a growing outflow of young scholars and a smaller number of returnees from countries like Japan, the United States, and Germany. Between 1999 and 2003, 313 faculty members of the National University of Mongolia were studying and working overseas,
and 390 made short-term visits. During that period, only 56 faculty members returned.

Unfortunately, universities in Mongolia are not fully aware of the challenges of globalization and a greater role of internationalization. Not only small private colleges but also the largest research universities are struggling to develop a strategic plan for internationalization and to allocate necessary resources. Institutional human capacities to handle internationalization strategies are scarce and weak, and in most cases the university administration drives the process. International activities focus on short-term objectives and are funded on crisis basis. A response to internationalization differs from college to college within the university campus. Some faculty members perceive internationalization as going abroad and others are psychologically unprepared for change.

Impact of Brain Drain

Foreign-educated scholars are the source for global positioning of Mongolian science and education. They are, too, internationally sought for research and development (R&D) positions. It is noteworthy to say that R&D is flowing from country to country with scientists who generated that knowledge and through information technology and transnational companies making multiple passages worldwide and settling down wherever they find growth of demand or profit. The process has been reinforced with the World Trade Organization and economic growth in Asian countries, which are increasingly becoming able to afford not only ready products and technology but also to attract highly qualified professionals.

Having trained their faculty and students overseas, Mongolian universities hope to contribute to the future growth of the country and enhance their presence in global academic circles. However, when this critical mass of trained scholars stays in host countries, institutions are not rewarded with ability to integrate into the world scientific community and the sizable economic gains that could be possible through technology and product innovation. As a consequence, brain drain reverses the expectation of universities for a “stronger organization through better people” into constant lack of management, teaching, and research personnel. And, the goal of becoming a “top world university” turns into a remote vision.

To reverse the outflow of scholars, better working conditions, rewarding salaries and promising careers must be offered for highly skilled people. However, while competing needs within society do not allow the government to invest in R&D (presently, 0.3 percent of GDP) and the country’s businesses have not achieved a level that empowers them to invest in research and philanthropy, the country’s spending on science and higher education will hardly increase. Universities, too, being dependent on tuition fees, are not able to offer conditions comparable to the international level.

What Should Be Done?

Collaboratively, international development organizations, government, and national higher education institutions must take actions to maximize benefits of globalization. The World Bank, the Asian Development Bank, and other foundations should broaden programs encouraging the establishment of international and regional professional associations and networks in developing countries and programs nurturing joint research with comparative and international perspectives. These programs will help scholars maintain contacts with their colleagues, contribute to the global dimension of scientific issues, and have positive effects on R&D innovation in developing countries. Financing of infrastructure development and laboratory renovation must be a part of the programs.

When local funding and foreign aid are scarce, the Mongolian government should seek possibilities for cost sharing between the government, international agencies, and universities. Institutional strengthening could be achieved by identifying key areas of development and exploring university initiatives for internationalization. The current interuniversity collaboration and exchange as well as dual, sandwich, and offshore programs have shown sufficient credibility in terms of cost-efficiency and effective outcome. Support for these innovations will reverse the image of Mongolian “low-quality” education to internationally “matching quality” education.

A Latin American Private University Strives To Become “World Class”

PEDRO ROSSO AND NICOLÁS VELASCO

Pedro Rosso is the rector of Pontificia Universidad Católica de Chile, Santiago, Chile. E-mail: rectoria@puc.cl. Nicolás Velasco, former vice-rector for academic affairs, currently heads an ad hoc committee on long-term planning at the same university.

Latin American countries are facing the challenges of social and economic development in an international context
where competitiveness increasingly depends on the capacity to create knowledge. Research universities should be key players in this scenario. Unfortunately, the region has few research universities, and most of them are large public institutions plagued by problems such as insufficient funding, poor management, and political feuds. Private research universities are even fewer in number, and only Pontificia Universidad Católica de Chile (UC) has achieved some degree of international recognition. Founded in 1888 in Santiago, the country’s capital, UC is the premier private university in Chile, and currently it is pursuing the ambitious goal of becoming a world-class university by 2038, the year of its 150th anniversary. This effort is motivated by the conviction that in a small developing country with great potential, such as Chile, a world-class university can make a big difference.

The Challenge
How realistic is UC’s long-term goal? One of UC’s main assets is a history of good governance, stable policies, and a culture of quality and innovation that has fostered successive organizational and curricular changes. UC has also shown the capacity to excel in some areas. For example, last year it was ranked 48th in the world in the arts and humanities by the Times Higher Education Supplement 2005 world ranking of universities. Certainly a gratifying accomplishment, but UC still has a long way to go in other areas—primarily in science, technology, and graduate education. Nevertheless, it is making encouraging advances. Presently UC is ranked 6th in the Latin American institutional rankings based on ISI Essential Science Indicators. Considering that Latin America contributes less than 2 percent of the world’s scientific papers, this is not such a great achievement by international standards, although it does reflect UC’s efforts in this area and its growth potential. In its pursuit of excellence UC is not inventing any new strategies but only trying to perform as well as possible in the traditional areas of academic development. This includes recruiting the best faculty and attracting top students, improving the educational programs, promoting research, creating ties with industry, and trying to increase and diversify its revenues. Furthermore, with the purpose of monitoring the progress of its long-term project, a set of key indicators, including student/teacher ratios, number of citations per paper, percentage of foreign students, “market value” of the graduates, and others will periodically be assessed.

