

## **WTO/GATS: Possible Implications for Higher Education and Research in the Arab States**

A. R. Bibtana

*Presented at the Regional Seminar “The Impact of Globalization on Higher Education and Research in the Arab States”*

24-25 May 2007  
Rabat, Morocco



## **WTO/GATS: Possible implications for higher education and research in the Arab States**

by  
Abdalla R. Bibtana  
Consultant, UNESCO, Paris  
Former Chief of the Higher Education Section,  
Education Sector, UNESCO  
Former Director of UNESCO, DOPHO,  
and Representative of UNESCO to the Gulf Arab States

### ***Abstract***

Higher education has been witnessing major transformations and facing enormous challenges worldwide in recent years. In spite of the fact that the number of students enrolled in this system has exceeded 100 million, the social demand has been also increasing, thus surpassing the capacity of national systems to respond adequately. The system is not only growing in terms of access but also in terms of financial investment and trade which were estimated to be US\$30 billion in 1999 (Vlk, 2006 ). This figure may have exceeded US\$40 billion in 2006. This reflects the increasing importance of this sector in terms of economic power. This was perhaps one of the reasons that motivated WTO and some countries to include higher education as one of the services to be covered by the GATS agreement concluded in 1995 as the first legal instrument focusing exclusively on trade in services through the removal of existing barriers on trade in this domain. It is to be also noted that research will be covered under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

The inclusion of higher education in this agreement has been at the centre of heated debate among opponents and proponents from various regions of the world. While proponents claim benefits such as more diversified systems, greater efficiency and improved quality, opponents reject the idea of converting higher education from a public service to a commercial commodity. The pros and cons of the agreement and the

conflicting views over its positive and negative consequences will be thoroughly analyzed in various sections of this paper.

Most importantly, this paper will discuss the possible implications of the agreement for Arab higher education particularly policy, legislation, regulatory, and the educational, socio-cultural and financial aspects.

Based on these analyses, the paper will attempt to draw conclusions and state some recommendations for possible future actions.

## **I. Introduction**

One of the main instruments of globalization and the emergence of the neo-liberal global economy is the creation of the World Trade Organization (WTO) and the launching of the General Agreement on Trade and Tariffs (GATT). Today, this organization, which administers the application of various agreements and regulations concerning the liberalization of trade, is consisted of more than 150 countries from all regions of the world. The initial responsibility of WTO was to administer the GATT agreement which dealt mainly with trade, commerce and finance – in other words, with money, commodities and products. The services sector – such as education, higher education, tourism, health etc. – was not included in the provisions of GATT.

The General Agreement on Trades in Services (GATS), which was negotiated during the WTO Uruguay Round and came into effect in 1995, is the first legal agreement focusing exclusively on trade in services through the removal of existing barriers to trade in these services. The liberalization of trade in higher education can be included in the negotiations of GATS. This agreement which was initiated by Australia, Canada, the United States and a number of European countries has been facing fierce resistance not only from the academic community but also from some powerful NGOs active in the field of education such as the European Institute (EI), the Advisory Centre for Education (ACE), the European University Association (EUA), the Council for Higher Education Accreditation (CHEA) and others. Even the European Union (EU) took a decision in

1993 not to submit higher education into the initial rounds of negotiations on GATS. In spite of this, as of February 2007, over forty-seven countries have made commitments to include education in the agreement, though only thirty-eight of those included commitments to higher education (Knight, 2006). These include some developing countries such as Congo, Jamaica, Lesotho and Sierra Leone.

