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ST. AUGUSTINE CAMPUS

The International Supply of Tertiary Education and Services Trade Negotiations: Implications for CARICOM

**Report prepared for the Caribbean Regional
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Table of Contents

Executive Summary	i
Introduction	1
1. An Examination of the Critical Issues related to Tertiary Education in the GATS	6
2. The Implications of CARICOM States' GATS Commitments on Tertiary Education	14
3. The International Market for Tertiary Education and CARICOM	20
4. The views of Ministries of Education and TLIs on GATS issues	32
5. The implications of the CARICOM Single Market and Economy (CSME) for the provision of education services in the region	38
6. CARICOM Experiences with Offshore Institutions	44
7. The effect of Trade in Service Negotiations on CARICOM Member States' interests in the Trade of Education Services	55
8. Requests made to CARICOM states regarding education services by other WTO Members	64
9. An Assessment of the Current TLEs Operating and Programs being offered in CARICOM Member States	67
10. Current Regulatory Environment for TLE's operating in CARICOM	82
11. Recommendations for Policy Measures and Negotiating Positions with respect to CARICOM Member States' ability to Trade in Education Services	87
12. Some Final Observations	97
13. BIBLIOGRAPHY	99
14. Appendix 1	104
15. Appendix 2	106
16. Appendix 3	107

List of Abbreviations and Acronyms

AAMC	Association of American Medical Colleges
ACCA	Association of Chartered Certified Accountants
ACTT	Accreditation Council of Trinidad & Tobago
ACU	Association of Commonwealth Universities
AEA	Accreditation, Equivalency & Articulation
AISOM	American International School of Medicine
AU	Andrews University
BBA	Bachelor of Business Administration
BCC	Barbados Community College
BIMAP	Barbados Institute of Management and Productivity
CAHSU	Central America Health Sciences University
CASE	College of Sciences and Education in Belize
CCDESP	Canadian Caribbean Distance Education Scholarship Programme
CIM	Chartered Institute of Marketing (UK)
CIRPEL	Caribbean Institute for Research and Professional Education Limited
CISCO	Cisco Systems Limited (A US computer network equipment manufacturer)
CITS	Campus IT Services (UWI St. Augustine Campus)
CKLN	Caribbean Knowledge Learning Network
COBEC	Consortium for Belize Educational Co-operation
COHSOD	Council for Human and Social Development
CORD	Committee on the Recognition of Degrees
CPC	United Nations Central Product Classification
CSME	Caribbean Single Market and Economy
CXC	Caribbean Examinations council
DHL	A US company specializing in the express delivery of packages
DRETCHI	Diagnostic, Research, Educational and Therapeutic Centre for the Hearing Impaired
ECIAF	Eastern Caribbean Institute of Agriculture & Forestry
FTAA	Free Trade Areas of the Americas
GATS	General Agreement on Trade in Services
HRM	Human Resource Management
ICT	Information and Communication Technologies
IT	Information Technology
ITU	International Telecommunications Union
IUGS	International University of Graduate studies at St. Kitts
IUHS	International University of Health Sciences at St. Kitts
JACAE	Jamaican Council for Adult Education
JACS	Joint Academic Coding System (UK) (replaced SCAS)
JSA	Jamaica School of Agriculture
MBA	Master of Business Administration

MFN	Most Favoured Nation
MILIK	Medical International Learning Institute at St. Kitts
MIND	Management Institute for National Development
MSVU	Mount Saint Vincent University
MUA	Medical University of the Americas in Belize and Nevis
NCE	National Council for Education in Jamaica
NIHERST	National Institute for Higher Education, Research, Science and Technology in T&T
OECS	Organisation of Eastern Caribbean States
PLAB	Professional and Linguistic Assessment Board Test (UK)
RDI	Resource Development International (UK)
SBCS	School of Business and Computer Science in T&T
SCAS	Standard Classification of Academic Subjects (UK) (replaced by JACS)
SIDS	Small Island Developing States
SJPP	Samuel Jackman Prescod Polytechnic
T&T	Trinidad and Tobago
TIDCO	Tourism and Industrial Development Company
TRAINX	TrainX Limited (A T&T company specializing in IT training and certification)
UB	University of Belize
UCB	University College of Barbados
UCJ	University Council Jamaica
UG	University of Guyana
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Education Scientific and Cultural Organization
US	United States (of America)
USA	United States of America
USMLE	United States Medical Licensing Examination
UTECH	University of Technology in Jamaica
UTT	University of Trinidad and Tobago
UWI	University of the West Indies
WIGUT	West Indies Group of University Teachers (UWI)
WTO	World Trade Organization

The International Supply of Tertiary Education and Services Trade Negotiations: Implications for CARICOM

Executive Summary

Services are one of the fastest growing components of trade in the world economy. Trade in services offers unique growth opportunities to the Caribbean region, given its floundering commodity exports and weak manufacturing output levels. Since its economic importance is so significant, the service sector was included in the Uruguay Round of multilateral trade discussions, with the General Agreement on Trade in Services (GATS) emerging as one of the new agreements incorporated into the World Trade Organisation (WTO).

An important aspect of service exports is tertiary level education, the trade in which continues to increase while the debate on service liberalization evolves. Advances in information technology and telecommunications have served to boost this trade.

Under the GATS, the tertiary education sector can be influenced by the four modes of supply. These are as follows: Mode 1- Cross Border Trade; Mode 2- Movement of consumers; Mode 3- Commercial presence; and Mode 4- Movement of natural persons. These modes are not without limitations that are characteristic of the other tradable sectors. The Commonwealth Caribbean is therefore now confronted with the associated restrictions of those modes of supply as well as the challenge of developing a capacity to export and meeting international quality standards simultaneously.

This study seeks to assess the current tertiary level education (TLE) environment internationally and within the Caribbean. It is expected that, by identifying the potential capacity of the region, recommendations can be made for formulating a regional negotiating strategy in the trade of tertiary level education as a service under the framework of the GATS.

A number of important issues have arisen and are being discussed in international fora. One such issue is the interpretation of the particular educational services that are covered since GATS exempts services 'supplied in the exercise of governmental authority'. The extent of domestic regulation of the education sector by the government must therefore be examined.

The growing commercialization of the sector has resulted in debate on whether TLE should be viewed as a public or private good, given its contribution to human resource development as distinct from it being a product for sale. Other issues being addressed

include the role of institutions in providing tertiary education as well as the provision of training versus research .

The liberalisation of the TLE sector will increase the number of providers, thus highlighting the need for a regulatory framework to set and maintain cross border standards. It also emphasizes the need for a Regional Accreditation System in the Caribbean that will facilitate the seamless movement of students, faculty members and researchers, the transferability of credits and the preservation of intellectual property rights.

While increased TLE opportunities will lead to increased student access, the ability of developing countries, including those in CARICOM, to finance the sector will be constrained. The level of budget allocations to the education sector will not be at levels similar to those of developed countries.

To date, only three CARICOM states - Haiti, Jamaica, and Trinidad and Tobago - have made commitments to trade in Education Services. States that have not made any commitments to the tertiary education sector must proceed cautiously and only make commitments that will serve their best interests. The complexity of the trade negotiations warrants the need for technical assistance on behalf of the developing countries. This assistance can come from regional and local institutions of higher education, among other sources.

The international trade in educational services has been analysed primarily through the movement of natural persons. The financial benefits derived by some of the main providers engaged in trade, such as the US, UK and Australia, indicate that it contributes significantly to their total service exports. Moreover, the trends show growth in their foreign student enrolment. The potential of the sector is evident. It is recommended that CARICOM countries take advantage of this opportunity to create niches for exporting education. Potentially lucrative areas exist in tourism, medicine and education. Information and communication technologies, which facilitate the cross border reach, will allow CARICOM countries to maintain competitiveness and provide the infrastructure for distance education and on-line programming.

In dealing with the GATS and its implications for the education sector, the CARICOM region has been generally concerned with the preservation of local institutions and the regulation of the existing and new foreign providers. Its ability to develop and compete in the trade of tertiary education services internationally has been ignored. This must change.

Tertiary level institutions see opportunities and threats in the GATS. While the GATS satisfies an excess demand by offering an increased supply to member countries, developing countries are concerned about their ability to compete with established

foreign providers from developed countries in an environment where resources are already limited.

The establishment of the CARICOM Single Market and Economy (CSME) provides, as one of its main objectives, the free movement of goods, services and people and will inevitably foster economic growth. The free movement of skills will certainly accelerate the growth of TLIs in the region. These institutions will have to take into account the integration process as they plan for the future. Local and regional institutional collaboration and co-operation will have to be encouraged. The existing and proposed initiatives between the UWI and other Universities in member states are testament to the linkages that can be forged. Moreover, the Caribbean Knowledge and Learning Network (CKLN) and the technology that it will provide will provide an important boost in facilitating cost-effective education both regionally and internationally.

Certain CARICOM States (St Kitts and Nevis, St Lucia, Grenada, etc.) have attracted a total of fourteen offshore tertiary education institutions, the majority of which are medical schools. While the precise quantitative impact of this foreign direct investment is yet to be determined in each country, the downstream business opportunities created is testament to the significant economic impact that FDI in Education Services can bring about.

As the leading provider of services in TLE and as a member of the WTO, the US has sought "...full commitments for market access and national treatment in modes 1, 2, and 3 for higher education and training services, for adult education, and for 'other' education". This request has been made to all 145 WTO members. Given that one significant aspect of the GATS is non-reciprocity, CARICOM States would be well advised not to accede to this request. This course of action can be justified by the fact that developed countries are much more competitive in this sector and Caribbean domestic providers are not ready yet for an open, market driven environment.

The regional tertiary level education environment can be characterised as one in which individual countries are at different levels of development in terms of legislation, policy and procedure to govern access to their respective TLE markets. They all, however, share a common stand in accepting a foreign commercial presence. There are numerous examples of Member States welcoming a variety of relationships with foreign providers such as twinning, foreign partnerships and direct investments. There are more than 100 such partnerships with many community colleges and other TLIs now offering Associate degrees, Bachelor's and Master of Science degrees in conjunction with foreign TLIs.

The expansion of the tertiary education sector underlines the importance of a system of quality assurance. CARICOM has already established a regional mechanism for accreditation, equivalence and articulation (AEA) to guide governments in their own

national mechanism. In response, Belize, Guyana, Jamaica, Trinidad Tobago, Barbados, St. Kitts, and Suriname have established national systems to monitor TLE providers and establish standards of performance. It is critical that any regional system ensures consistency within this region as well as between this region and other regions.

Given the experience of the off-shore medical schools, the region must capitalise on the momentum of the current trend and its ability to export education services and training. In light of the lack of promotion and incentives for this activity in the past, CARICOM export and trade promotion bodies have suggested that policy measures must be introduced to facilitate these. The upgrading of existing ICT facilities to enhance cross border delivery programs, an aggressive marketing strategy and establishing/enhancing appropriate production units with emphasis on niche areas are some of the prescribed strategies. At the institutional level, attention must be paid to appropriate curriculum development, learning support, employing effective teaching strategies and quality assurance.

Among the options available for the export of tertiary education services, this study recommends joint production between a CARICOM economy and a foreign partner. This is based on the positive experiences of the foreign firms operating as branch plant production firms.

It is suggested that CARICOM member countries have already accepted that the current regional network of tertiary level education cannot meet regional demand. It is also believed that foreign TLE providers will be more cost effective in addressing the specific skill and knowledge requirements required by needs of the region. While there is concern about cost efficiency at the regional university, the UWI expects that Caribbean governments will not compromise the institution in making commitments to GATS.

From a negotiation perspective, CARICOM member states should pay most attention to modes 1, 3 and 4 of supply. They should employ the appropriate mechanisms such as regulatory frameworks for cross border consumption under mode 1. They must also ensure transferability of credits for consumption abroad under mode 2 and stipulate local value added in the for profit export production units that are provided for under Mode 3.

Introduction

The polarisation in the debate on international trade in tertiary level education (TLE) has increased on account of negotiations on the General Agreement on Trade in Services (GATS) that is being promoted by the World Trade Organisation (WTO). The GATS represents the first multilateral arrangement to bring international trade in services under a legally enforceable regime of rules, rights and regulations.

The proponents of freer trade in TLE services suggest that it will make available a wider range of TLE services to signatories of the WTO agreement. In this regard, the main supporters of internationalisation in the service sector (USA, UK and Australia) argue that member states must revise their policies pertaining to TLE and restrictions lifted as much as possible.¹

In contrast, the opponents of the free trade in educational service argue that TLE is a public good and that private for-profit institutions are likely to crowd out public TLE and reduce democratic control over education policies. Anti-globalisation protesters have accused the WTO of showing a lack of interest in the non-marketable value of some aspects of TLE.