Academic Staff and Students
Over the last 20 years UC has invested very heavily in faculty development, sending most of the young faculty to graduate programs at leading US and European universities. As a result of this policy, nearly 90 percent of its academic staff have received either graduate degrees or, in the case of the Medical School, doctoral training abroad. Although this figure is very good by regional standards, it leaves much room for improvement. Besides quality, the main challenge facing UC is to double the size of its full-time academic staff, currently 1,066 strong. This is a costly and much-needed effort, since in many areas UC lacks faculty depth and the current academic load of the average teacher is counterproductive to research output.

UC has been very successful in attracting top students. This year 55 percent of high school graduates obtaining the highest scores on the National University Entrance Test were admitted to UC. In a country with 63 public and private universities this is an amazing accomplishment. Since quality attracts quality, the presence of outstanding teachers and students represents a great asset for the present and the future. In line with this idea, UC only admits foreign-exchange students who are performing in the upper 30 percent of their classes. Last year over 1,000 undergraduate students from top US and European universities met this requirement and spent up to two semesters at UC.

This includes recruiting the best faculty and attracting top students, improving the educational programs, promoting research, creating ties with industry, and trying to increase and diversify its revenues.

A New Educational Approach
UC is undergoing a major curricular change aimed at providing the students with a more flexible, comprehensive, and pertinent educational experience. Changes include a new area of general studies, a compulsory English-language requirement, a written Spanish-language requirement, and community service learning opportunities. Students also have a wide range of extracurricular activities to choose from, including missionary work, community affairs, sports, and the arts. In addition, faculties are being trained in the use of novel pedagogical approaches and a “state of the art” center for the use of information technology educational tools is under construction.

With the purpose of testing the quality of its educational programs, UC has asked accrediting entities from the United States and the United Kingdom to review its undergraduate programs. So far, the Schools of Journalism, Architecture, Medicine, and Engineering have successfully met this challenge.

Strengthening Research Capacity and Graduate Programs
Strengthening research capacity represents one of UC’s greatest challenges. Chile lacks scientific tradition, public investment is only 0.6 percent of GNP, and there is little support for research coming from the private sector. However, all this could undergo a substantial change for the better thanks to impending legislation that will funnel new tax revenues in the
science and technology fields. Concerned by the limited capacity of the Chilean industry to innovate, the government is promoting the creation of joint research programs between universities and industry while increasing support for basic science. This promising new environment could greatly benefit UC by making additional funds available to recruit new faculty with research potential and to improve laboratories and other facilities.

Another crucial goal for UC is to expand and to improve the quality of its graduate programs. Chile urgently needs more PhDs. Compared with Brazil, Mexico, or Argentina, the number of doctoral degrees granted annually by Chilean universities is dismal. For example, in 2004 only 240 PhD degrees were granted throughout the entire country. For this reason, over the last five years UC has made the creation of new doctoral programs a top priority, expanding the number of doctoral students from 270 to 550. For the first time, in 2004, UC granted more than 50 PhD degrees, a number that is likely to increase again in the present year. Ideally, UC would like to graduate over 200 students per year from its doctoral programs by 2015.

**Revenues and Funding**
The effort to become a world-class university is expensive. UC is not a rich university and it is located in a country with a per capita GNP below US$7,000. Despite these handicaps, funding should not be an insurmountable obstacle. This year its “consolidated” budget, including the various businesses and investments controlled by the university, amounted to US$500 million. This is a rather modest quantity compared with the budget of most US research universities, but it should increase substantially in the future. The Chilean economy has been growing at a healthy pace for nearly two decades, and the prospects for the future are good. Universities have greatly benefited from this positive economic development. Thanks to higher tuition fees, greater government subsidies, and a substantial increase in the government’s ability to supply competitive grants, UC has doubled its revenues in less than one decade.

UC’s endowment is still minute compared to that of US private research universities. Currently valued at approximately US$200 million, including the assets of a TV network owned and operated by the university, this endowment would have to grow considerably to generate a significant quantity of additional revenues. Presently, many of UC’s assets, which are mostly tied up in unproductive real estate, are being reinvested for that purpose.