The debate over the implications of GATS on higher education and research has intensified during the last few years and is divided between the opponents and proponents of the agreement. The arguments focus on highlighting its possible negative or positive impact on the future of higher education. While proponents highlight the benefits that free trade can bring to higher education in terms of diversifying the providers and delivery modes, broadening access, promoting competitiveness and increasing financial and economic gains, opponents reject the idea of converting higher education from a public service to a marketable commodity. It is to be mentioned here that the amount of financial resources spent on higher education shows its increasing importance in terms of economic power. Opponents also fear that the agreement may constitute a pretext for the further shrinking of the government role and the possible take over of systems by the corporate community which is interested mainly in profit making with less interest in serving national interests and agendas. The fear in developing countries is that, in addition to these negative aspects, cross- and trans-border providers will lead to negative rather than positive consequences such as increased social costs for higher education, the return of the elitist systems and gradual disappearance of national systems that cannot compete with foreign providers. Some critics consider the agreement as a pretext for a total take over by the corporate community of higher education and for monopolizing research for commercial purposes. At the present time, jargons that were strictly used in business and commerce such as marketization, commercialization, commodification, Macdonalization and franchising are frequently applied to higher education.

The debate extends beyond these issues to target the legal and political aspects of the agreement. On one hand, questions are raised about the possibility of governments to commit themselves to agreements which concern autonomous institutions such as

universities. On the other hand, there is debate on what are considered to be ambiguous stipulations in the agreement that can be subjected to different interpretations (such as *Article 1:3* which deals with the exemption of services “supplied in the exercise of governmental authority”). Throughout this heated debate, a legitimate question is: What are the possible policy implications of GATS on systems of higher education in developed and developing countries?

There is no doubt that the commitments of governments to the application of GATS will require major policy revisions and provisions, at national level, so as to ensure conformity with the stipulations of the agreement. In addition to gradual diminishing of the role of the state in funding and regulating systems of higher education, policies must be adopted to allow both the private sector and foreign providers to freely compete at national level. The state control of quality, relevance and adherence to national priorities and agendas will drastically decrease. Furthermore, subjecting higher education to market forces will not face any limitations by state rules and regulations. Principles, such as equal access and the democratization of higher education, will be no longer policy priority. These aspects and others will be further elaborated in this paper.

The possible impact of GATS on developing countries, including those in the Arab States region, has not yet been thoroughly assessed or analyzed. So far, the available literature indicates different voices and views. For some countries, the advantages are that foreign providers would increase access to higher and adult education programmes, develop advanced higher education and research infrastructures, increased the mobility of students, academic staff and researchers and increase competitiveness which leads to improved quality. For other countries, the disadvantages are also numerous such as the fear of losing control over higher education through deregulation, foreign dominance and exploitation of national systems, inability to compete in global trading systems and the threat to national systems that cannot compete with foreign providers. These advantages and disadvantages will also be analyzed in this paper.

Without adhering to GATS, some Arab countries have been witnessing an apparent increase in the number of cross-border institutions. Examples are Egypt, Qatar, the United Arab Emirates and others. The trend towards privatization has also been increasing in almost all Arab countries during the last ten years and government support to higher education, although not totally diminished, is gradually decreasing to be substituted by the private sector. The application of GATS may lead to further reduced state involvement in higher education.

Although the challenges posed by GATS will be major for Arab systems of higher education, it is evident that neither policy-makers, nor the academic community, nor the stakeholders have seriously analyzed this aspect to assess the future impact and implications. This is the present state of affairs, although a good number of Arab countries have joined WTO and will be obliged to enter into actual negotiations on the application of GATS. This paper will be a good opportunity to raise awareness among all Arab stakeholders concerning the agreement and what it represents for the future of Arab systems of higher education and research.

Based on the analyses in the various sections, the paper will attempt to state some conclusions and recommendations which may help policy-makers to deal with the possible future challenges and implications of GATS.

## **II. Legal and political contexts of GATS**

As an international instrument approved by governments, GATS has certain stipulations which must be respected. So, legal and political action must be taken to implement this instrument at the national level under the strict control of the WTO. Any violations by national governments will be referred back to this body for judgement regarding disputes between governments and institutions. From the political point of view, only governments can enter into negotiations affirming the political sovereignty of the states party to the agreement. In the case of higher education, academic institutions, in spite of their autonomy, are rarely called upon to participate in the rounds of negotiations. Nor are

NGOs active in this field. Adhering to GATS is thus a political decision which has policy, legal and administrative consequences.