This study has been commissioned by the Caribbean Regional Negotiating Machinery in order to articulate the current TLE environment in the Caribbean, identify some of the major challenges, and prescribe general recommendations for formulating a regional negotiating strategy in the trade of Education as a service under the framework of the GATS and in the context of ongoing international and regional negotiations, including the FTAA.

The tertiary education sector in the Commonwealth Caribbean is characterised by a range of public, private and foreign-owned providers. Williams 2004 has pointed out that 'there are over 150 institutions of which 60% are public, 30% private and the remaining 10% exist with some government support.'² A breakdown of the distribution across the region indicates that in the Eastern Caribbean (Barbados and the OECS) there are 17 public tertiary level institutions with an approximate enrolment of 14,300 students. These numbers do not, however, take account of the number of foreign owned institutions operating in the region.³ In Jamaica, there are 18 private and 25 publicly

¹ Educational services as per the WTO is categorized into five parts;

- a) Primary educational services,
- b) Secondary educational services,
- c) Higher educational services,
- d) Adult educational services and
- e) Other educational services.

The scope of these categories is however is vague.

² Williams 2004.

³ This assessment is discussed in detail in the paper.

funded institutions with a combined enrolment of approximately 37,500 persons, while in Trinidad and Tobago the publicly funded sector comprises 9 tertiary level institutions for which the enrolment is estimated at 16,000.⁴ Given that the number of private providers continue to grow, it is reasonable to suggest that total enrolment in the tertiary sector in Trinidad and Tobago will soon surpass the last estimate of 30,000.⁵ There are 9 government institutions in Guyana including the University of Guyana with an enrolment of approximately 8,400. At the National College of the Bahamas, enrolment is just under 48.

There are three main parts to the GATS. The first sets out the general obligations underlying trade in services, in much the same way that GATT does for trade in goods. This core component of the GATS provides guidelines for transparency, most favoured nation (MFN) treatment, market access and national treatment. This framework is unfinished, as the development of the mechanics and specifics of the how GATS will work is still in progress. The issues that are covered include safeguard issues, subsidization, procuring government commitment and domestic control and regulation (UNCTAD 1999).⁶

Another core component of the GATS is the inclusion of annexes relating to a number of specific services including transport, financial services, maritime transport and telecommunications. The GATS also caters for the movement of natural persons.

The third core component of the GATS is a list of schedules of commitments, which provides details on the liberalization commitment of member states of the WTO (Fosse, 2001).⁷

The preamble of the GATS sets out some of the key considerations around which continued negotiations are based includes the following:

- The perception that, if the international trade in the services market is governed by a set of well defined rules and regulations, it will increase the amount of trade in services globally and stimulate international economic development;
- The recognition that, in the pursuit of national development, national governments will sometimes find it necessary to regulate the liberalization process; and
- The general acknowledgement that, in order for developing economies to be meaningfully integrated into the multilateral trading system, they must reinforce

⁴ Government policy suggests that, based on rationalization and amalgamation, there may in fact be five tertiary level institutions.

⁵ These estimates take account of enrolment at the University of the West Indies as the regional University.

⁶ http://www.uneca.org/eca_resources/Major_ECA_Websites/wto/gats.htm.

⁷ International Gender and Trade Network – Secretariat June 2001.

their capacity, efficiency and the overall competitiveness of their domestic service sectors (Sauve, 2002).

The GATS provides for four principal modes of supply by which tertiary education can be influenced. These are Mode 1- Cross Border Trade; Mode 2- Movement of consumers; Mode 3- Commercial presence; and Mode 4- Movement of natural persons. These modes of supply are illustrated in Table 1 below, together with relevant examples from the TLE sector.

Table 1: Modes of Supply of education services

Mode of Supply according to GATS	GATS Definition	Examples in Tertiary education
Mode 1 Cross-border supply	The supply of a service “from the territory of one Member into the territory of any other Member.” The service travels, but both the provider and the consumer stay at home. Comparable to the export of a good.	<ul style="list-style-type: none"> • Distance education • Virtual education institutions • Education software • Corporate training through ICT delivery
Mode 2 Consumption abroad	The supply of a service “in the territory of one Member to the service consumer of any other Member.” Comparable to tourism or business travel by the consumer.	<ul style="list-style-type: none"> • A student travels to another country to enrol in a Tertiary Level Institution for a course of study/degree programme.
Mode 3 Commercial Presence	The supply of a service “by a service supplier of one member, through commercial presence in the territory of any other Member.” i.e.- foreign direct investment	<ul style="list-style-type: none"> • Local university or satellite campuses. • Language training companies. • Private training companies, e.g. Microsoft, CISCO, etc.
Mode 4 Movement of natural persons	The supply of a service “by a service supplier of one Member, through presence of natural persons of a member in the territory of any other member.” Comparable to temporary emigration or business travel by the service provider	<ul style="list-style-type: none"> • Professor, teachers, researchers working abroad on a temporary basis.
Source: Sauve (2002).		

The GATS has raised a number of issues, particularly as in the last three decades the international economy has been increasingly characterized by a new wave of post secondary educators which are listed in Table 2.

Table 2: New providers of post-secondary education and training services

Type of provider	Explanation
1. Corporate training	Generally spin-offs of multinational companies, which mostly train their employees across the world but also train lifelong learners, suppliers and customers and sometimes deliver degrees.
2. For-profit institutions	Strict business principles of operation, such as targeting specific customers (e.g. adults) or developing standardised and limited education “products”, are employed.
3. Virtual universities	Offer conventional university services via ICT
4. Traditional universities (or not for-profit post-secondary institutions)	Increasingly use ICT for their teaching operation, set up e learning Programmes as well as overseas campuses.
5. For-profit arms of traditional universities	Started to meet the competition of for-profit and virtual universities.
6. Partnerships	Private/public Private/private Public/public
Source: Sauve (2003).	

As in many other areas, tertiary level educational experiences have been based on the British System in which the Government has been largely responsible for providing TLE. At the same time, the trend in the United States, where there is greater non-Government involvement in the TLE sphere, has begun to have an impact on the Commonwealth Caribbean which has now been caught up in this ‘international divide’ as some economies have begun implementing partial user fees for public TLE facilities.

Methodology

Various methodologies were employed in the data collection process for this study. Primary data was collected through a survey process where each Ministry of Education in CARICOM was contacted and asked to complete a written survey. These surveys requested data on domestic and foreign TLIs operating in each country, each country’s policies towards foreign providers and other relevant data to this study. This effort proved to be extremely challenging as many countries were not able to provide the information requested in the limited time frame of this study. Accordingly, the consulting team conducted face-to-face interviews with TLI and Government representatives in Barbados, Grenada, Guyana, Jamaica, St. Vincent and Trinidad to augment the limited feedback received from the written surveys.

Secondary data was collected through gathering statistical and demographic information from government and private sources including the University of the West

Indies Tertiary Level Institution Unit (TLIU) in Barbados, the Central Statistical Office in Trinidad and Tobago and websites of various Private and foreign TLIs operating in the region. A simultaneous review of reports prepared by researchers from within and outside of CARICOM on the subject of trade in education services and the GATS was also conducted.

It should be noted that this exercise has highlighted the fact that a significant amount of work needs to be done with respect to gathering and interpreting the primary and secondary data required to make informed decisions on current and future education policy in the region. The lack of readily available information is of concern and must be dealt with if a cohesive regional system is to be developed and employed.

1. An Examination of the Critical Issues related to Tertiary Education in the GATS

Incorporating higher education under the umbrella of the GATS raises a number of issues, some of which have been researched by well known experts (Knight 2002, Knight 2003, Chanda 2002, Woodroffe 2002, and Naert 2004). This chapter examines these issues in the context of CARICOM.

Ambiguity of scope

The most fundamental issue is the interpretation of which educational services are covered and which are exempt. Article I.3.b of the GATS exempts services “supplied in the exercise of governmental authority” while article I.3.c clarifies that this “means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.”

In the current tertiary education system in CARICOM, public and private service providers co-exist but are regulated by governments to ensure that they contribute to national and regional developmental goals. Does the existence of public and private suppliers constitute competition even though public suppliers may not charge a fee? If article I.3 is interpreted broadly, the GATS can take away the sovereign right of a government to regulate the education sector which is essential for the country’s development.

CARICOM governments are likely to find this position unacceptable since it would interfere with policies for funding, providing incentives and disincentives and other measures to effect social change. This broader context is significant since the GATS is concerned only with increased trade liberalization. Member states must therefore ensure that the contents of their schedule of commitments and exemptions restrict the negative impact of the ambiguity of article I.3

Role of Government: Article VI of the GATS addresses the domestic regulation of the sectors which a country has made commitments to liberalize. It requires that regulations be administered in a reasonable, objective and impartial manner and, in VI.4, emphasizes that these “do not constitute unnecessary barriers to trade in services” by test criteria such as being “not more burdensome than necessary to ensure the quality of the service.” The ambiguity and lack of clear definitions leave article VI open to interpretation and application, similar to article I.3. Moreover, the guidelines for these necessity tests have not yet been established and are to be finalized in future negotiations.

This article restricts the ability of governments to regulate with respect to qualifications, quality standards and licences. This could negatively affect the fledgling efforts of CARICOM states to establish quality assurance and accreditation regulations for national and foreign providers.

To limit these threats to national autonomy, CARICOM states must ensure that their schedule of commitments and exemptions includes limitations which protect it as the necessity tests are developed in the future.

Public or a private good: With the commercialization of higher education, a debate has emerged concerning whether TLE should be viewed as a public or a private good.

In their traditional roles, TLIs “as independent and sometimes critical institutions, preserved and interpreted, and sometimes expanded, the history and culture of society” Altbach (2001). In this regard, TLIs were viewed principally as public goods which provided an important contribution to society at large and which therefore had to be encouraged (Kuehn, 2000).⁸ Moreover, “Universities were places of learning, research, and service to society through the application of knowledge. Academia was afforded a significant degree of insulation from the pressures of society – academic freedom – precisely because it was serving the broader good of society. Professors were often given permanent appointment – tenure – to guarantee them academic freedom in the classroom and laboratory to teach and do research without fear of sanction from society.” (Altbach 2001)

Many student leaders and academics have criticized the ‘for profit’ TLE agenda, driven by entrepreneurial universities and multinational service providers. They suggest that the concept of the student as a consumer, and TLE as a product, fails to acknowledge the importance of education as a social tool and runs counter to the creation of a knowledge driven society, with democratic, tolerant and active citizens. There have been calls for universities to protect the essential role of TLE as a public good, and not to support its subordination to market forces that will undermine accessibility and exacerbate social inequalities.

Research or training: An import related issue is whether the focus of TLIs should be on training or research. Training institutions provide corporate focused courses, which are in high demand in a rapidly globalizing and increasingly competitive world economy. In this environment, Altbach (2001) has noted that, “if universities are to survive as academic institutions, they must pay close attention to their core responsibilities of teaching, learning and research. Maintaining loyalty to traditional academic values will not be easy but the cost of growing commercialization is much greater.” He argues further that the “greatest negative impact of WTO control over higher education would

⁸ <http://www.bctf.bc.ca/social/globalization/TradeAgreements.html>

occur in developing countries. These countries have the greatest need for academic institutions that contribute to national development, produce research relevant to local needs, and participate in the strengthening of civil society. Once universities in developing countries are subject to an international academic market place regulated by the WTO, they would be swamped by overseas institutions and programs intent on earning a profit but not in contributing to national development.”

If universities are to continue functioning in their traditional role, emphasis should be placed on purely academic related issues, such as teaching and research. However, the recent trend in GATS may hamper this goal.

The Regulatory framework for cross border providers: An important part of the debate about the globalization of TLE concerns the permission of a certain degree of consumer protection to the domestic student population from “diploma mills” of questionable repute. With increased traffic and varied modes of delivery, a regulatory framework for cross border investment in the TLE sector is required. This may entail a broader approach to issues involved in licensing, regulating and monitoring foreign providers of TLE to preserve and uphold the public interest. This may also involve a shift in government reasoning, in accepting that, although TLE may truly be a public good, it is possible that both public and private providers can provide it. A multiplicity of providers (public, domestic private and foreign private), although providing a greater degree of competition from the supply side, can also provide a greater element of confusion from the consumer side of the market, the solution to which is a properly operating regulatory framework⁹ (Ziguras 2003).

Transferability of Credits: The increase in the number of TLE providers, courses and modes of delivery creates numerous problems if all of the qualifications are not accredited and if there is a lack of transferability among the credits earned from different providers. Compared to developed countries, CARICOM member states have only recently started to establish the regulatory and infrastructural framework for the accreditation and quality assurance of the tertiary education sector. One notable exception is Jamaica which is well advanced and which can serve as a model for the rest of CARICOM.