**Conclusion**
Transforming a private research university located in Latin America into a world-class university is a challenging but fascinating task. Regardless of the final outcome, the year 2038 should find UC in a much-better standing than what its normal pace of development would have enabled it to achieve. UC’s effort is taking place in the best context that a Latin American country presently can offer to a research university. Chile is becoming an island of social and economic progress in a region rocked by tension generated by the lackluster performance of its political leadership and disenchantment over inequitable economic reforms. The Chilean dream of reaching a more advanced stage of development has never been so close to realization, and a research university such as UC could be instrumental to help make that dream come true.

---

**The Gray Zones of Higher Education in the United States**

**Joshua Woods**

Joshua Woods is a doctoral student in the Department of Sociology, Michigan State University. Address: Department of Sociology, Michigan State University, 316 Berkey Hall, East Lansing, MI 48824 USA. E-mail: woodsjos@msu.edu.

In any society, there are many types of morally questionable behavior that are not prohibited by law. At the margins of almost all major institutions lie “gray zones”—that is, areas where the moral quality of certain behaviors and practices are ambiguous. There is an important interaction between the individual stakeholders in gray zones, the quality of the given institution and all those who come into contact with it. The stakeholders of gray zones usually try to avoid confrontations with opposing parties but are always interested in normalizing or legitimizing their values, operations, and individual actions. Gray zones often change when they become contested. In some cases, the ambiguous behavior becomes legalized and, in other cases, outlawed. In almost all cases, the outcomes of these contests have an important impact on the broader society.

**Investigations Into For-Profit Education**

One gray zone in the United States that has been increasingly contested by students, politicians, and journalists in recent years can be found in the for-profit education industry. Since the late 1990s, several postsecondary education companies have enjoyed enormous growth. With riches, however, came scrutiny. In the last few years, many of the schools owned by these companies have faced lawsuits and federal investigations. In September 2004, the Apollo group, which runs the University of Phoenix, paid out $9.8 million to the Department of Education to settle claims of recruitment violations. In a recent 60 Minutes exposé, graduates of a college
owned by the Career Education Corporation offered a laundry list of complaints and criminal allegations against the institution. Former admissions advisers from the school detailed their aggressive sales tactics and talked about the pressures put on them to enroll students, “regardless of their ability to complete the coursework.” It is likely that some nonprofit schools across the country, as well as in the international arena, use similar marketing techniques to increase enrollment.

Although legal investigations should certainly continue, adequately regulating the for-profit education industry will be difficult. The regulators of for-profit higher education companies should bear in mind that sophisticated sales strategies can be just as misleading as fraud or outright lies. If a college wishes to mislead potential students, it does not need to falsify its job-placement rates. All a college must do to boost enrollments is tap into a student’s personal aspirations and cultivate over-confidence with a little encouragement and persuasion. Why resort to fraud when high hopes are so easy to manipulate?

**In any society, there are many types of morally questionable behavior that are not prohibited by law.**

### A Closer Look at the Push for Rising Enrollments

To better understand the recruiting techniques used by for-profit education companies in the United States, I recently conducted a minor investigation of my own as part of a broader research program that aims to document examples of corruption and duplicity across the gamut of American higher education institutions. I assumed the identity of a 31-year-old high school graduate who dreams of receiving an MBA and becoming a corporate executive. The premise of the experiment was simple: how would the colleges respond to a student like me? Would they discuss the considerable amount of time, energy, and money necessary for pursuing such a goal? Would they speak frankly about the need for professional experience? How would they assess my prospects for success? What kind of advice or aid would they offer me?

I began the experiment by sending a single electronic query to four for-profit higher education companies. For the sake of comparison, I also queried Michigan State University. I used the following biographical details in all of my contacts with the schools: age 31, high school education, 2.0 grade point average, and previous work experience as a construction worker and parking lot attendant.

After sending the initial contacts on July 19, 2005, I chronicled the colleges’ responses for one month. Based on the number of e-mails, postal mailings, and messages left on my answering machine, the Olympia Career Training Institute, which is owned by Corinthian Institutes, and ITT Technical tied for first place in terms of their determination to contact me. Each college delivered eight separate communications without a single reply on my part. I received seven responses from the University of Phoenix; five messages came in from the American Graduate School of Management. Michigan State University sent only one response.

Perhaps more interesting than the number of responses I received were the style and persuasive techniques used in the messages. The “guidance counselors” gushed with personal words of encouragement and painted a promising picture of financial security. They described the opportunities as not only excellent but also easy to achieve. “Basically,” read an e-mail from the Olympia Career Training Institute, “no matter how complicated your life is, we’ll do everything we can to help you fulfill your dreams.”

The advisers were eager to offer me assistance when it came to securing federal financial aid. Incentives to get started were also common. The University of Phoenix, for instance, offered to waive the $110 application fee if I registered for classes at one of its local informational meetings.

In a few cases, the advisers used shame tactics. One of the e-mails from the Olympia Institute read, “When someone asks where you work, are you embarrassed to answer? Do you dream of more? Take the next step: Enroll.”