Although the political context is clearly defined and concerns national governments which are members of WTO, the legal context remains unclear and subject to different interpretations – particularly in terms of services that can be included in the negotiation plans or schedules of governments. Although in principle GATS applies to all services sectors, *Article 1.3* excludes “services supplied in the exercise of governmental authority”. These are services that are supplied neither on a commercial basis nor in competition with other suppliers. This is perhaps the most controversial article that has triggered most of the debate over the inclusion of higher education in the agreement.

For the Arab Region, the interpretation of these exclusion phrases may be positive or negative. Since most Arab countries presently allow the establishment of private institutions, higher education services are not totally the responsibility of government. Furthermore, a part of higher education services is being provided on commercial and competitive basis. However, all these services are provided in conformity with the strict rules and regulations of government in terms of licensing and accreditation. Moreover, some private institutions receive government funding and some public institutions receive private funding. This situation may lead to a more complicated interpretation of *Article 1.3* of the agreement. Hence, it is extremely difficult to clearly define which education services are supplied strictly on commercial basis due to the public/private mix in all systems and within many institutions of higher education (Gilles and Lambert, 2003).

The Arab countries, according to the above analysis, may seem unable to benefit from the exemption of *Article 1.3* and may be obliged to include higher education in their negotiation schedules. However, they may put limitations on various modes of trade in this domain such as cross-border supply or commercial presence. It must be said that a number of Arab governments may see benefits in making a full commitment to GATS, including in the higher education field, particularly as related to cross-border providers, consumption abroad, commercial presence and presence of natural persons. In some Arab

countries, all these modes of supply applicable under GATS are being adopted on a bilateral basis. This is the case in Egypt, the United Arab Emirates (UAR), and Qatar. It is worth mentioning here that in some countries, such as Greece and Israel, there is almost total opposition to including non-national providers in the national higher education system or to recognizing their diplomas and degrees (Padayachee, 2003).

It is very important to note that if major international NGOs such as the European Universities Association (EUA) consider the legal aspects of GATS to be ambiguous and request more discussions particularly on *Article 1.3*, Arab governments should not rush into making unrestricted or full commitments to the agreement before its possible consequences are clarified and understood.

### **III. GATS: pros and cons**

There is no doubt that GATS, like any other trade agreement, has both various advantages and disadvantages of its course of action. The debate over these aspects has escalated during the last decade involving not only policy-makers but also different stakeholders. The most outspoken of these are the academic community and NGOs active in the field of higher education.

It must be said here that, under GATS, governments have complete freedom to choose which services are to be involved. Also, in their negotiation schedules, they can put some restrictions on the extent to which free trade is allowed with regard to certain services. This arrangement thus allows Member States to negotiate conditions which maximize the advantages of the agreement and minimize its disadvantages.

#### *III.1 The Pros*

Some advocates of free liberalized trade consider it important for countries to adhere to GATT, GATS and other agreements concluded within the framework of WTO. Although they recognize some negative consequences, they estimate that the advantages are



enormous and in the interest of Member States. They consider that a refusal to adhere to agreements will lead to the total isolation of a country within the international trade system.

WTO itself has indicated six benefits of trade liberalization. They can be summarized as follows:

- (1) *Economic performance*: an efficient services infrastructure is a precondition for economic success.
- (2) *Development*: access to world-class services helps exporters and producers in developing countries to capitalize on their competitive strengths, whatever the goods or services they sell.
- (3) *Consumer savings*: there is strong evidence in many services that the liberalization of trade leads to lower prices, better quality and wider choices for the consumers.
- (4) *Faster innovation*: countries with liberalized service markets are those which benefited more from greater products and process innovations such the explosive growth of the internet in the US.
- (5) *Greater transparency and predictability*: a country's commitments in its own WTO services schedule amount to legally providing a guarantee indicating that foreign firms will be allowed to supply their services under stable conditions.
- (6) *Technology transfer*: services commitments at the WTO help to encourage foreign direct investment (FDI). (WTO, 2007).