In its Montego Bay Declaration¹⁰, CARICOM acknowledged that accreditation and quality assurance mechanisms in the tertiary education sector would be critical to the development of creative and productive citizens for the twenty first century. It should therefore press its member states to accelerate this process in the light of the progressive liberalization of the sector by the GATS and the full blown open market competition that it will bring to the region from the developed countries. Accreditation and quality assurance systems are a first step to improve the competitiveness of public tertiary

⁹ <http://www.aare.edu.au/aer/online/30030f.pdf>

¹⁰ 4th July, 1999.

education systems and CARICOM states should not make commitments in the GATS schedules unless the sector is ready for open competition.

Some element of precedence relating to the recognition of qualifications, both diplomas and degrees has existed in Europe since the Lisbon Convention of April 1997. Specifically, the Lisbon Convention assumes “*trust between participating countries about the effectiveness of quality assurance and accreditation in each country.*”¹¹

Cross threading of developmental objectives: A number of development assistance programs exist to help integrate developing economies into the global economy. With GATS and a greater element of commercialization of the TLE process, some of these efforts may be threatened, including student exchanges, internships and other aspects of academic mobility which are not motivated by commercial gains. There is concern, for instance, that the relationships and networks established by, and between, institutions would become conditioned by trading patterns at the expense of the pursuit of knowledge (Pillay 2003)¹².

Ethical issues: With the GATS mode IV, it is recognised that there will be an increased movement of skilled personnel to meet the unmet demands in various parts of the world economy. This will raise ethical issues, especially relating to the training of personnel in developing economies, who may then migrate to developed economies, because of a variety of push and pull factors.¹³ In the case of the nursing profession, more than 30% of all the nursing vacancies in CARICOM economies are currently unfilled because many nurses from the region prefer to go abroad to work. The consequence of this is a vast miscellany of problems for the proper functioning of health care systems in the south, including CARICOM countries.

Student access: One of the strategic imperatives of CARICOM is the enrolment of at least 15 per cent of the post secondary age cohort in tertiary-level education by 2005. Increased trade liberalization in the tertiary education sector may help achieve this goal by providing more opportunities than is available in the UWI and national TLI's.

¹¹ Similarly, European Ministers agreed to the formation of a "European Higher Education Area" on 19 June, 1999. This declaration is premised on the independence and autonomy of the university to ensure that the institution is adaptive and flexible to facilitate the changes in the environment within which it subsists. This system also is designed to enable the transfer of credits between institutions, a characteristic which contributes to the increased mobility of students, the result of which would be the promotion of European higher educational standards. Such agreements allow for collaboration and consistency with regard to quality assurance especially.

¹² <http://www.rti.org/pubs/Pillay.pdf>

¹³ As concerns the migration of one category of tertiary level graduates, namely nurses the following push factors can be identified: Low pay (absolute and relative), Poor working conditions, Lack of resources to do “a proper job”, Limited career opportunities, Limited educational opportunities, Safety issues, Social issues (including status of the profession), Instability (political, social, economic, industrial, personal safety [crime]), Vulnerability, Opportunities for exposure, wider horizons, travel and what we term: “the grass is greener” factor (see Thomas and Hosein 2004, forthcoming).

This likely benefit would have cost implications, as governments, dependent on their commitments would be expected to fund a larger number of nationals attending both the public and the newly entered private tertiary education providers, unless governments reserve the right to not to. Most CARICOM states would not be able to fund this increased demand and are likely to expect students to take much of the responsibility of funding their post-secondary education and at the same time reduce subventions to public providers.

This course of action could lead to a two-tier sector with *a private corporate segment which caters to the affluent and provides higher quality and standards and a public segment which is under-invested, under-staffed, and resource-constrained which caters to the middle and lower income groups (Chanda 2002).*

It should also be noted that if the private sector offers higher wages, this will encourage a substantial amount of the quality staff from the public sector to move to the private sector. In this regard, there are a number of push and pull factors at play that drive such movement. These reasons are inevitably linked to wages, but there are other factors at play. Of specific relevance here is the fact that in the UK for example, some private sector institutions offer much higher salaries than prestigious institutions such as Cambridge and Oxford, yet, a lot of the staff from these institutions remain despite this disadvantage because of their high levels of academic excellence.

Generally, it is true that the cost to governments of private tertiary education is lower than public tertiary education because the majority of the cost is borne by the student in private TLE. However, the number of students studying at private TLE's is small fraction of those studying at public TLIs due to students' inability to pay the full economic cost of studying at a TLI.

Funding: CARICOM has acknowledged that education is the major mechanism to bring about transformation in the region and has committed to funding the transformation of the regional UWI and the national TLI's.

CARICOM countries have been classified as Small Island Developing States (SIDS). They are particularly vulnerable because of their small populations, economic vulnerability, small geographic size, relative isolation by sea and susceptibility to natural disasters. Because of these constraints, their economies are fragile and typically their GDP per capita is substantially lower than their North American neighbours. Funding for the public tertiary education sector in CARICOM is therefore relatively very small.

Some private for-profit tertiary education institutions in Canada and USA have funding which exceed the tertiary education budgets of the Caribbean Community. Brandon

(2003) illustrated this disparity with the purchase of Ross University of Medicine, an offshore medical school operating in Dominica, by DeVry Inc. for US\$310 million. Ross currently enrolls more than 2,500 students, has 90 permanent faculty, revenues of US\$62 million and net income of US\$11 million. In comparison, UWI's overall total income for the year ended July 31, 2002 is stated as US\$248.5 million and expenditure as US\$238.5 million with total enrolment around 24,000.

This discussion should highlight the disadvantage faced by CARICOM's public TLI's compared to North American private for-profit institutions in terms of funding. Another factor is the economies of scale of their domestic market. The World Bank reports that in 2002 the total population of Canada, USA and CARICOM was 31.4 million, 288 million and 14.7 million respectively. With their domestic economies of scale, North American private for-profit TLI's incremental cost per student is much lower than public CARICOM TLI's. Moreover, with Information and Communications Technologies (ICT's) they can drive the incremental cost per student even lower and realize greater profit. This is the basis of the perceived better quality at the same cost of North American educational programmes.

Even though CARICOM governments have given their commitment to fund public TLI's, they would be hard pressed to continue this at the same levels with the attractive alternative presented by foreign private for-profit institutions for educating and training their nationals. UWI and public TLI's are therefore at risk.

Information and Communications Technologies: ICTs are the engine which fuels the growth of cross border tertiary education and training over the Internet. The almost-ubiquitous affordable broadband Internet infrastructure in the USA gives it a tremendous competitive advantage over developing countries, especially for the Commonwealth Caribbean, where Cable and Wireless monopolize Internet services and infrastructure. With the rollout of Internet¹⁴ this digital divide has grown tremendously and leaves CARICOM TLI's in very uncompetitive positions.

Online delivery of courses is the mode by which the University of Phoenix¹⁵ has grown spectacularly to reach an enrolment of over 100,000 students. To help ensure its phenomenal growth it became one of twelve foundation members of the National Committee for International Trade in Education (NCITE),¹⁶ an affiliate member of the US Coalition of Service Industries,¹⁷ which is the principal advocate for deregulation and privatization of the service industry. Members of NCITE have lobbied for their interests to be represented by the United States Trade Representative (USTR) in the GATS negotiations.

¹⁴ <http://www.internet2.edu/>

¹⁵ http://www.polarisinstitute.org/corp_profiles/public_service_gats/corp_profile_ps_uphoenix.html

¹⁶ http://www.tradeineducation.org/general_info/founding_members.html

¹⁷ <http://www.uscsi.org/>

It is suggested that CARICOM should protect the interests of its public and private TLI's which have an interest in cross border delivery over the Internet by ensuring that they are given enough time to develop competitive infrastructure and capability considering the relative inequity compared to industrialized countries.

Growing International Inequality: Free trade emphasizes the severe inequalities that exist currently in the higher education market. In a world characterized by an unequal distribution of resources, the better endowed an economy is in terms of these resources the stronger the economy is internationally. Essentially, in such an environment the rich get richer and the poor becomes poorer, and hence more marginalized. The classic example is that of the US market, where even though theoretically open and free trade exists, it is difficult to penetrate the US market, and more specifically the post secondary education market. However, the counterfactual is that free and open trade allows the US to benefit through the provision of post secondary education services to economies and markets where the entry requirements and the technical barriers to entry are less stringent. This relationship is not expected to change significantly if trade is liberalized any further; a fact which developing countries must quickly come to terms with as negotiations for GATS and tertiary education, specifically, are currently under way.

If trade is further liberalized then the strongest and most financially endowed institutions would theoretically have unrestricted access to all markets, the result of which would be that the weaker countries and institutions would be forced out of these markets through the intensity of competition. It is therefore expected that large multinational providers seeking the most lucrative of investments will dominate the trade in higher education services and as such, will do little to support the basic functioning of the physical institutions itself.

Market Strongholds and International Brand Names: Americans enjoy many foreign consumer products in their domestic market. However, education is an area of concern, as this market still remains heavily controlled by US providers. Statistics show that, while there are on average half a million non-American students studying for degrees in the US, there are a mere 143,000 American students studying for degrees overseas and they typically spend one semester abroad.

Barriers to Entry/ High Costs of Entry: Foreign firms entering the US market face a tremendous amount of costs in such areas as marketing, staffing and infrastructural development. Additionally, it is highly unlikely that joint venturing and partnering relationships would be fostered between American and foreign institutions on American soil. For example, the British based Open University, used innovative and non-traditional methods of delivery to enter the higher education arena of the US, has had no significant penetration of the US TLE market and they eventually left the market.

Summary Statement

The issue of trade in higher education will grow in importance as CARICOM economies mature and extra-regional economies and firms seek to expand the parameters of their higher education thrust. With GATS there is the increasing risk of trade creep, i.e.- the emergence of a situation in which pertinent policy matters in the higher education sphere are increasingly couched in terms of trade and trade associated benefits, potentially at the expense of key issues in tertiary level education.

At this stage the GATS is a work in progress and raises as many questions as it provides answers. CARICOM governments would do well to inform themselves with as much information as possible to maximize their gains and minimize the risks associated with the liberalization of their higher education sector.

2. The Implications of CARICOM States' GATS Commitments on Tertiary Education

The sensitive nature of the education sector was highlighted during the Uruguay Round of Trade Negotiations, when there was only a low level of commitment by member states. Even more, UNESCO (1998)¹⁸ has encouraged its member institutions to either desist from making commitments altogether or, where some commitments were already made, to make no further commitments.

Only three CARICOM states have made commitments to Trade in Education Services, namely, Haiti, Jamaica, and Trinidad and Tobago.

Restricted to Adult Education Training Centres in rural locations, Haiti's commitments have no limitations on market access and on national treatment in all four modes.

Jamaica's commitments to liberalize the educational services sector are well advanced. Higher Education services have been opened up with no limitations on market access and on national treatment only in modes 1, 2 and 3, while there is no commitment in mode 4. However, Jamaica requires local certification, registration and licensing of Institutions that establish a commercial presence in the country (mode 3). Movement of natural persons (mode 4) for higher educational services requires work permits and visas as listed in the horizontal section of its schedule. CARICOM citizens are exempted from requiring work permits and visas as stated in the schedule of MFN exemptions.

Trinidad and Tobago's commitments are not as open as Jamaica's. These include access for Lecturers at Tertiary level and Specialist teachers with no limitations on market access and on national treatment only in modes 1, 2 and 4, while there is no commitment in mode 3. However, these persons are required to be certified and registered.

¹⁸ World Declaration on Higher Education for the Twenty-first Century: Vision and Action.