None of these techniques, however, was used by Michigan State University. The university’s representative responded to my initial query with a polite, two-sentence reply, informing me that it “requires that applicants have a bachelor’s degree to apply for an MBA program,” that she would help me contact an undergraduate program if I wished and that it might be helpful for me to review the program on the MSU Website. There were no flowery words of encouragement, no alluring job placement figures, no promises of a brighter future, and besides the one e-mail I received from her, I was not contacted by anyone else at MSU.

**Perhaps more interesting than the number of responses I received were the style and persuasive techniques used in the messages.**

### Conclusion

Anyone interested in pursuing a professional career needs a realistic picture of the financial risks involved, as well as the time, patience, and hard work required for success. Today, some for-profit colleges are offering just the opposite. Students need more protection from the misleading sales pitches of for-profit schools. Providing this protection should be a top priority of the Department of Education.

*A similar version of this article was published in the Chronicle of Higher Education (January 13, 2006).*
Costa Rica: Public Continuity, Private Gains

Daniel C. Levy

Daniel C. Levy is Distinguished Professor at the University at Albany, SUNY, and is director of PROPHE. Address: Department of Educational Administration & Policy Studies, SUNY-Albany. Address: Education Building, SUNY at Albany, Albany, NY 12222, USA. E-mail: dlevy@uamail.albany.edu.

IHE devotes a column in each issue to a contribution from PROPHE, the Program for Research on Private Higher Education, headquartered at the University of Albany. See http://www.albany.edu/.

Costa Rica’s private-sector higher education, though Latin America’s second youngest, is now 30 years old. It encompasses some 50 institutions and 80,000 enrollments. Striking is how much Costa Rican public higher education has maintained its standing, even as it has lost its enrollment share. As was the case in the 1970s, there are still only four public universities (apart from a distance university). The four continue to be led by the University of Costa Rica, in essence the national university. Despite a movement in the 1970s to build regional campuses of the public universities, the lack of public university proliferation is unusual for Latin America. It has allowed comparatively uniform quality and at a rather high level. Recent surveying shows that 85 percent of secondary school graduates prefer to attend public rather than private universities. Even the public technical university draws on private secondary schools (generally advantaged) for the majority of its enrolments.

Public universities have also maintained an unusual degree of autonomy—a lack of accountability, in the view of critics. There are interuniversity regulatory bodies, but the public universities basically run themselves. At the same time, the universities have undertaken more reforms than many of their regional counterparts. A major example is tuition and other measures that introduce some privateness. Also, there is government funding of student loans, the majority of which involve the private higher education sector, due to its size and the level of tuition charges. Government subsidies given directly to institutions are only for public universities.

In part because the public sector has adapted and to a larger extent because it maintains enviable quality and has not pursued either huge expansion or the leftist activism characteristic of the 1970s, Costa Rica has escaped some of the public-private clashes seen in sister republics. On the other hand, formal public-private partnerships remain rare (though, as is common globally, private institutions hire, through part-time appointments, professors from the public institutions). In comparative terms, Costa Rica is noteworthy for the separateness and distinctiveness of the public and private sectors.

Private Gains: Quantitative

Given the ample public-sector continuity, probably higher education’s most dramatic changes have come through the private sector. Twenty-five years ago, private enrollments were barely over 4,000, comprising 8 percent of the higher education total. The 20-fold private surge to the present, so impressive in the aggregate, is largely the product of a concentrated period, the 1990s—particularly the late 1990s.

Overall, the private growth is demand absorbing in that the effective yearning for higher education soared while the public sector remained exclusive. This pattern, first formidably shown in Latin America by Brazil, has become the region’s dominant tendency in the last couple of decades, but it is sharp in Costa Rica. Unlike the situation in countries where the public sector lost its standing, in Costa Rica there has been little space in which to attempt to build private elite institutions. Additionally, the private sector’s delayed start in Costa Rica meant that Latin America was already past its period of heavy establishment of Catholic universities. Costa Rica’s private enrollments are overwhelmingly in secular institutions.

Consistent with typical demand-absorbing tendencies, the modal private institution specializes in job-oriented fields, often niche fields. Night classes are common. Major population centers are the typical sites. Many institutions are family owned. Many split off from the original private institution, the Autonomous University of Central America, whose founding and reigning philosophy was for a university composed (“Oxford-like”) of constituent colleges, each with considerable autonomy. That very autonomy and separate ownership has in recent years allowed colleges to secede, defended in so doing by national court decisions. So, the proliferation of private institutions is perhaps less extensive than it at first appears to be. The expansion has come about more through the creation of parauniversities that offer more short-cycle options. Each parauniversity affiliates with a university, private to private, public to public. This differs from global examples in which short-cycle private institutions affiliate with public universities.