As seen by the proponents, advantages include: (a) greater student access to higher education to help meet increasing demand; (b) innovation through new providers and delivery modes; and (c) increased economic gains (Knight, 2006). But, although these benefits may be valid in their economic and commercial aspects, they tend to ignore the cultural and social dimensions of free trade. While some of them are applicable to the education and higher education services, there are other aspects of greater importance such as promotion of cultural identity, developing national citizenship and nation building which cannot be commodified, marketized or traded by foreign investors.

### III.2 *The Cons*

In spite of the proclaimed benefits, many experts in developing countries are skeptical about them. For them, globalization has not brought the promised economic gains. On the contrary, it has led to greater inequality for developing countries. These experts think that, in spite of opening up of the international trade, the absolute numbers of poor in the developing countries have been constantly increasing. They call upon policy-makers and GATS' negotiators to learn from lessons learnt from the applications of the agreement before pledging unrestricted commitment to it (Pially, 2003).

Opponents of the agreement, from both developing and developed countries, have been strong voices which maintain that increased trade, in higher education may:

- (i) Threaten the role of governments to regulate higher education and meet national policy objectives; and
- (ii) Jeopardize the 'public good' and quality of education (Knight, 2006 p. 137). For them, converting higher education from a public service to a commercialized commodity must be totally rejected.

They also fear that the agreement may constitute a pretext for the further shrinking of the government role and the possible take over of systems by the private sector and the corporate community which are interested mainly in profit-making with less interest in serving national interests and agendas. The fear in the developing countries is that, in addition to these negative aspects, cross- and trans-border providers will lead to negative rather than positive consequences such as increased social cost for higher education, the return of elitist systems and the gradual vanishing of national systems that cannot compete with foreign providers. Some critics consider the agreement as a pretext for a total take over by the corporate community of higher education and for monopolizing research for commercial purposes. The brain drain was cited as one of the negative consequences of the agreement which allows for, under its *Mode 4: The presence of natural persons*. Thus permitting greater mobility for academicians and researchers.

To avoid the negative consequences for those governments that are obliged to include higher education in their negotiation schedules some conditions are needed in relation to certain aspects which allow for restrictive or gradual liberalization of trade. These include limiting the number of branches to be operated by cross-border providers at national level, setting a ceiling or percentage on the amount of profit they can make, or applying tight controls on licensing and accreditation regulations.

In general, very influential NGOs such as the European University Association (EUA), the Association of Universities and Colleges of Canada (AUCC), the Advisory Centre for Education (ACE), the Council for Higher Education Accreditation (CHEA) and others see no need for applying this new agreement to higher education and instead, they call for the promotion of bilateral cooperation and those agreements reached within the framework of multilateral organizations, such as UNESCO's Conventions (UNESCO, 2002) on the recognition of degrees and studies in higher education (Breton and Lambert, 2003).

It must be said that any agreement which is ambiguous, that does not gain consensus and serves the interests of only certain stakeholders is likely to operate imperfectly. This seems to be the case *vis-à-vis* GATS. This agreement has been criticized for representing only the views and interests of developed countries with less say or influence from developing countries (Tortian, 2003).

#### **IV. Possible implications for higher education in the Arab States**

Among the 150 members of the WTO, there are eleven Arab countries with full membership and three with observer status (WTO, 2007). It is known that so far among the thirty-eight countries which pledged commitments under GATS, there is only one Arab country (Bahrain). However, it is not easy to verify whether Bahrain has already submitted its national schedule for the forthcoming rounds of negotiation and whether education and higher education have been included.

There is a possibility that a number of Arab governments will be pressured to open their higher education to free trade. It has been mentioned before that a number of countries have already opened their markets for cross-border providers on a bilateral basis, even before adhering to GATS.