Table 3: CARICOM commitments and exemptions in Education Services

Modes of Supply: (1) Cross-border supply, (2) Consumption supply (3) Commercial presence (4) Presence of natural persons				
(I) Horizontal commitments				
All sectors	Limitation on market access (Art. XVI)		Limitations on national treatment (Art. XVII)	
Jamaica All sectors included in This schedule	<p>Mode 3: Branches of Companies incorporated outside Jamaica are required to register their Instruments of Incorporation with the Registrar of Companies before they may carry on business. Section X of the Companies Act states their legal and administrative responsibilities.</p> <p>Mode 4. Work permits and visas are normal Requirements for entry and in some cases Licensing may be a pre-requisite for Practicing in certain specified professional categories. The Work Permit Review Board must be satisfied that the skills to be employed are unavailable locally. Foreign natural persons who are Managers and Executives are exempted from work permits for a period of 30 days and experts and specialists for 14 days.</p>		<p>Mode 3. Foreigners are not precluded from owning land. It is preferred however that the purchase of land in large acreages should be for specific Investment projects.</p> <p>Mode 4. Unbound except for measures concerning the categories of natural persons referred to in the market access column.</p>	
Trinidad and Tobago All sectors included in This schedule	<p>Mode 3. A license is required for the acquisition of Land, the area of which exceeds five acres for trade or business or one acre for residential purposes. A license is required for the acquisition of shares in a local public company where the holding of such shares either directly or indirectly results in 30 per cent or more of the total cumulative shareholding of the company being held by foreign investors. A foreign investor wishing to invest in Trinidad and Tobago must register with the Registrar of Companies.</p> <p>Mode 4. The entry and residence of foreign natural Persons is subject to Trinidad and Tobago's Immigration Laws. The employment of foreign natural persons in excess of thirty days is subject to obtaining a work permit, which is granted on a base-by-case basis. Foreign natural Persons shall be employed only as managers, executives, specialists and experts.</p>		<p>Mode 3. None</p> <p>Mode 4. None</p>	
(ii) Sector-specific commitments				
Sector or sub-sector	Limitations on market access (Art. XVI)	Limitations on national treatment (Art. XVII)	Additional commitments	Notes
Haiti D. Training Centre for Adults#1 (CPC 924)	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. None</p> <p>Mode 4. None</p>	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. None</p> <p>Mode 4. None</p>		#1 Applies only to rural training centers.
Jamaica C. Higher Education Services (CPC 923)	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. None. Local certification, registration, licensing required.</p> <p>Mode 4. Unbound except as indicated in the horizontal section.</p>	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. None</p> <p>Mode 4. Unbound except as indicated in the horizontal section.</p>		
Trinidad and Tobago Lecturers (Tertiary Level) (CPC 9239) Specialist Teachers (CPC 9290)	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. Unbound</p> <p>Mode 4. None (Registration and Certification Requirements)</p> <p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. Unbound</p> <p>Mode 4. None (Registration and Certification Requirements)</p>	<p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. Unbound</p> <p>Mode 4. None</p> <p>Mode 1. None</p> <p>Mode 2. None</p> <p>Mode 3. Unbound</p> <p>Mode 4. None</p>		
Source: WTO				

Implications of commitments for policy making in the CARICOM concerning TLE

The targeted date for the completion of the Doha Round is January 1st 2005. Although CARICOM governments have generally responded slowly, Jamaica and Trinidad and Tobago have already made commitments in the GATS in 1994. Jamaica made full unconditional commitment in TLE, possibly with the intention of developing its national education system more rapidly. Because of the network that CARICOM represents, commitments by one member state impact on the rest of the bloc, even though these might be made principally in the self-interest of the member state (Beckles 2004).

Given that CARICOM member states contribute to the regional UWI, member states will be expected to make commitments which do not impact adversely on the regional University. The UWI is increasingly concerned that commitments under GATS may lead to a reduction in the resources they can allocate to the UWI. This could become a reality if foreign TLIs that come into the region are owned by US firms and have US market accreditation so that graduates from offshore foreign owned TLIs can penetrate overseas markets easily.

Jamaica

In making commitments in Higher Education services, Jamaica is leading CARICOM and in complete liberalization of this sector and has demonstrated that it is perhaps willing to reap the benefits and accept the risks involved. Consequently, Jamaica must accelerate the development of its regulatory and infrastructural framework to support trade in higher education services and must lobby CARICOM to accelerate the regional counterpart framework. Since Jamaica is one of the first testing grounds for the GATS, CARICOM should support Jamaica and learn from its experience or persuade Jamaica to hold its hand on further commitments and in operationalizing existing ones.

In the context of trade in Higher Education services, Jamaica has to strengthen the Ministry of Foreign Affairs and Foreign Trade, the Ministry of Education Youth and Culture, The University Council of Jamaica (UCJ) and The National Council on Education (NCE) to meet the requirements of the GATS. It must respond more urgently to the issues discussed in Chapter 1. To fully reap the benefits of liberalisation and protect the stakeholders in the higher education sector, Jamaica must actively monitor the registration, licensing and certification of tertiary education providers and commission research on sustainability impact assessment of trade liberalization in the sector. It should also implement policies to ensure a balance in public-private funding and a balance in equity-efficiency in the sector. Is the recent 15% reduction in

subventions to UWI in May 2004 an indication of the policy direction of Jamaica? What does this imply for UWI's role in Jamaica, even as the Government of Jamaica pursues an expansionist strategy for the tertiary education sector? What does Jamaica's position imply for the rest of CARICOM?

The national and regional public tertiary education providers, such as UWI and UTECH, need government support to help them prepare for market driven open competition from the better funded and more developed foreign private for-profit tertiary education providers.

Jamaica also has to ensure that, in the next round of GATS negotiations, article VI Domestic Regulation, article XIII Government Procurement and article XV Subsidies are developed so that they do not reduce the government's autonomy in regulating the tertiary education sector.

CARICOM must continue to support the mechanisms for equivalency and accreditation and support institutions such as the Regional Accreditation Body and the Caribbean Accreditation Authority for Education in Medicine and Other Health Professions and prepare them for the liberalization of the education sector.

Jamaica is heavily influenced by the US and is in dire need of foreign direct investment. One may assume that the impact of the liberal commitments in higher education by Jamaica is to create an FDI-friendly environment in this sector. However, to date these commitments have not accelerated the entry of foreign tertiary education providers. There are currently 3 applications for entry into the market but these are driven by the opportunity of a good return in investment.

Trinidad and Tobago

The experience of Jamaica should serve as a catalyst for Trinidad and Tobago to continue the development of the regulatory and infrastructural framework for its tertiary education sector. In particular, it should improve the capability of the Ministry of Science Technology and Tertiary Education and ensure that the Accreditation Council of Trinidad and Tobago (ACTT) is given the necessary resources to function effectively. Moreover, Trinidad and Tobago should not make additional commitments in the GATS schedules unless it has prepared the sector for open competition.

To fuel its economic growth, Trinidad and Tobago has identified that it has a skills deficiency with respect to its cadre of TLE qualified human resources and these cannot be filled by local expertise. Therefore, Trinidad and Tobago has allowed the entrance of specialized lecturers and teachers via GATS. This policy stance is not unlike the policies

in the developed countries of US, Canada and the UK where world-class experts are courted on a consistent basis.

Rest of CARICOM

Long before the GATS, CARICOM had been allowing foreign providers to enter the tertiary education sector on a case-by-case basis if they served the development goals of the member states. Under the GATS, rules will be introduced to formalize this trade and ensure that there are no barriers, so that market forces will be the principal criteria that determine which providers decide to enter and exit the sector. The GATS does not take into account the social and environmental impact of market driven provision of services which include public services of health, education and water.

CARICOM states that have made no commitments to the tertiary education sector should proceed cautiously to make additional commitments only if the benefits outweigh the costs in the long term and if those commitments do not reduce their ability to implement social policy. Collaborating with Jamaica in the negotiations of the undeveloped articles in the GATS may help protect them from some of the negative effects of liberalization.

The higher education sectors in the developed countries are much more active than their counterparts in CARICOM in lobbying their governments to protect their interests, mainly because they have the human and financial resources to do so. CARICOM should therefore lobby, in concert with the other developing countries, for the WTO to provide technical assistance for developing countries that do not have the resources to properly prepare for the complex trade negotiations.

With greater availability of foreign TLI's and with local participation in them, there is the possibility that the introduction of international educational curricula will produce students more in tune with the foreign generic 'developed' economy and hence more inclined to migrate. This may require CARICOM Governments to do the following:

- Introduce tighter policies in relation to the migration of skilled workers.
- Implement macroeconomic policies conducive to growth so that the absorptive potential of their economies for skilled workers will expand.
- Establish appropriate channels to widen spillovers from commercial presence of foreign TLI's to their domestic economies.

It must also be noted that the national treatment principle also affects the physical establishment of a foreign competing institution which must be granted legal authority to award degrees in the member states.

CARICOM finds itself in a position in which individual countries, by virtue of decisions already taken at the level of the WTO, in terms of investment policy (off-shore schools) as well as practical developments in the tertiary education sector involving international educational institutions responding to market demand in individual jurisdictions, now have to approach the WTO negotiations with the reality of their situation fully taken into account. These realities are not the same in every country, reflecting varying perspectives on policy for higher education, in different countries within the CARICOM region. The question of whether we can present a common position on this issue at the level of CARICOM is therefore very difficult to answer because of the divergences which exist at the level of both policy and strategy in individual countries. If, however, countries negotiate as national entities, there will obviously be implications for the CSME.

3. The International Market for Tertiary Education and CARICOM

An understanding of the international market for tertiary education and training services would reveal opportunities in this sector and help inform policy and strategies for both the public and private sector and also help in determining their positions or identity in the market.

Financial data on cross border education in mode 2 (consumption abroad)

In recent times, the OECD and the IMF have begun collecting preliminary statistical data on the extent of international trade in educational services. In some developed countries such as the USA, Canada, Australia and New Zealand, a data collecting process has been started for data on “personal travel and educational related activities” (NEA 2004). This data principally covers mode 4, movement of natural persons, but given that this is the principal channel through which educational service trade is engaged, it is customarily treated as an adequate indicator.

The increase in demand internationally for education services is due to the following reasons:

- Rising aspirations of young people;
- Changing patterns of employment with the job market being much more skill intensive (tertiary education contributes significantly to skill formation);
- Increasing income levels per capita globally have made consumption of TLE easier;
- The understanding by governments (and hence push on students) that a higher stock of TLE graduates can help to stimulate economic growth.

The financial benefits from trade in educational services are high. By 2000, the world’s largest exporter of educational services was the United States, which benefited from US\$10.28bn or 3.5% of total service exports through its exports of TLE. The UK and Australia also host significant amounts of foreign students. For Australia, the export of educational services contributed 11.8% of total service exports in 2000. From the import side, again the biggest player is the USA with Italy and Canada being the second and third largest importers of educational services.

Table 4: Exports of educational services: \$US million (current prices) and as a percentage of total exports in services

	1970		1989		1997		2000	
	\$US million	% total service exports						
Australia	6	0.6	584	6.6	2190	11.8	2155	11.8
Canada	68	2.7	530	3.0	595	1.9	796	2.1
Mexico	Na	Na	na	Na	52	0.5	29	0.2
New Zealand	Na	Na	na	Na	280	6.6	199	4.7
Poland	Na	Na	na	Na	16	0.2	Na	na
United Kingdom	Na	Na	2214	4.5	4080	4.3	3758	3.2
United States	Na	Na	4575	4.4	8346	3.5	10280	3.5
Greece	Na	Na	na	na	na	na	80	0.4
Italy	Na	Na	na	na	na	na	1170	2.1
Brazil	Na	Na	na	na	4	0.1	4	0.0
Venezuela	Na	Na	na	na	4	0.3	60	4.9

Source: OECD/CERI (2002)

Data refers to foreign tertiary students, except for Australia, Italy and New Zealand, where foreign, primary, secondary, post secondary, vocational training and language training students are included.

Poland: 1999; UK: Office for National Statistics; Brazil, Venezuela: International Monetary Fund.

Table 5: Imports of educational services: \$US million (current prices) and as a percentage of total exports in services

	1970		1989		1997		2000	
	\$US million	% total service imports						
Australia	24	1.5	178	1.3	410	2.2	356	2.0
Canada	37	1.1	258	1.1	532	1.4	602	1.4
Mexico	Na	Na	na	na	44	0.3	53	0.3
Poland	Na	Na	na	na	41	0.7	Na	na
United Kingdom	Na	Na	67	0.2	182	0.2	150	0.2
United States	Na	Na	586	0.7	1396	0.9	2150	1.0
Greece	Na	Na	na	na	na	na	211	1.9
Italy	Na	Na	na	na	na	na	849	1.5
Brazil	Na	Na	na	na	22	0.1	78	0.5
Venezuela	Na	Na	na	na	165	3.0	113	2.7

Source: OECD/CERI (2002)

Data refers to foreign tertiary students, except for Australia, Italy and New Zealand, where foreign, primary, secondary, post secondary, vocational training and language training students are included.

Poland: 1999; UK: Office for National Statistics; Brazil, Venezuela: International Monetary Fund.

Foreign students in host countries

For the academic year 2001/2002, the United States, United Kingdom, Germany, France, Australia, Russian Federation, Japan, Canada, Belgium, Austria received 1,552,863 students, who represented 10% of the student population in the UK, 14% in Australia, and 13% in Austria. The USA received the greatest number of foreign students in the Academic year 2001/2002 totalling 582,996, although this number represented only 4% of enrolment of TLE students in that country.