Perhaps the most striking private growth of the last several years involves for-profit institutions. Key is the entry of Laureate Education, formerly Sylvan Learning. Laureate has perhaps 85 percent of its global enrollments in the Americas, with Costa Rican neighbors including Nicaragua, Panama, and Mexico.
PRIVATE GAINS: QUALITATIVE

Although for-profits are almost inevitably challenged for lacking academic quality, the seriousness of the Laureate undertaking can scarcely be questioned. The administration is professional, and a premium is placed on client services and satisfaction as well as, relatedly, business ties (as with Microsoft). Laureate is selective regarding the institutions in which it invests. No secret is made of the profit motive, yet Laureate in Costa Rica also claims a mission of academic seriousness reaching all the way to top-level teaching staff and research.

A more generalized phenomenon affecting private-sector quality and standing is accreditation. This is a concern at the multicampus Universidad Latina (the country’s largely private university), the Iberoamericana, and others. Many private institutions are engaged in forms of self-evaluation. As is commonly the case regarding accreditation for private higher education institutions, the upside concerns quality, status, and legitimacy—each in turn potentially enhancing marketability. Another hope is that accreditation can enlarge the scope of autonomy.

A common private-sector complaint concerns how many measures require external (often slow) approval. UNIRE, formed in 1995, is an association of private universities (approximately 40 of the country’s 50), which sees its present role largely in terms of protecting its members from a heavy state hand. Another private-sector concern involves the difficulty of meeting accreditation standards, particularly if they derive from conventional academic indicators favored by established public universities. The accreditation route also involves financial costs for the institutions.

A variety of private institutions, not usually included in aggregate higher education data, would show a yet more robust private sector in both quantitative and qualitative terms. There are institutions concerned with applied research and other institutions—atyypical in formation, finance, and governance—with specialized teaching functions, as in agriculture.

The Politics of Fees in Uganda

A. B. K. KASOZI

A. B. K. Kasozi is executive director of Uganda’s National Council for Higher Education. E-mail: NCHE@infocom.co.ug.

In countries where the state has traditionally paid most of the cost of higher education, the introduction of or increase in tuition fees—or any other form of cost sharing—is a politically contentious issue. Students and parents (even those able to pay) are opposed to fees however much the cost of providing high-quality education escalates. Elected lawmakers, sensitive to the political impact of fees on the wishes of voters, often block fee increases although they may be aware that such an action will reduce the quality of education delivered and impinges on the institutional autonomy of universities. It is reported that one of the reasons the Labour Party in the United Kingdom was returned with a reduced majority in 2004 was its earlier decision to raise university fees.

In Uganda, in June 2005 Parliament reversed Makerere University’s proposed hike of tuition fees to align the latter with a reasonable percentage of unit costs. In November of the same year, students at the same university went on strike when the institution hiked examination fees from about Ushs 3,000 (US$2.00) to about Ushs 100,000 ($75.00). While private universities and schools in Uganda have often increased fees without stiff political and student obstruction, public universities are unable to do so. Parliament and government officials seem to believe that public institutions do not have freedom to set fees independently of government authority. Since the realistic cost of teaching a student is far higher than the actual fees, institutions that can freely sell their higher education products at market value are the ones likely to sustain the delivery of quality higher education. At most Ugandan universities, students pay about 30 percent of the annual cost of the programs for which they are registered. Government institutions—with decreasing government budget allocations coupled with deteriorating infrastructure, declining ability to purchase inputs, and increasing student numbers—are unlikely to provide high-quality higher education for a sustainable period of time.

FEES AND UNIT COSTS

At public and private institutions, fees paid are lower than the unit costs. A study done three years ago and updated recently by the National Council for Higher Education indicates that the cost of educating a medical doctor at Makerere and Mbarara Universities is about Ush 10 million (US$6,000) but students pay Ush 2.3 million (US$1,500); in agriculture the cost is Ush 5 million (US$3,000) but students pay Ush 1.66 million (US$1,000); for veterinary science, the cost is about Ush 6 million (US$4,500) but students pay Ush 1.9 million (US$1,300); and in the arts and sciences the story is the same—students pay about 30 percent of what it costs to educate them. It is true that fees are not the only sources of income for public universities. But since Makerere University began to charge fees, it has increased the proportion of fee-paying students to about 80 percent of its enrollments. Its dependence on fees has likewise increased. Government funding has not increased due to increased budgetary constraints. For most Ugandan universi-
ties, donations, endowments, and business activities do not constitute a significant component of annual budgets.

The Impact on Quality
The extensive survey of institutions the National Council for Higher Education carried out in 2004 observed that “all higher education institutions do not have adequate financial resources to improve and expand the physical infrastructure, provide modern academic facilities, attract and retain qualified academic staff needed to deliver quality higher education.” Faced with lack of money, university administrators cut back on educational inputs to balance budgets. In turn, this affects quality.

What are the Options?
A number of high schools, the so-called First World Schools, in Uganda charge fees that are higher or equal to those charged by universities. Yet the politics of fees that is contributing to the decay of Uganda’s public university system is apparently absent at the school level. Like private universities, public institutions should be able to charge fees at market value without undue pressure from the political system.