It is important at this stage to speculate on the possible future consequences and implications of adhering to GATS for Arab higher education. There is a fear that Arab negotiating teams, mostly economists and planners, are not really aware of the negative consequences which may result from unrestrictive commitments to GATS in a sensitive field such as education. These teams are usually concerned with economic and financial benefits rather than social and cultural priorities.

Also, it is crucial that all higher education stakeholders must quickly launch awareness campaigns, through meetings, seminars and conferences with the intention of drawing authorities' attention to the negative and positive aspects of joining GATS. In other regions of the world, controversial debates about these issues have taken place during the last decade. Even very powerful NGOs active in higher education from developed countries have issued declarations deploring the idea of including higher education in the negotiation of GATS and warned governments about the possible catastrophic consequences. The Arab Region is far behind in this domain and the present meeting should constitute a point of departure for specialized future meetings focusing on GATS and Arab higher education. This meeting may wish to issue a declaration to promote this idea and trigger awareness about the importance of this issue among policy-makers, the academic community and all stakeholders.

#### *IV.1 Policy implications*

Any Arab country which includes higher education in its future negotiations related to GATS will be required to make certain revisions to their current educational policies. For example, allowing foreign providers to freely compete with national institutions of higher education would require certain revisions to policies, which restrict these services to national entities and citizens. Admission policies must be also adjusted to fit the

requirements of cross-border providers and those of non-conventional institutions of distance and virtual higher education. The principle of free and equal access to higher education, which is dominant in Arab higher education policies, will be less important under GATS.

In financial terms, the spread of private and foreign providers may gradually shrink government's support to higher education, leaving it totally to market forces.

Unless Arab governments put restrictive clauses on the liberalization of trade, higher education will be gradually converted from a public service to a marketable commodity open for competition between national institutions and foreign providers. The fear is that in the long run national institutions which cannot compete in free trade markets will vanish from the scene to be replaced by foreign providers for whom cultural and social agendas are not important. What is important is profit making!

#### *IV.2 Legislative implications*

In most Arab constitutions and educational legislation, higher education is a basic human right and is the sole responsibility of the state. Hence, in most countries, higher education is free. As a result of the tremendous pressure caused by social demand and the inability of state institutions to meet this, almost all countries have revised their legislation to allow the development of private institutions which are owned by nationals. In some countries like Egypt, Qatar, and the UAE, cross-border providers were allowed to operate due to exceptional legislation and within the framework of bilateral agreements.

Once commitments are made within the framework of GATS, Arab legislation must undergo major revisions to offer fair, unrestricted and indiscriminate treatment to foreign providers as stipulated by the agreement. This can only be avoided if governments indicate in their negotiation schedules some restrictions which will apply once the agreement is enforced. Examples of such restrictions are: (a) to limit number of foreign

providers; (b) to limit the profit margins; (c) to limit the number of students to be admitted to foreign institutions.

### *IV.3 Regulatory implications*

It is well known that most Arab countries [and also African countries (Mihyo, 2004)]lack sound mechanisms and frameworks for accreditation, recognition and quality assurance of institutions of higher education, despite the importance of this aspect for all countries whether they are importing or exporting educational services. Before liberalizing trade in higher education, it is vital to set up national mechanisms which can address accreditation and quality assessment procedures for the academic programmes of new and foreign providers. This is very important for preventing foreign providers from offering programmes of dubious quality (Pially, 2003).

The ever increasing expansion of distance and open higher education with major investments in the utilization of information and communication technologies (ICTs) has resulted in new types of higher education represented by virtual universities, e-learning institutions and open universities. This has undoubtedly changed the whole landscape of the higher education systems. All these types of providers are capable of crossing borders without adhering to the rules and regulations of any state. In the absence of national and international regulatory frameworks, the concepts of quality, accreditation and recognition of studies and degrees remain questionable areas.