Table 6 Countries Hosting the Foreign Tertiary Level Students

Host Country	Year	Total number of foreign students	Foreign Students as a % of Tertiary Enrolment
United States	2001/2002	582,996	4
United Kingdom	2001/2002	225,722*	10
Germany	2001/2002	219,039	10
France	2001/2002	147,402	8
Australia	2001/2002	120,987	14
Russian Federation	2001/2002	70,735	1
Japan	2001/2002	74,892	2
Canada	2001/2002	40,033	3
Belgium	2001/2002	38,150	11
Austria	2001/2002	31,682	13
Total		1,552,863	88

Source: UNESCO Global Education Digest 2004

Table 7 below shows another side of the international TLE market by providing data on those countries from which students originate and some of the principal countries that these students target. Of the four developed economies, African students predominantly travel to France, whilst North and South Americans, Australians, New Zealanders and Asians principally study in the USA. Europeans students studying outside of their home economies go mainly to Germany and the UK.

Table 7 Origin of students consuming education services in the five main supplier countries

Host Country	Year	Percentage distribution of foreign students by continent of origin						
		Africa	North America	South America	Asia	Europe	Oceania	Not specified
United States	2001/2002	37,724	59,744	35,653	364,418	80,518	4,852	87
United Kingdom	2001/2002	18,134	18,564	2,926	74,400	109,454	1,790	454
Germany	2001/2002	20,723	5,422	4,656	75,500	110,621	349	1,768
France	2001/2002	75,465	5,242	4,253	19,828	41,404	200	1,010
Source: UNESCO Global Education Digest 2004 - Magnitude nil or negligible ... Data not available								

The University and Colleges Admissions Services (UCAS)¹⁹ has collected and produced data on the growth in the number of overseas undergraduate applicants to UK tertiary institutions and this section examines the UCAS database to determine some specific aspects of the international trends in TLE from a demand perspective.

The Table 8 below was compiled from the online UCAS database and represents the number of 2003 overseas applicants by subject group and the corresponding number of successful applicants. Also included are data for applications (but not acceptances) for the year 1996 and the percentage increase in applications from 1996 to 2003. The table was sorted by the 2003 number of applicants in order to highlight the high demand courses. It should be noted that for some subject groupings, such as combined arts, there were more acceptances than applicants. This discrepancy can be explained by the successful applicants who had “no preferred subject group” in the second row of the table being placed in those subject groupings. The UCAS classified subjects using the Joint Academic Coding System (JASC)²⁰. The SACS subject classification predates the JASC and was active in 1996.

The UCAS data shows that the greatest demand appears to be in Business and Administrative studies, Engineering, Mathematics and Computer Science, Social Studies, Creative Arts and Design and Medicine and Dentistry and that the number of accepted applicants was lower than the number who applied. This may be due to the fact that the unsuccessful applicants could not meet matriculation or financial requirements. Another possible reason is that available capacity by tertiary education

¹⁹ <http://www.ucas.ac.uk/figures/enq/>

²⁰ <http://www.ucas.com/higher/courses/coding.html>

institutions was already met. However, this is speculation since the UCAS has not collected that kind of data.

Table 8: Full-time undergraduate students in the UK for 2003 from outside the UK and the EU

Subject group (JACS) (for 1996 SCAS)	No. of applicants in 1996	No. of applicants in 2003 (table sorted by this column)	% increase in applications between 1996 to 2003	No. of successful applications 2003
Business & Admin studies (Group)	4389	10027	56	6820
No preferred subject group (Z)	3033	9271	67	0
Engineering (Group)	5527* (includes technology)	5232	-6	4282
Mathematical & Comp Sci (Group)	1230* (include informatics)	3307	63	2908
Social Studies (Group)	3579*	2960	-21	2014
Law (Group)	*	2414	n/a	1697
Creative Arts & Design (Group)	585	2402	76	1534
Medicine & Dentistry (Group)	1864	2214	16	620
Subjects allied to Medicine (Group)	1116	1518	26	923
Biological Sciences (Group)	679	1362	50	995
Architecture, Build & Plan (Group)	958	782	-23	625
Sciences combined with social sciences or arts (Y)	182	713	74	1014
Physical Sciences (Group)	362	608	40	596
Social sciences combined with arts (Y)	215* (social studies combined with arts)	457	53	438
Mass Comms and Documentation (Group)	366	450	19	414
Combined social sciences (Y)	214	360	41	594
Linguistics, Classics & related (Group)	*	327	n/a	211
Hist & Philosophical studies (Group)	*	308	n/a	260
General, other combined & unknown (Z)	*	287	n/a	594
Combined arts (Y)	123	209	41	215
Vet Sci, Ag & related (Group)	*	189	n/a	154
Technologies (Group)	*	182	n/a	255
Education (Group)	163	181	10	91
Combined sciences (Y)	162	178	9	397
European Langs, Lit & related (Group)	*	87	n/a	100
Non-European Langs and related (Group)	*	46	n/a	42
Total	25782	46071	44	27793
Notes: * - numbers do not correlate with the newer JACS classification				
Source: UCAS				

The international market for tertiary education has been shaped by recent global developments. The rise of economic market forces has created a need for advanced human capital in terms of technical and professional capacity. This relies therefore on the continuous updating of knowledge and skills. The international tertiary education sector has responded to this need through the development of new and non-traditional types of providers that offer flexibility in study options. As a result, the student profile has been altered to include a greater proportion of part-time, mature and e- learners.

Keynesian²¹ economists advocate that supply responds to demand and this is clearly the case in the international market for TLE. *“Diversification has taken a number of forms both within and outside TLI’s. It has included more “non-university” institutions and programs, a blurring of the distinction of programs between sectors, better articulation between courses, the networking of institutions and programs and franchise arrangements of distance learning”*

Foreign student enrolment in UWI

Before going on to a formal evaluation of the data on foreign enrolment, this section pays some attention to the structure of enrolment in the UWI.

Table 9: Enrolment at the University of the West Indies by Faculty, and Campus - 1998/99 to 2002/2003

	1998/99	2002/03	% change
Cave Hill Campus			
Undergraduate	3097	3773	21.83
Post-graduate Sub-total	530	586	10.57
Total on Campus enrolment	3627	4359	20.18
Off campus		1493	
Total Cave Hill	3627	5852	61.35
Mona Campus			
Undergraduate sub-Total	7127	7214	1.22
Post-graduate sub-Total		2226	
Total On Campus Enrolment	8982	9440	5.10
Off Campus Enrolment		2309	
Total Mona	8982	11749	30.81
St. Augustine Campus			
Undergraduate sub-Total	5146	6480	25.92
Post-graduate sub-Total	1451	2184	50.52
Total on Campus	6615	8664	30.98
Total Off Campus	361	663	83.66
Total St Augustine	6976	9327	33.70
Grand Total UWI	19585	26928	37.49

The Table 9 above shows enrolment at the UWI increased from 19,585 to 26,928, this represents an increase of 37.4%. In 1998/99, the Mona Campus had the highest level of enrolment, accounting for 45.8% of total UWI enrolment. St. Augustine had an enrolment share of 35.8% and Cave Hill 18.5%. By 2002/03, Jamaica would still enrol the lion’s share of 43.6% but Cave Hill’s share increased to 21.7%. The fastest growth in enrolment occurred in the Cave Hill campus where student enrolment increased by 61%

²¹ <http://www.bized.ac.uk/virtual/economy/library/theory/keynesian.htm>

between 1998/99 and 2002/03, St Augustine's enrolment increased by 33.7% and Mona's by 30.8%. However, the undergraduate and postgraduate enrolment increased by the largest margins on the St Augustine Campus.

Table 10: Aggregate Enrolment at the UWI, 1998/99 and 2002/03

Total University (3 Campuses)	1998/99	2002/03	% change
<i>Undergraduate</i>			
Engineering	851	1,068	25.50
Humanities	2,889	3,459	19.73
Education	1,276	1,558	22.10
Law	830	644	-22.41
Medical Sciences	653	628	-3.83
School of Natural Sciences	2,728	3,103	13.75
School of Agriculture	249	233	-6.43
Social Sciences	5,769	6,863	18.96
Undergraduate sub-Total	15,245	17,556	15.16
<i>Post-graduate</i>			
Engineering	397	533	34.26
Humanities	305	312	2.30
Education	790	755	-4.43
Law	74	54	-27.03
Medical Sciences	1,203	1,376	14.38
School of Natural Sciences	1,036	1,411	36.20
School of Agriculture	146	106	-27.40
Social Sciences	2,213	2,913	31.63
sub-Total postgraduate	6,164	7,460	21.03
Total on Campus	19,224	22,463	16.85
Total Off Campus	361	4,465	1136.84
Grand-Total	19,585	26,928	37.49

In terms of undergraduate programmes, the largest margin of expansion was in the Faculty of Engineering, which increased by 25.5% and in Education (22.1%). In the Faculty of Law, there was the largest degree of contraction of 22.4%. Amongst the postgraduate enrolment, the School of Natural Sciences increased by 36.2% and Engineering was 34.3%. In the Faculty of Law, there was a contraction in postgraduate enrolment of 27.4% whilst in Law there was a decline in postgraduate enrolment by 27%.

Table 11: Annual Undergraduate Qualified Applications, Offered Places and Refused Places by Faculty- St. Augustine Campus, UWI

		Science and Agriculture	Humanities & Education	Engineering	Medical Sciences	Social Sciences	Total
1999/2000	Qualified	1127	525	551	430	1127	3111
	Offered	449	483	422	387	1061	2846
	Refused Places	678	42	129	43	66	265
	Refused places %*	60.2	8.0	23.4	10.0	5.9	8.5
2000/2001	Qualified	686	706	721	368	1325	3846
	Offered	559	556	452	161	950	2715
	Refused Places	127	150	269	207	375	1131
	Refused places %*	18.5	21.2	37.3	56.3	28.3	29.4
2001/2002	Qualified	739	1177	660	511	1383	4537
	Offered	652	514	383	294	902	2799
	Refused Places	87	663	277	217	481	1738
	Refused places %*	11.8	56.3	42.0	42.5	34.8	38.3
2002/2003	Qualified	1100	765	742	552	1713	4926
	Offered	949	572	437	195	994	3197
	Refused Places	151	193	305	357	719	1729
	Refused places %*	13.7	25.2	41.1	64.7	42.0	35.1

** Note- Refused Places defined as the difference between qualified and offered.*

Table 12: Annual Undergraduate Qualified Applications, Offered Places and Refused Places by Faculty- Cave Hill Campus, UWI

		Humanities & Education	Pure & Applied Sciences	Law	Medical Sciences	Social Sciences	Total
1999/2000	Qualified Applicants	203	511	1030	40	1178	2962
	Offered Places	158	426	243	40	613	1480
	Not Offered places	45	85	787	0	565	1482
	Not Offered Places %	22.17	16.63	76.41	0.00	47.96	50.03
2000/2001	Qualified Applicants	349	510	998	24	1096	2977
	Offered Places	283	410	295	24	615	1627
	Not Offered places	66	100	703	0	481	1350
	Not Offered Places %	18.91	19.61	70.44	0.00	43.89	45.35
2001/2002	Qualified Applicants	335	482	1019	32	1025	2893
	Offered Places	280	380	249	32	644	1585
	Not Offered places	55	102	770	0	381	1308
	Not Offered Places %	16.42	21.16	75.56	0.00	37.17	45.21
2002/2003	Qualified Applicants	333	480	1063	21	1129	3026
	Offered Places	291	381	229	21	736	1658
	Not Offered places	42	99	834	0	393	1368
	Not Offered Places %	12.61	20.63	78.46	0.00	34.81	45.21
2003/2004	Qualified Applicants	430	555	1170	16	1185	3356
	Offered Places	369	435	217	16	819	1856
	Not Offered places	61	120	953	0	366	1500
	Not Offered places %	14.19	21.62	81.45	0.00	30.89	44.70

Table 13: Annual Undergraduate Qualified Applications, Offered Places and Refused Places by Faculty- *Mona Campus, UWI*

		Arts	Education	Law	Faculty Medical Sciences	Pure & Applied Sciences	Social Sciences	Total
1998/99	Qualified	845	698	355	679	800	2434	5811
	Offered	588	317	50	175	575	1035	2740
	Refused places	257	381	305	504	225	1399	3071
	Refused places %	30.4	54.6	85.9	74.2	28.1	57.5	55.1
1999/2000	Qualified	932	662	330	726	875	2249	5774
	Offered	685	345	60	173	693	1020	2976
	Refused places	247	317	270	553	182	1229	2798
	Refused places %	26.5	47.9	81.8	76.2	20.8	54.6	51.3
2000/2001	Qualified	1145	619	319	539	861	2195	5678
	Offered	1132	356	60	144	863	1006	3561
	Refused places	13	263	259	395	-2	1189	2117
	Refused places %	1.1	42.5	81.2	73.3	-0.2	54.2	42.0
2001/2002	Qualified	1235	1020	280	1014	1210	4376	9135
	Offered	979	616	66	590	903	2850	6004
	Refused places	256	404	214	424	307	1526	3131
	Refused places %	20.7	39.6	76.4	41.8	25.4	34.9	39.8
2002/2003	Qualified	1102	480	361	524	901	2000	5368
	Offered	1015	389	234	356	751	1582	4327
	Refused places	87	91	127	168	150	418	1041
	Refused places %	7.9	19.0	35.2	32.1	16.6	20.9	21.9
2003/2004	Qualified	1521	1473	257	955	1489	4368	10063
	Offered	1248	970	54	503	1174	2921	6870
	Refused places	273	503	203	452	315	1447	3193
	Refused places %	17.9	34.1	79.0	47.3	21.2	33.1	38.8
In 2000/01 the numbers faculty for Pure Applied Sciences includes students who were refused a place in the MBBS programme in Medical Sciences								

In the Tables 11, 12 and 13 above, some indication of an expanding excess demand for UWI's three campuses can be ascertained. Thus whilst in 1999/2000, 19.47% of qualified students were refused entry to UWI as a whole, this expanded to 43.86% by 2002/03. This certainly represents a high degree of excess demand and may help to rationalize the expanding variety of TLIs in Trinidad and Tobago. The data in the table also highlights that the strongest areas of refusal of qualified applicants were in the Medical and Social Sciences areas. This is disappointing as it shows that Jean Baptiste Say's dictum of supply creating its own demand appears to be having precedence over Keynesian type logic of demand creating its own supply.