To resolve the problem of funding public universities, a number of options are possible. First, the national policy of liberalization should extend to universities. Uganda prides itself on having a liberalized economy in which monopolies and market regulations have been broken down. Second, the government and its agencies should not micromanage public universities. The government should respect the institutional autonomy of universities guaranteed under the Universities and Other Tertiary Institutions Act of 2001. Third, although increases in fees must take into account national per capita incomes, it must be understood that the training of skilled personnel like doctors, lawyers, engineers, veterinarians, computer experts, and other professionals is not cheap. There is a minimum cost of inputs required to train quality professionals. Current fees paid are far below the minimum. Fourth, the state alone cannot finance higher education. The participation of the private sector must be boosted by more incentives, such as tax relief on all education materials and user-friendly legislation.

As soon as possible, chartered and statute universities should receive tax relief such as exemption from VAT payment and customs duties. Fifth, scholarships and loan schemes should be put in place as soon as possible to benefit able but poor students to borrow money for fees and pay back when they start to work. Sixth, foreign students should not be subsidized by Ugandan taxpayers. They should immediately pay realistic unit costs in Uganda’s tertiary subsector. Seventh, government must prepare the tertiary sector to receive the beneficiaries of the Universal Primary Education (UPE) project by rehabilitating both the university and the nonuniversity subsectors of higher education, with affirmative focus on the latter. Eighth, the tertiary percentage share of the Ministry of Education and Sports budget should be increased from the current 9–15 percent to 25 percent or more if the UPE beneficiaries are to get quality higher education. And, lastly, the looming financial crisis in universities that could retard sustainable development is due to reduced skills capacity. These skills are obtainable at well-funded tertiary institutions. To begin to address the crisis, the country should be prepared to change its attitude toward higher education by shifting training away from a focus mainly on universities to other subsectors of the tertiary education system.

Conclusion
The government, its agencies, and students must accept that the cost of providing quality higher education is high and increases with rising costs of living. If stakeholders are not ready to accept cost sharing, institutions will cut back, as they are already doing, on education inputs, which in turn will translate into the delivery of inferior higher education. Public universities are likely to suffer most because they are more subject to political and student interference than private universities. Currently, these institutions have more funding because of government allocations. However, lack of institutional autonomy in the management of fees is likely, in the long run, to place them at a disadvantage vis-à-vis private institutions.

New CIHE Publications

The International Handbook of Higher Education, coedited by James Forest and Philip G. Altbach, has been published by Springer Publishers in the Netherlands. This 1,100-page, 2-volume set includes 55 chapters, 19 of which focus on comparative themes such as the history of higher education, finance, globalization and internationalization, teaching and learning, the role of technology, and others. The rest of the chapters cover countries and regions. Further information can be obtained from Springer Publishers, POB 17, 3300 AA Dordrecht, the Netherlands (www.springeronline.com). A limited number of paperback copies are available without cost to readers and institutions in developing countries from the Center. Please write to the Center to request a copy.

The Center has reissued Comparative Higher Education, by Philip G. Altbach, originally published in 1997 by Ablex. The book consists of 13 essays on such themes as the university as center and periphery, student political activism, higher education in China and India, foreign students and scholars, the role of higher education in newly industrializing countries, and others. A limited number of copies are available without cost to readers and institutions in developing countries. Please write to the Center to request a copy.
News of the Center

Work is concluding on the revisions of Higher Education: A Worldwide Inventory of Centers and Programs. This volume provides a comprehensive listing of centers and institutes focusing on higher education as well as a listing of academic programs in higher education. More than 150 institutions in some 25 countries are included. Leslie Bozeman is coordinating this project. We hope to have the inventory published during the summer of 2006.

Empires of Knowledge and Development: The Roles of Research Universities in Developing Countries, edited by Philip G. Altbach and Jorge Balan, is the result of the CIHE’s research project on research universities in developing countries. A Chinese-language edition will be published by Shanghai Jiaotong University.

Philip Altbach will be participating in several conferences in China in May. He is speaking at Zhezhang University, Shanghai Jiaotong University, and China Ocean University in Qingdao. He will also work with the senior administration of the Catholic University of Chile in August.

Fulbright New Century Scholars Program

The Fulbright NCS Program, which brings together scholars from 21 countries to do collaborative research on higher education, recently held its midterm conference in Cairo, Egypt, in cooperation with the American University of Cairo. In addition to discussions of the research projects, NCS and AUC organized a one-day meeting with Egyptian higher education leaders to discuss common higher education themes. Six research groups are continuing to work collaboratively. A final working conference is scheduled for October in Paris, in collaboration with UNESCO.