The absence of these mechanisms and frameworks constitute major obstacles for Arab States with regard to liberalizing trade in higher education. However, this can be used as a valid argument by academics and stakeholders for convincing governments to delay the inclusion of higher education in their commitments to GATS and, instead, to opt for more gradual liberalization in future negotiation rounds.

#### *IV.4 Educational implications*

A consistent criticism of the liberalization of higher education is that it will curtail a nation's ability to develop its own system, thus reflecting its unique social, cultural and political characteristics (Pially, 2003). There is also a risk of homogenizing national education systems. Foreign providers bring with them foreign curricula which mostly have limited relevance to the importing countries' socio-cultural contexts. This is in contradiction with the national mission of higher education which seeks, among other functions, to preserve and promote national cultures, instil cultural identity and educate for citizenship.

The most important and crucial fear is that flooding a country with foreign providers, based on GATS, will force national institutions, which cannot compete with foreign providers in free-trade markets, to gradually disappear from the national map of higher education. This situation may lead in the long run to a total take over by cross-border providers with no interest in serving national objectives and agendas.

#### *IV.5 Financial implications*

It is a fact that globalization and its instruments such as GATT and GATS seek first and foremost to decrease the role of the state not only in commerce and services but also in almost all human activities. In other words, it seeks to end the concept of the welfare state which is dominant in most Arab and developing countries.

In these countries, the public funding of higher education is witnessing either zero or negative growth despite the rising social demand. This is why most of them have recently allowed the private sector to share the financial burden. The role of this sector in funding has greatly increased in recent years, thus, giving governments' reasons to reduce its public funding to higher education. The question to be raised concerning funding *vis-à-vis* GATS is whether cross-border providers can mobilize alternate funding sources or whether they are there to gain access to financial resources. Although in both cases the answer is 'Yes', they will signal to governments that they can decrease funding for higher

and adult education, thereby jeopardizing domestic publicly-funded institutions (Knight, 2006).

Allowing free trade in higher education with foreign providers charging high tuition fees will both increase the cost of education, thus paving the way for the return of the elitist systems, and increase the financial burden on the society as a whole.



#### *IV.6 Socio-cultural implications*

The mission of higher education is not restricted to training professionals and serving economical objectives only. As well, it must instil cultural values and social equality. Education being a basic human right must be made available to society either free or at affordable cost. This is a principle which has prevailed in Arab countries since the post-independence era. However, there is a fear that converting higher education into a marketable commodity will endanger this cherished principle.

Higher education must assume the responsibility of preserving and enriching the national culture, preparing for citizenship and serving national social and economic objectives and agendas. There is a doubt that foreign providers will be interested in catering for these objectives. On the contrary, they may contribute to the homogenization of cultures and focus on economic returns and profits. Experiences have often proved that foreign providers are insensitive to the national, cultural, educational and social ethos of other countries.

It is clearly stated in most Arab legislation that education is responsible for instilling Arab and Islamic values and ethics and for contributing to the preservation and enrichment of social and cultural traditions. Foreign providers will be less interested in serving these objectives for two reasons (a) their interest is mainly in programmes which can be saleable on the market; and (b) they bring with them cultural values that are predominant in their countries of origin. This will certainly contribute to the homogenization of national cultures and therefore threaten the concept of cultural diversity.

A relevant question, particularly in the cultural domain, is whether Arab governments will be able to force foreign providers to customize their programmes, curricula and content to fit and be more relevant to their national contexts.

Therefore, any Arab country deciding to adhere to GATS and including education in this agreement must be aware of the possible negative cultural and social consequences and

attempt to lay down some limitations and restrictive measures to preserve its social and cultural identity.

## V. Conclusions

From the previous analyses of the nature and objectives of GATS, the following conclusions may be drawn:

The debate over the implications of GATS on higher education and research has intensified during the last few years and is divided between the opponents and proponents of the agreement. The arguments focus on highlighting the possible negative or positive impact of the agreement regarding the future of higher education. Within the Arab Region, very limited debate has taken place on GATS.