The experience of foreign student enrolment in CARICOM countries is in contrast to that of the UK. CARICOM countries have not been able to participate effectively in the

market for international students. A limitation of data, time constraints and a slow response rate for private TLI's to requests for statistics meant that statistics on foreign student enrolment is available only for UWI.

The data indicate the extent of student enrolment at the three campuses of UWI over the last five-year period for students from Australia, Canada, the United Kingdom, Guyana, Haiti, USA, and Venezuela, countries from which the majority come. It indicates that on average it has been less than 2%. Given the inability of the three UWI campuses to provide places for local students, it is not surprising that few foreign students are attracted to UWI.

Table 14: Foreign Student Enrolment at UWI 1999/00 to 2003/04

Country	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Australia	1	1	2	2	2
Canada	60	23	42	41	35
England (United Kingdom)	56	58	53	49	28
Guyana	67	71	63	57	55
Haiti	15	5	4	8	3
USA	171	115	103	104	93
Venezuela	3	10	6	8	21
Total	373	283	273	269	237
Total (All Campuses)	19,825	19,465	20,271	22,462	Not Available

Source: UWI Official Statistics from the Office of Research and Institutional Planning, Mona Campus

The table in Appendix 1 provides greater detail on the distribution of the foreign students enrolled by programme and Faculty at the St. Augustine Campus for 2003. There were 184 overseas students enrolled in undergraduate programmes, 62% of whom were in the Medical Sciences Faculty.

The potential for CARICOM states to supply tertiary education services to foreigners

CARICOM is experiencing a depletion of some of its margins of preference and is being increasingly requested to operate on more competitive conditions in the global marketplace. In this regard, if CARICOM countries can carve out a niche in the export education sector, their economic prospects may be enhanced.

In assessing the potential for CARICOM to supply tertiary education services to foreign students, it is important to examine the existing limitations. Institutions in the region

have to respond to a growing demand but physical capacity is a constraint. Expansion is difficult given the governments' role in providing funding to the sector for priority areas. The learning and teaching environment must be upgraded through IT infrastructure, the resources for which are subject to budgetary constraints. Student support requirements in terms of counselling, amenities, housing, financial assistance must also be addressed.²²

The TLIs of the region have, however, been able to identify existing and potential areas of strength that can be use to market themselves regionally and internationally. The Barbados Community College and the Samuel Jackman Prescod College have capitalized on exporting the demand for English as a Foreign Language to the non-English speaking Caribbean.²³ Once similar niches are identified, TLIs in other CARICOM member states can embark on aggressive marketing, taking account of product planning and specially designed programmes. Institutional cooperation also presents opportunities for joint programming and twining arrangements both intra-regionally and internationally.

With distance education and on-line programming facilitating greater access than ever before, projections of foreign student enrolment can be expected to grow with the onset of the Caribbean Knowledge Learning Network (CKLN) that will provide the infrastructure to support e- learning.

At present there are proposals to export the service offered by the UWI in the form of specific subject areas where it enjoys a comparative advantage. Some of these areas include:

- Tourism related studies²⁴
- Cultural and diversity related studies
- Small island states
- Coastal and Marine studies
- Wind, Solar and Wave Energy
- The Medical Sciences including Nursing and para-medical
- The Training of teachers
- Military Training and Police Academy type training

²² Some of these issues are considered in greater detail in section 11.

²³ There are a number of institutions in T&T which cater to the foreign language teaching market. This list includes the following schools.

Caribbean Institute Of Languages & International Business, NIHERST, The Professional Institute Of Marketing And Business Studies (Spanish & French), Sital, Upper Level Education Institute (Spanish Only), UWI IOB (Spanish), Venezuelan Embassy (Spanish Only), Alliance Francaise (French Only).

²⁴ Two of the most popular CARICOM destinations for tourists from the region are Barbados and Bahamas. In providing these services these two countries would have enhanced through learning by doing, their stock of skills in this particular area and as a consequence may have developed dynamic comparative advantage capabilities, in the supply of training in tourism related studies.

- Business and Management

The region provides favourable conditions for the inflow of foreign students for educational purposes. The Offshore Medical, Dental and Veterinary Schools and the example of St. George's University in Grenada demonstrate clearly that this is possible. Some of the foreign students that may be targeted by the UWI include the following:

- Diasporic communities of West Indians living abroad;
- Students from the developed world (including UK, USA and Canada) looking for the cultural experience of studying in the Caribbean; and
- Graduate students wishing to pursue research degrees in areas related to the Caribbean.

As it stands, Trinidad and Tobago is the only CARICOM economy which has a commercial amount of oil and/or gas. It has been a player in this market since 1856, i.e. one of the oldest in the world. As it stands, the country is now the world's largest exporter of methanol, urea and ammonia and the fifth largest exporter of LNG (this is with its existing 3 trains, but a fourth one that carries the largest single train productive capacity in the world, is already in the construction phase).

From a comparative advantage perspective, it may be practical for Trinidad and Tobago to invest some of the windfall it generates from the hydrocarbon sector into the formation of an oil and gas engineering speciality institution. Indeed, with the formation of the University of Trinidad and Tobago (UTT) this challenge appears to have been taken up. The UTT is in fact partly financed by bpTT, a major oil and gas exploration and production firm with a long history of operation in the country. What is now required is for the UTT to target intra and extra regional students specialising in these niche areas.

4. The views of Ministries of Education and TLIs on GATS issues

In CARICOM, the average citizen and stakeholders in the tertiary education sector have minimal awareness of the GATS. Education is not regarded by professionals in the public education sector as a product that can be traded internationally. The liberalization and privatization of educational services therefore requires a paradigm shift for people in the region.

Only recently have there been increasing awareness of the GATS and the implications of it in the education sector. In April 2004 the Principal of the UWI Cave Hill Campus articulated his assessment of the GATS and the liberalization of higher education in the Caribbean with a paper entitled *UWI at Risk!* (Beckles 2004). He pointed out that the survival of UWI depends on the alignment of funding and social policy of all the member states of CARICOM and that the GATS threatens this by challenging the autonomy of individual governments in making policy favourable to UWI. He warned that this disintegration of the support of a regional UWI has already started with the unconditional commitments to the GATS by Jamaica. In response to this threat, he recommends that UWI adopt a defensive position by establishing a research observatory to inform governments about the impact of GATS and adopt an offensive position by leveraging its enormous international intellectual capital to export its services.

The rest of this chapter is an amalgamation of responses to questions and views from key individuals in the field of higher education from Barbados, Jamaica and Guyana or answers to the questions researched from papers and documents. The names of those interviewed are listed in the Appendix 2.

Williams (2004) notes that the National Council on Education and The University of Technology (UTECH) in Jamaica has identified the following possible consequences that GATS will have on the tertiary education sector:

- Inequitable distribution of educational resources into certain communities and jurisdictions;
- Inability of the more vulnerable groups or the poorest members in the society to afford private education, given the profit motive drive of the private deliverers; and
- Private providers operating on large economies of scale and quick return on financial investments will not necessarily focus on appropriate curricula consistent with national developmental goals and social needs.

Institutions are recognizing that liberalization of higher education is a reality and that public and private providers in the region must employ strategies that would maximize benefits and minimize the threats.

How are the ministries planning to safeguard the integrity of the local institutions?

The safeguarding of the integrity of the local institutions is being ensured through the establishment of bodies such as the University Council of Jamaica (UCJ), the newly formed Accreditation Council of Trinidad and Tobago (ACTT) and the proposed National Accreditation Council in Barbados (for which legislation was recently passed). These bodies will be responsible for regulating and monitoring the tertiary education sector through accreditation procedures for both institutions and programmes in their countries. In the rest of the region, the Ministries of Education will continue to be responsible for the regulation of local TLIs.

What is being done to improve the competitiveness, infrastructure, and curriculum of these institutions?

Jamaica (UTECH) and Trinidad and Tobago (UTT) have both established national colleges/universities, which combine relevance and quality in curriculum that meet international standards. Barbados is now seeking to amalgamate its individual colleges to form a single University College, the intention being to increase capacity and improve quality. Additionally, curriculum review by professional bodies such as the UCJ and UWI assist in ensuring that the criteria used for designing curriculum is based on international quality control and standards.

What is the role of the Government, with respect to the private sector drive of GATS?

The role of the Governments is a regulatory one, in ensuring that the framework exists to maintain quality in service, qualification recognition, licensing and accreditation.

How poised are local institutions to export education?

While most institutions in the region are focused on meeting local demand, local TLI's have a comparative advantage for attracting students given the low cost of their tuition compared to foreign TLI's. As mentioned previously, some local institutions have been able to identify certain programmes, which already satisfy foreign demand. Given the appropriate packaging and marketing, these programmes have considerable export potential. The availability of service delivery in the form of distance education will strengthen this potential. Traditionally, the individual institutional efforts at distance delivery have been primarily by print materials. The onset of the CKLN will, however, regionally strengthen the regional IT infrastructure for E-learning.

How are incoming institutions / programs going to be regulated (specify if different for regulations for local institutions)?

All institutions, both local and foreign, will be subject to the regulation of the national accreditation bodies or relevant Ministries. The latter will be responsible for registering all TLIs and for accrediting and re-accrediting all programmes of study. Regulations for incoming TLIs have not been made specific or different from those for local TLIs. In Jamaica, for example, the UCJ proposes that, in order to ensure that the limitations placed on the foreign providers are adhered to, the standards for registration and the accreditation of their programmes should be made public. In addition, it proposes the establishment of licensing bodies or boards to regulate the standards of all professional groups and, in particular, the teaching profession.

To what extent does the curriculum prepare local / regional students to operate in an international environment. Does the education system insulate students against the international market?

The existing curricula at the undergraduate level particularly at UWI are already designed to satisfy an appreciation of international issues even though the Caribbean related areas receive priority. Graduates from the regional Universities are able to secure international positions, thus confirming the competitiveness of their training. However, the education system does not always meet the needs of students who seek postgraduate specialization. They are attracted to foreign institutions and flexible programmes that are now offered through the private sector TLI's based in the region.

To what extent will the local curriculum maintain a regional/local identity in face of the amount of incoming institutions and the "internationalisation" of the curriculum?

While the curriculum is standardized in some science subjects such as Mathematics, Physics, Chemistry, the local identity of the curriculum can be maintained particularly in the areas of Cultural Studies, the Performing Arts, Culinary Arts, Music, Literature, the Social Sciences and Agriculture. Emphasis must be placed on national and regional perspectives and examples.

What is the anticipated impact of the implementation of GATS on the tertiary education system?

The GATS present both opportunities and threats. In a positive sense, liberalization of the market will foster economic activity and increase access to post secondary opportunities, thereby helping to satisfy excess demand. This demand has been created

by the improvements in access to secondary education and the consequent growth in the number students taking the CXC and Advanced level examinations. This has evolved into a situation where applications to TLIs have surpassed the supply.

On the other hand, the local tertiary education sector is concerned about the inferior or irrelevant programmes that foreign TLIs might offer and their ability to compete in an environment where they already have resource constraints. The sector is, however, confident that it has a well-established stronghold and that its market share is sustainable, given its traditional reputation for quality (Holder, 2004).

What impact will the implementation of GATS have on other bilateral issues such as trade and investment?

There is likely to be a demonstration effect. Thus, public service employees, particularly those in the teaching profession, will lobby for similar wages as those in the private sector. Other sectors will be pressured to liberalize.