During the last half decade, interest in higher education in Africa has dramatically increased. The CIHE has helped sponsor the comprehensive book on African higher education, African Higher Education: An International Reference Handbook (Indiana University Press, 2003). The Center also co-launched the Journal of Higher Education in Africa in collaboration with the Council for the Development of Social Science Research in Africa (CODESRIA) in Senegal.

The launching of INHEA is the outgrowth of several years of experience, expertise, and networking. This web-based Network (available at http://www.bc.edu/inhea) features institutions, centers, and programs around the world that are engaged in higher education activities with relevance to Africa. It also provides a list of experts and researchers (and their contact addresses) engaged in higher education in Africa, as well as current and upcoming higher education conferences and meetings that have relevance to Africa.

The Network provides the most comprehensive and regularly updated bibliographical information of published articles and doctoral dissertations on African higher education. The sources are conveniently organized by country, region, and theme. Brief profiles of higher education for all 54 countries on the continent are also featured.

Recently the website has been revamped. Also introduced is a new section that lists journals and bulletins of higher education on Africa and provides, among other material, mission statements, style guidelines, and correspondence addresses. The intention is to include more information, data, and news as the website becomes more popular. Currently, the site generates more than a thousand hits a month. The Network is now considering publishing, subject to flow of articles, an online occasional non-peer-reviewed bulletin on higher education in Africa.

INHEA continues to be supported by the Ford Foundation. For further information, please contact Damtew Teferra (teferra@bc.edu).

International Network for Higher Education in Africa—An Update

The International Network for Higher Education in Africa (INHEA) was launched a year or so ago at the Center for International Higher Education. It is directed by Damtew Teferra. The Network is being used by scholars, experts, practitioners, policymakers, funding organizations, faculty, students, and others interested in research and development in African higher education around the world.

Internet Resources

Visit our website for downloadable back issues of International Higher Education and other publications and resources at http://www.bc.edu/cihe/.
New Publications


A comprehensive listing of all accredited postsecondary education institutions in the United States, this two volume set includes information on admissions requirements, curriculum offerings, foreign student opportunities, essential statistical data, and related data.


A case study of how the American higher education community has reacted to GATS and the WTO, this book focuses on the interactions between the United States government and the academic community relating to GATS, how university leaders have understood GATS, and the broader issues involved for higher education.


This World Bank working paper argues that, contrary to recent World Bank policy, higher education contributes to economic growth and development and should be supported.


A critique of what is learned in American undergraduate colleges by Harvard’s former president, this volume provides data concerning learning in such fields as thinking skills, communications, diversity, living in a global society, and other areas. A discussion of how to improve undergraduate education is also provided.


A consideration of the role of academic libraries in the “Internet age,” this book focuses on such issues as library leadership, integrating the library with the curriculum, research productivity, IT and library collections, and access, as well as others. The book is an update of a 1989 volume, and deals only with the United States.


Focusing on the growing number of nontraditional students in US higher education, this volume provides insights and proposals concerning how to enhance access and also retain students so that they can complete their degrees. The method used in this volume is oral history.


This book analyzes how societal pressures, norms concerning the role of women, and an emergent women’s movement interacted with regard to higher education for women in the United States in the post–World War II period. Emphasis is placed on research concerning the need for women’s higher education, advocacy by a number of women’s organizations, and policy recommendations from the President’s Commission on the Status of Women. The book concludes with a discussion of the role of continuing education for women.


The core of this volume is a Delphi study of 164 respondents concerning the future of European higher education and research in 2020. The respondents react to several models of future higher education developments, including highly centralized systems and others. Experts comment on the scenarios in short essays at the end of the book.


This detailed and engaging study of admissions policies at three of America’s elite universities discusses how policies evolved over time and what the motivations were behind the changes. Karabel shows how these three influential institutions discriminated against racial and ethnic minorities, including Jews, African Americans, and Asians for many decades. He also discusses how the universities defended the interests of the traditional elites who dominated the student bodies until quite recently. This book is not only useful in understanding the elite sector of American higher education but also focuses on how social class works in American society.

Perhaps the first full-scale study of faculty roles in for-profit postsecondary institutions, this book includes case studies of four schools. Interviewing 52 faculty members, the author deals in his analysis with the issues of working conditions, faculty culture and roles, satisfaction of faculty, and related themes. The analysis is done by institution and generalizations are then developed.


This book consists mainly of autobiographical essays by Asian American women scholars in the field of education reflecting on their experiences working at universities in the United States. Problems of language, socialization into the academic profession, teaching issues, and other topics are considered.


This book looks at trends in funding for public higher education by the states in the United States and notes the downward general trends. The consequences of the inevitable privatization of public higher education are analyzed—for access, quality, the future of research, the public role of universities, and other factors. The authors are critical of the trend toward privatization.


This book is an autobiographical account by a Hispanic former professor of sociology who attended Stanford Law School and obtained a law degree. The focus is on the author’s rather alienating experiences. The insights concerning an elite American law school are interesting.