The amount of trade in higher education was estimated to be around US\$ 30 billion in 1999. This amount may have increased by the year 2006 to reach over US\$ 40 billion. This indicates the increase of higher education in terms of economic power. This is one of the reasons to include it into GATS negotiations.

There are ambiguous stipulations in the agreement that can be subjected to different interpretations such as *Article 1:3* which deals with the exemption from the agreement of services “supplied in the exercise of governmental authority”.

There is no doubt that GATS, like any other trade agreement, has some advantages and disadvantages. There is a need for the Arab countries to undertake negotiations which will lead to maximize the benefits and minimize the disadvantages.

Although the proclaimed benefits of GATS, on which most of the proponents focus their arguments, may be valid in their economic and commercial aspects, these tend to ignore the cultural and social dimensions of free trade.

Opponents of the agreement, from both developing and developed countries, maintain that increased trade, in higher education may: (1) threaten the role of governments to

regulate higher education and meet national policy objectives; and (2) jeopardize the 'public good' and quality aspects of higher education.

There is a fear that Arab negotiating teams, mostly economists and planners, are not really aware of the negative consequences which may result in making unrestrictive commitments to GATS in such a sensitive field such as education. These teams are usually concerned with economic and financial benefits rather than with social and cultural priorities.

It is important, at this stage, that all Arab higher education stakeholders launch awareness campaigns, through meetings, seminars and conferences with the intention of drawing authorities' attention to the negative and positive aspects of joining GATS. In other regions of the world, debate on these issues has been controversial over the last decade.

Any Arab country which includes higher education in its future negotiations of GATS will probably be required to make certain policy and legislative revisions to current educational policies to offer fair, unrestricted and indiscriminate treatment for foreign cross-border providers. This may lead to the disappearance of national institutions that cannot compete on free-trade markets.

Before liberalizing trade in higher education, it is vital to have national mechanisms which address accreditation and quality assessment procedures for the academic programmes of new and foreign providers. This is very important for preventing foreign providers from offering programmes of dubious quality.

A consistent criticism of the liberalization of higher education is that it will curtail a nation's ability to develop its own system reflecting its unique social, cultural and political characteristics. There is also a risk of homogenizing national education systems. Foreign providers bring with them foreign curricula which mostly have limited relevance to the importing countries' socio-cultural contexts.

Allowing free trade in higher education, with foreign providers charging high tuition fees, will on the one hand increase the cost of education, thus paving the way for the return of the elitist systems, and on the other, will lead to shrinking government funding thus increasing the financial burden on society as a whole.

Higher education must assume the responsibility of preserving and enriching the national culture, preparing for the citizenship and serving national social and economic objectives and agendas. There is a doubt that foreign providers will be interested in these objectives. On the contrary they may contribute to the homogenization of culture and focus on financial gains.

## **VI. Recommendations**

The following recommendations can be proposed:

Due to the apparent lack of awareness and knowledge about GATS among Arab States' policy-makers, it is recommended that a series of meetings, debates and consultations be organized involving all stakeholders with the purpose of discussing possible negative and positive implications of liberalizing trade in higher education in Arab States.

The Arab academic communities and NGOs active in the field of higher education must regularly place GATS on the agenda of their meetings and debates, and issue relevant declarations and appeals concerning the GATS agreement for the attention of their respective governments.

If any Arab country decides to include higher education in its GATS agreement it must either opt for gradual liberalization or lay down some restrictions and limitations that preserve national interests and maximize the benefits of the agreement.

Before entering into commitments, Arab countries must seek clarifications on the ambiguous phrases stipulated in the agreement such as *Article 1.3*.

Since most Arab countries have not so far been able to establish efficient frameworks or mechanisms for accreditation and quality assurance in higher education, this may lead to the inability of governments to adequately regulate the quality of cross-border and foreign providers. It is, therefore, recommended that Governments delay actions to include higher education in the GATS negotiations until these measures are in place.