Initially, supply will be enhanced as more international institutions are already exporting their education services. In light of this and the need to compete and cater to the growing demand, national and regional TLIs have to ensure the marketability and high standards of their programmes. In this regard they will have to perform market research and identify programmes required by the international market. Much advantage can be taken of the environment of the Caribbean to brand its programmes. Once institutions can identify niches or areas of specialization supported by ongoing research such as Tropical Agriculture, Tropical Veterinary Medicine, Natural Resources Management and Forestry, West Indian History, Cultural Studies, and Music and Literature, the Caribbean has the opportunity to brand them as programmes that are unique.

Table 15: Summary information on the views of the Ministries of Education as concerns GATS

	Guyana	Barbados	Jamaica
How are the Ministries planning to safeguard the integrity of the local institutions?	Through an Accreditation Council	<ul style="list-style-type: none"> • Implementation of an National Accreditation Council • The amalgamation of several of the tertiary level institutions²⁵ in the Country to form a University Campus with the intention of increasing capacity and improving quality in delivery 	<p>The University Council of Jamaica (UCJ)</p> <p>The National Council on Education (NCE)</p>
What is being done to improve the competitiveness, in structure, and curriculum of these institutions?	Curriculum is always under review. Efforts are currently underway to encourage a greater degree of Foreign participation. Already there is a foreign School of Medicine in Guyana.	<ul style="list-style-type: none"> • The curriculum is developed based on the criteria used in international quality control standards. • Plans are being made to design a curriculum package to market internationally in the next year. 	UCJ assists in the development of tertiary institutions by providing professional advice and services for the development and improvement of programmes.
What is the role of the Government, with respect to the private sector drive of GATS?	The Government whilst entertaining the push of the private sector is also trying to ensure that the needs of the Guyanese people are not ignored.	The role should be facilitative toward tertiary education providers, especially in the area of finance.	Private tertiary education providers have been allowed to operate within a framework of registration and accreditation with the UCJ.
How poised are local institutions to export education?	Local institutions while having a comparative advantage in the sense that they produce education at a very low cost; however they still have a long way to go in converting this into a competitive advantage. Complementing factors like the water, electricity and road infrastructure is also in need of a boost before exporting of education can be considered viable.	The BCC and the SJPP have both been targeting some of the programs they offer to the regional market. Other potential areas such as studies in business and tourism are being considered.	The public institutions are focused on meeting local demand.

²⁵ Barbados Community College, Samuel Jackman Prescod Polytechnic, Earneston College.

How are incoming institutions /programs going to be regulated (specify if different for regulations for local institutions)?	The National Accreditation Council will be responsible for regulating all foreign and domestic TLI operating in Guyana. The process would be the same for reign and domestic TLIs.	The Accreditation council of Barbados has been given the mandated responsibility to ensure compliance with the accreditation standards set out by the regional accreditation body. ²⁶	All tertiary education providers are required to register with the UCJ as a first step towards accreditation.
To what extent does the curriculum taught prepare local / regional students to operate in an international environment? (Does the education system insulate students against the international market)?	Many of the graduates from the University of Guyana go on to hold top international positions around the world. This is testament to the fact that the curricula offered is sufficiently internationalised.	The curriculum at the undergraduate level is designed to meet the needs of local, regional and international students. Caribbean related areas and issues receive top priority however. Competition however comes from the postgraduate area.	UWI curriculum contains courses with a focus on international issues.
To what extent will the local curriculum maintain a regional / local identity in face of the amount of incoming institutions and the “internationalisation” of the curriculum (where is the balance)?	The Government of Guyana will continuously lobby for some segment of the curriculum pursued by the leading TLIs in the country.	In the areas where a Caribbean essences in necessary; Cultural studies; Culinary Studies and Arts; the regional identity is maintained. In areas such as the sciences there is consistency with the international standards.	All UWI students are required to take courses which ensure regional identity.
What impact is foreseen, of the implementation of GATS by the tertiary education system?	The GATS will present both opportunities and threats. In the future if TLIs are established in Guyana then this would provide jobs etc. It is not likely that foreign TLIs will be able to drive UG out of the market given its established stronghold.	Increased post secondary opportunities but in a come fiercely competitive environment. The population may also be exposed to inferior and irrelevant programs.	More foreign institutions establishing presence in Jamaica. Private and foreign institutions lobbying to get the funding which UWI, UTECH enjoys.
What impact is foreseen, of the implementation of GATS, on other bilateral issues such as trade and investment?			Jamaica education sector is almost fully liberalized and includes training services which may be a part of other service sectors.

²⁶ CARICOM is attempting to set up a Regional Accreditation Council.

5. The implications of the CARICOM Single Market and Economy (CSME) for the provision of education services in the region

The main objectives of the CARICOM Single Market and Economy (CSME) include the following:

- The free movement of capital;
- The free movement of goods, services and people within the CSME;
- The establishment of a common external trade and economic policy in dealing with non-CSME member countries.
- Synchronization of economic, fiscal and monetary policies; and there will come eventually, a common currency (CARICOM 2000).

In the context of the establishment of CSME, the enactment of the January 1996 decision to allow CARICOM nationals who are University graduates to move freely in the region for work purposes is an important step forward in the regional integration process. The free movement of skills in the Caribbean should stimulate the growth of all TLIs operating in the region. The development of TLIs, the way they train their graduates and the way they recruit their staff must therefore be organised from the perspective of the single market. This is particularly relevant in the context of the mechanisms used to inform students or graduates about the value of their training and degrees and to accredit institutions and certify skills and diplomas. This in turn, suggests that the countries of the region need, with some urgency, to explore options for the establishment of institutions and instruments, which can facilitate this integration.

One such option is the CKLN. The CKLN ('the Network') is a joint effort of CARICOM and the Organisation of Eastern Caribbean States (OECS) with funding support from the World Bank and European Union. It will draw on state-of-the-art satellite and Internet technologies, the intention being to provide a virtual learning network amongst the TLIs in CARICOM member states. The Network will make available cost effective education facilities to students in the region from regional TLIs and from other TLIs around the world. The overall policy and direction of the CKLN will be led by a Steering Committee including CARICOM delegates.

Recognising the significance of human capital formation for economic development in the region, the CARICOM Heads of Government, at the 18th Meeting in 1997, established a 15% target of the tertiary age cohort to be enrolled in TLE by 2005. This was proposed to be a doubling of the 1997 enrolment level. Apart from these quantitative targets, CARICOM also stressed the following:

- TLIs must be strengthened and the quality of output aligned to the requirements and anticipated needs of the CARICOM;
- New modes of delivery emphasized and a policy placing more emphasis on exit skills as compared to entry skills adopted; and
- Quality assurance mechanisms established.

At the fourth meeting of COHSOD in October 2000, CARICOM, recognizing that the dynamics of social policy cut across sectors, emphasized the importance of adopting an inter-sectoral approach as an integrating theme to guide its work ' Investing in Human Capital with Equity'. The choice of theme gives prominence to the importance of human capital development as a mechanism to provide the basis for the competitive advantage needed to position the region to benefit from opportunities provided by the global economy, while at the same time paying attention to the strategic guiding principles of participation and equity.

The free movement of students that the CSME is encouraging will mean that students from member states will be able to access tertiary level opportunities at the lowest per unit costs, wherever they exist within the region. It also means the free movement of professionals, including teachers and researchers. It is likely that professionals would be attracted to the countries with better salaries, benefits and other economic and social factors. The work of these professionals in terms of research and intellectual property rights must be monitored as it has implications for commercialisation, particularly as cooperation and collaboration begins to expand²⁷. In this regard, it should be noted that the UWI has an Intellectual Property (IP) policy. This could be used as a model for a general IP clause related to education that can be adopted by all member states. Hence, there will be protection at the national levels.

Additionally, because capital can now move much more easily within the region, resources can flow into those economic sectors and areas where the returns are greatest. If foreign universities are finding niche opportunities to establish offshore TLIs to produce and 'export' medical doctors, veterinarians and other TLE graduates, local companies can also ride this tide of opportunity by appropriate twinning and joint venturing with foreign companies.

The CSME, by offering an expanded market base, is likely to foster increased regional economic growth. TLE is the type of income elastic commodity for which consumption increases as income increases, so that any improvement in regional economic performance that the CSME may offer would help expand intra-regional demand for TLE as real per capita income in the Single Market and Economy expands. At the same time, if TLE consumption increases, regional TLIs may, in the context of the accelerator

²⁷ There is the need to create awareness among researchers of the potential for commercialising etc. and therefore protecting information before it is registered with the Intellectual Property Office.

logic, be able to expand capacity to cater for the expanded intra regional market. The number of private sector TLIs is also likely to increase and expand across the region, given the elimination of restrictions in the movement of capital and the expected expansion in overall demand for tertiary education. Countries in the OECS should benefit from this development. Governments may wish to prioritise programming and public funding at its national institutions more along the lines of domestic objectives. Significantly though, the elimination of barriers means that the sector has to be even more vigilant in respect of accreditation and quality assurance. The Regional Mechanism for Accreditation, Equivalency and Articulation (AEA) must be fast-tracked for implementation.

In terms of the provision of education services, there are a number of initiatives currently on-stream or planned in the region between UWI and Universities located in the other member states, which can help to augment regional supply capacity. Some of these initiatives are discussed below.

Suriname and UWI

The primary focus of an initiative between the UWI, St. Augustine campus and the University of Suriname is to establish and strengthen links between both Universities. The UWI will use a matrix of information and expertise to create knowledge capital within the University of Suriname, which is the fundamental building block for the University's sustained development.

The initiative will focus on the following areas:

- Social Sciences
- Arts and Humanities
- Medical Sciences
- Engineering
- Life Sciences and Agriculture
- Graduate Studies and Research

The incorporation of communications technology will facilitate the effective delivery and administration of the programmes. The capacity of the system to implement proposed reforms will also be strengthened to ensure the continued growth of the University of Suriname, to meet its current demands and anticipate and prepare for projected future demands. This involves the development of the following areas:

- Leadership Development;
- Strategic Planning and Curriculum Development; and

- Programme design, implementation and evaluation to ensure quality assurance and adherence to standards.

UWI Faculty and Staff met with a delegation from the University of Suriname in May 2004 and have obtained a complete perspective on the possibilities that exist for collaboration between the two Universities. The next step in this process will be for the University of Suriname to prioritize the various suggestions put forth by the UWI and suggest timelines for implementation, in keeping with a Memorandum of Agreement (MOA) signed by both institutions.

Belize and UWI

There is institutional cooperation between the UWI and the University of Belize (UCB). Both institutions are committed to the efficient and equitable development of the human resources of the Caribbean Region and mindful of the need to collaborate on institutional strengthening in tertiary education. The agreement specifies capacity building in the UCB in the areas of Marine Sciences, Social Work, Hospitality and Tourism Management, through collaboration with the UWI.

This collaboration involves the exchange of information, discussions on programme content, methods of assessment and quality control of programmes, among others. It will also involve staff attachments, agreements to undertake joint teaching of particular courses and agreements to utilize distance education teaching/delivery techniques.

A team from the UWI, St. Augustine led by the Vice-Chancellor, Professor Rex Nettleford, visited Belize in January 2004 to discuss ways of enhancing the relationship between the University of Belize (UB) and the University of the West Indies (UWI). This was reinforced by a visit from the Principal of the St. Augustine Campus. It was agreed that the focal areas would be the following:

- Evaluation of standards and articulation with UWI Degree programmes
- Agriculture
- Engineering
- Marine and Environmental Sciences
- Staff and student exchange programmes
- Cultural studies.

The UWI can benefit from research collaboration with the UB in the area of Anthropology. Areas that need to be strengthened to permit the successful implementation and delivery of the programmes were identified and recommendations outlined. For example, due to the inherent problems in the delivery and management of the Associate Degree Programme, it was recommended that, in order to facilitate articulation with the UWI Bachelor Degree in Agriculture, the Associate Degree programme should be reviewed. Such a review, however, will involve submission of

course syllabi, course outlines, booklists and reading lists, as well as the curriculum vitae of teaching staff and samples of past examination papers and scripts to the UWI by the UB. This process has already been carried out with other CARICOM TLIs including the Jamaica School of Agriculture (JSA), College of Sciences and Education (CASE), Eastern Caribbean Institute for Agriculture and Forestry (ECIAF) and the Sir Arthur Lewis Community College. Moreover, the UB staff will be encouraged to pursue higher-level tertiary education at the UWI to enhance both their research capability and the quality of their teaching programmes.

A Memorandum of Understanding needs to be developed and signed by both institutions for further action.