Perhaps the most comprehensive research-based study of American doctoral students ever conducted, this book discusses all aspects of the doctoral student experience. Among the themes are the admissions process, financing doctoral study, research training and productivity, rate of progress and degree completion, as well as some others. The study is based on more than 9,000 responses to a survey.


A critical analysis of higher education trends in the Americas, this volume focuses on how broad globalization trends have affected higher education in the region. Most of the book deals with Latin America, although there are several chapters considering the United States as well as several general chapters. Mexico, Argentina, and Brazil are covered in several chapters. There is also a discussion of how global markets affect higher education. The authors in this volume take a critical stance regarding globalization trends.


While the focus of this book is on the role of intellectuals in the struggles concerning the Vietnam War in the United States and the Algerian War in France, there is much relevance to the universities, since a significant part of these social and intellectual movements played themselves out at the universities in both countries.


Now in its 20th year of publication, this valuable annual publication features research-based analyses of higher education topics. The essays are long enough to permit detailed discussion of the topics. This year’s book includes such topics as professors as knowledge workers in the global economy, student choice and rational thought, the causes of public college tuition inflation, faculty governance, for-profit degree-granting colleges, Arab higher education governance, and others. While most of the chapters focus on the United States, the themes are internationally relevant for the most part.


A detailed analysis of how German higher education has organizationally changed in the past four decades, this volume deals with themes such as the differentiation of the German academic system, the development of the Fachhochschulen (vocational institutions) and other innovations, the role of the universities in their regions, and others.


A comprehensive “how to” book aimed at the improvement of teaching and learning, this book provides a good overview of the relevant literature on the topic as well as guidelines and hints. The focus is exclusively on the United States.
OUR WEBSITE
The Center’s award-winning website is a useful source of information and analysis on higher education worldwide. All back issues of International Higher Education are available, and an index provides easy access to articles by topic and country. Center publications are also available, and links to relevant higher education websites and information are provided. We are a featured e-link of the World Bank and other agencies.

THE PROGRAM IN HIGHER EDUCATION IN THE LYNCH SCHOOL OF EDUCATION, BOSTON COLLEGE
The Center is closely related to the program in higher education at Boston College. The program offers master’s and doctoral degree study in the field of higher education. The program has been preparing professionals in higher education for three decades. It features a rigorous social science–based approach to the study of higher education, combining a concern with the broader theoretical issues relating to higher education and an understanding of the practice of academic administration. The Administrative Fellows initiative provides financial assistance as well as work experience in a variety of administrative settings. Specialization is offered in higher education administration, student affairs and development, international higher education, and other areas. Additional information about the program is available from Dr. Karen Arnold, coordinator of the program in higher education, Lynch School of Education, Campion Hall, Boston College, Chestnut Hill, Massachusetts, 02467, USA. Fax: (617) 552-8422. E-mail: <arnoldkc@bc.edu>. More information about the program—including course descriptions and degree requirements—can be found online at the program’s website: <http://infoeagle.bc.edu/bc_org/avp/soe/hea/JEA/html>. International Higher Education is available full-text on our website. The Boston College Center for International Higher Education provides a unique service to colleges and universities worldwide by focusing on the global realities of higher education. Our goal is to bring an international consciousness to the analysis of higher education. We are convinced that an international perspective will contribute to enlightened policy and practice. To serve this goal, the Center publishes International Higher Education, a book series on higher education, and other publications. We sponsor occasional conferences on key issues in higher education and maintain a resource base for researchers and policymakers. The Center welcomes visiting scholars for periods of study and reflection. We have a special concern for academic institutions in the Jesuit tradition worldwide, and more broadly with Catholic universities. The Center is also concerned with creating dialogue and cooperation among academic institutions in industrialized nations and in developing countries. We are convinced that our future depends on effective collaboration and the creation of an international community focused on the improvement of higher education in the public interest.

Our work is supported by the Ford Foundation and by the Lynch School of Education at Boston College. We are indebted to these funders for core sponsorship.

EDITOR
Philip G. Altbach
ASSISTANT EDITOR
Salina Kopellas
EDITORIAL OFFICE
Center for International Higher Education
Campion Hall
Boston College
Chestnut Hill, MA 02467
USA
Tel: (617) 552–4236
Fax: (617) 552–8422
E-Mail: highered@bc.edu
http://www.bc.edu/cihe

International Higher Education is published quarterly by the Center for International Higher Education. We welcome correspondence, ideas for articles, and reports. If you would like to be placed on our mailing list, please write to the editor on your business letterhead. There is no charge for a subscription.

ISSN: 1084–0613

New Higher Education Listserv

We are launching a new listserv that will provide the higher education community with information concerning the CIHE, International Higher Education, and related publications. We will provide you with current information concerning new IHE issues and new publications. Please visit the following URL to sign up for the listserv: http://www.bc.edu/bc_org/avp/soe/cihe/listserv.html