Arab Governments must explore the possibility of entering into negotiations of GATS as a regional group, within the framework of the Arab League, such as the case with the European Union (EU).

Arab governments should assess the impact of GATS and learn lessons from its applications, in terms of positive and negative consequences, before committing themselves to this or other trade agreements.

\* \* \*

*Appendix 1*

**Draft Declaration on GATS and higher  
education in the Arab States**

We, the Arab Academics, Researchers and Higher Education Experts, attending the 2<sup>nd</sup> Research Seminar for the Arab States, organized by UNESCO on “The impact of globalization on higher education in the Arab States”, and convened in Rabat, Morocco, 24-25 May, 2007:

*Having examined* the rules, structure and stipulations of the General Agreement of Trade in Services (GATS) being negotiated within the framework of the World Trade Organization (WTO).

*Having thoroughly* debated the possible positive, and negative consequences, of the agreement on the future development of higher education in the Arab Region.

*Fearing that* the negative consequences of the agreement may outweigh its positive consequences.

*Believing that* this agreement and its impact on higher education have not been given due attention in the Arab Region and serious debate of various issues and challenges involved has not been on the agenda of governments and stakeholders.

*Considering that* higher education is a sensitive area and highly important for national development and the preservation of cultural and social identity.

*Insisting that* education and higher education is a public service for which national governments are responsible for providing to society.

Rejecting the idea of converting higher education to a marketable commodity that can be traded in open markets which are accessible to foreign competitors.

Believing that the circumstances in the Arab Region, such as the absence of credible frameworks and mechanisms for quality assurance and accreditation of foreign providers, are not conducive to eliminating barriers to trade in higher education at present time.

Call upon the Arab governments to:

Engage in serious consultations and debates, involving government trade negotiators, academics, researchers and NGOs active in the field of higher education, to discuss issues and challenges relevant to free trade in higher education and the implications of GATS for this sector.

Take into consideration the concerns of academicians and researchers concerning the inclusion of higher education into the GATS negotiations.

Exercise extreme vigilance in considering the inclusion of higher education in a country's commitment to GATS.

Opt for the gradual liberalization allowed under the agreement particularly as it relates to education and higher education.

Take into consideration lessons learned from the applications of GATT to assess the possible future benefits and shortcomings of the application of GATS.



## **Bibliographical References**

- Breton, G. and Lambert, M. (eds.). 2003. *Universities and Globalization: Private Linkages, Public Trust*. Paris: UNESCO, 2003.
- Knight, J. 2006. Higher Education in the Trade Context of GATS. In: *Internationalisation in Higher Education. European Responses to the Global Perspective*. (EAIE). Presentation at UNESCO at the Regional Scientific Committee for the Arab States, Al-Ain, United Arab Emirates, 2006.
- Mihyo, P.B. 2004. *GATS and Higher Education in Africa: Conceptual Issues and Development Perspectives*. Paper presented at the Association of African Universities Workshop on 'The Implications of GATS for Higher Education in Africa', Accra, Ghana, 2004.
- Padayachee, L. 2003. *The Treatment of Higher Education within GATS: the Present Status of Negotiations*. Trade Law Centre for Southern Africa (TRALAC), 2003
- Tortian, H. 2003. *The Impact of Globalization on Higher Education*. Masters' Thesis presented to the University of Westminster, 2003.
- Vlk, A. 2006. *The Renegotiation of Higher Education Under GATS. Legal and Regulatory Consequences and Stakeholder Responses*. Centre for Higher Education Policy Studies, (CHEPS), Twente University, 2006.
- UNESCO. 2002. *Proceedings of the 1<sup>st</sup> Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications in Higher Education*. Paris: UNESCO, 2002.
- WTO. 2007. *The General Agreement on Trade in Services (GATS): Objectives, Coverage and Disciplines*. [http:// www.wto.org](http://www.wto.org)