Haiti and UWI

There is no arrangement in place nor are there any immediate or medium term plans to establish links with TLIs in Haiti. CARICOM sought to establish a scholarship programme for Haitian students to commemorate the Bicentennial Anniversary of the Independence of Haiti and the St. Augustine Campus of UWI agreed to accept those students. With the fall of the Aristide government, this project has been put on hold.

St. Kitts, Grenada and Others

The UWI has a franchising agreement (of the UWI's Undergraduate Programme) with other TLIs in St. Kitts and Grenada. Its Strategic Plan commits it to collaborate with other regional TLIs to strengthen that relationship, to assist them in training their staff, and partner with them in a regional effort for human resources development.

An MOU was signed between the UWI and the Management Institute for National Development (MIND) to facilitate the delivery of this objective. MIND will be recognised by the UWI as an Associated Institution for the delivery under Franchise of Level 1 of the Bachelor's of Science, Public Administration. The Programmes will be examined by the UWI but delivered by MIND, under set conditions.

UWI and the University of Guyana²⁸

The UWI and the University of Guyana (UG) have forged a relationship over a period of time. In 1970 the Department of Law, University of Guyana commenced a joint first year LL.B. degree programme in collaboration with UWI, Cave Hill Campus. Additionally, there is a tripartite agreement among the UG, UWI and the Council of Legal Education, which allows 25 UG graduates (who must be nationals of Guyana)

²⁸ <http://www.uog.edu.gy/>

automatic entrance yearly to the professional programme offered by the Council of Legal Education at the St. Augustine Campus.

In 2003, the UWI, Mona Campus and the University of British Columbia undertook a Curriculum Review of the Medical Programme at the Faculty of Health Sciences. There is also an arrangement between UWI and UG under which the former will analyse samples for staff and student research work from the Faculty and Department of Chemistry on the condition that the volume is not too large and also that UG handles the transportation of the samples.²⁹

Staff members from UG have visited UWI on an exchange visit.

Discussions are taking place between UWI St. Augustine and UG to strengthen collaboration especially in Agriculture, Forestry, Technology and Biodiversity in the areas of research, capacity building and student exchange.

UNICA: stands for the Association of Caribbean Universities and Research Institutes. This association was started in 1967 amongst the TLIs in the CARICOM sphere. UNICA facilitates academic correspondence amongst institutions and academics of the CARICOM sphere. Through the work of UNICA there is a high degree of collaboration amongst CARICOM TLI's.

In the context of the CSME, it is suggested that the universities of the CARICOM sphere should amalgamate. With the pending CSME, greater collaboration amongst the various public sector financed universities can help to lead towards a levelling of intraregional educational standards and may even help ease excess demand for UWI.

²⁹ This arrangement stemmed from a visit to UG by Professor Baldwin Mootoo from UWI.

6. CARICOM Experiences with Offshore Institutions

Foreign direct investment in the form of 'commercial presence' typically provides the opportunity for backward and forward linkages with the rest of the economy. Several CARICOM countries have benefited from an inflow of foreign direct investment into TLE facilities within their borders. It is difficult to quantify the economic importance of these investments to their host economies, as the relevant data is either unavailable or not easily forthcoming. It is, however, obvious that opportunities have been created for the establishment of businesses such as restaurants, groceries and variety shops, which have profited from retail transactions. Housing for student accommodation, rental of commercial properties, office supplies, cleaning and financial services have also profited.

Host countries have also benefited from employment not only in terms of the Faculty and support staff in the TLIs but also in the spin-off businesses. Income is also derived from the operating licensing fees that are imposed on the institutions. While the private sector commercial presence can assist in increasing resources for investment and expansion, it also competes with the public sector which is resource constrained and which has to compete in an environment in which government funding is already limited.

Recent advances in endogenous growth theory have emphasised the benefits that can accrue to a nation from physical and human capital formation. Unlike the neo-classical growth model, which argues that growth is externally driven by trade, endogenous growth theory demonstrates that economic growth can be influenced by variations in fiscal, human capital and foreign trade policies. This provides a direct challenge to the neo-classical presumption that policy can affect the level of economic activity but not the rate of economic growth. Endogenous growth models stress the importance of technological innovation and the accumulation of human capital in economic growth and the development process. The initial endogenous growth models by Romer (1982, 1986) and Lucas (1988) treated physical capital as the long-run engine of growth. Endogenous growth theorists noted that although at the level of the firm, a new idea might be subjected to the law of diminishing returns, it would induce a positive externality associated with production, technology and knowledge for other firms so that at the level of the economy a new idea can lead to increasing returns to scale.³⁰

³⁰ In general, poor countries experience slow growth rates because they fail to generate or use new technological ideas to explore greater economic opportunity (Barbier and Homer-Dixon 1996).

In this regard, the establishment of offshore export education production units by extending the flow of ideas and the production of ideas can help to improve the prospects of economic growth in recipient CARICOM economies.

The tertiary level education export market is also lucrative, with this sector, principally because of an enhanced marketing thrust, contributing US\$700 million in 2000 as compared to US\$500 million two years before. New Zealand has set a targeted contribution of US\$1 billion to the macroeconomy of its export education sector.

The names of the offshore institutions in CARICOM, their specialty areas of focus and websites are cited in the Table 14 below.

Table 16: Offshore TLIs in the Caribbean Region

Country	Name of offshore university	Start up year	Specialty	Contact details
Offshore Medical Schools				
Antigua				
	University of Health Sciences	1982	Medicine	http://www.uhsa.ag/
Belize				
	Central America Health Sciences University (CAHSU) ³¹	1996	Medicine	(http://www.cahsu.edu/)
	Grace University School of Medicine ³²	2000	Medicine	http://www.grace-usom.org/
	Medical University of the Americas (MUA, also in Nevis)	2002	Medicine	(http://www.muabelize.com/)
Dominica				
	Ross University School of Medicine	1978	Medicine	http://www.rossmed.edu
Grenada				
	St George's University	1976	Medicine	http://www.sgu.edu
St Kitts and Nevis				
	International University of Health Sciences (IUHS)	1998	Medicine	(http://www.iuhs.edu/html/home.html)
	Ross University School of Veterinary Medicine	1982	Veterinary Medicine	(http://www.rossvet.edu/)
	Windsor University School of Medicine ³³	1997	Medicine	http://www.windsor.edu
	Medical University of Americas (MUA) ³⁴	1998	Medicine	http://www.mua.edu/
St Lucia				
	Spartan Health Sciences University School of Medicine	1980	Medicine	http://spartanmed.org
St Vincent				
	St George's University ³⁵	1977	Medicine and there is also a veterinary medicine campus	http://www.sgu.edu
Guyana				
	American International School of Medicine (AISOM)	n/a	Medicine	http://www.aism.edu
Other Offshore Schools				
Belize				
	Galen University	2003	Business and medical school	http://www.galen.edu.bz/
St Kitts & Nevis				
	Berne University International Graduate School	n/a	Graduate degrees in business administration and social services	http://www.berne.edu/
Trinidad and Tobago				
	Wisconsin International University	n/a	Graduate degrees in business administration	http://www.wiu-usa.edu/trinidadcover.htm
Source: Brandon 2003 and primary research from site visits and interviews				

It is well understood that the applications for medical science places outnumber the number the limited amount of supply available in TLIs in most economies. As concerns the nursing profession, currently there are 126,000 vacant nursing positions in the USA alone (12 percent of the total workforce demand). This is predicted to rise to 400,000 by 2020. Since 1995 enrolment into training institutions has fallen by 4-6 percent and graduating nurses have declined by 23 percent.³⁶

More recently, the US Department of Health and Human Services (2002) has predicted the shortfall to double by 2020, reaching 800,000 registered nurses. This is based on a 40 percent increase in demand but only a 6 percent increase in the supply of registered nurses. Even worse, the Centre for Health Workforce Studies at the University of Albany (2002) has predicted an even higher-level shortfall of one million nursing jobs by 2010.

From a competitive standpoint, CARICOM countries like St Kitts, as compared to countries such as Malta or the Seychelles, may have attracted offshore TLIs because of their:

- a) These islands are physically close to the US market, are more familiar to the North American students and at the same time have close ties with the UK.
- b) Weaker accreditation standards,
- c) Weaker environmental laws,
- d) Fiscal incentives,
- e) These CARICOM islands do not have a history of terrorism and are fairly crime free holiday havens. Their per capita tourist arrival traffic are amongst the highest in the world and infrastructural capital is comparatively high. The governments in these economies actively engage and attract foreign firms.

Central American Health Sciences University

The Central American Health Services University (CAHSU), located in Belize was founded in 1996. It specialises in Medicine, and its degree program covers the pre-clinical or basic sciences as well as the clinical courses. The medical degree program run by CAHSU is patterned after the US medical curriculum and, as such, many of the graduates take up residency programmes in the US. The permanent staffs consist of 59 lecturers and 6 visiting professors. The cost of tuition stands at US\$6,000.00 per trimester.

Medical University of the Americas (MUA)

The MUA, located in St Kitts, was founded in 1998. Its specialty is in the area of medical sciences and trains students primarily for the US market. A small fraction of its student population comes from Canada. The MUA has a permanent staff of approximately 53 employees. The cost of tuition is US\$4,950 and US\$5,950 for semesters 1-5 and 6-10 respectively.³⁷ The curriculum is divided according to basic and clinical sciences and is comparable to the programs and training conducted at US medical schools.³⁸

Ross University School of Medicine

See case study in the next section

St Georges University

See case study in the next section

International University of Health Sciences (IUHS)

The International University of Health Sciences in St Kitts and Nevis was founded in 1998. Its speciality is medicine offering degrees in biomedical sciences, and nursing. Graduate studies in clinical science are also offered in addition to short-term courses in research, management and leadership, and psychiatric and mental health care. The IUHS also offers an online degree program which is designed for students to work at their own pace but under the supervision of a mentor. Students are exposed to the same information as those who are pursuing the course according to the semester system.

The IUHS is affiliated with institutions in New Delhi, India and in London.³⁹ Its staff includes 7 basic or pre clinical lecturers, 3 clinical specialists and 8 honorary, adjunct and visiting professors.

American International School of Medicine

The American International School of Medicine in Guyana is affiliated mainly with health care facilities under the Ministry of Health in that country but graduates are also eligible for certification under the US and the UK standards for accreditation. The costs of tuition are US\$18,000 per year⁴⁰, for the first three years of basic sciences, and US\$6,500 per semester for clinical medicine. There are 27 permanent members of staff, 12 of whom lecture in the basic sciences part of the curriculum and 15 of whom specialize in clinical sciences.

Windsor University School of Medicine

The Windsor University School of Medicine is located in St Kitts and Nevis and offers undergraduate degree programs in Medicine as well as postgraduate degrees in areas such as Anaesthesia and Emergency Medicine. The pre-med year costs on average about US\$3,990 per semester, with the next 10 semesters for the medical program costing US\$4,990 per semester. There are 22 permanent members of staff.⁴¹

Spartan Health Sciences University School of Medicine

This institution is located in St Lucia and was founded in 1980 and the faculty consists of 13 permanent staff members.⁴² The cost of tuition is US\$3,550 per trimester for the basic sciences and the clinical sciences program. The main target market for this institution is the United States⁴³.

Galen University

Founded in 2003, Galen University in Belize offers both medical and business programs. The costs of which are US\$200 per credit hour. This university also offers graduate programs, at the Masters and PhD levels, which cost US\$400 and US\$500 per credit hour respectively. The university is affiliated with mainly US based institutions but also shares a relationship with the Greek Cypriot Intercollege that enables students to transfer credits between institutions. Students also have the option of earning an Intercollege degree⁴⁴. This university also carries online degrees in Sports Studies. Any student enrolling for this program has the option of completing their studies at the US Sports Academy (Brandon 2003 pp18). The permanent faculty is 27.⁴⁵

Berne University International Graduate School

Berne University in St Kitts and Nevis focuses mainly on graduate degrees in Business, Education and Social Services. The cost of tuition is approximately US\$2,500 per semester and programs may run for duration of between 5 and 7 semesters. The permanent faculty consists of 6 lecturers.

The mode of delivery of the Graduate Degrees at the Berne University is part distance education and part summer residency at the Clarence Fitzroy Bryant College (Brandon 2003).

Table 17: Other Basic details about the Region's Offshore TLIs

Name	Affiliated Institutions	Target Markets	Total cost of Degrees	Size of Faculty
Central American Health Sciences University	Affiliated with hospitals in the UK, USA, Belize and Mexico	Essentially the US and the UK as evidenced by the facility to allow students to sit for US and UK residency programs via the USMLE and the PLAB.	Tuition per trimester Basic Sciences \$6,000 US Clinical Sciences \$ 6,000 US	59 permanent faculty 6 visiting professors 9 administration staff
Grace University School of Medicine	Has links with the Still University of Health Science ⁱ .	Mainly the USA	Basic Sciences \$5000 per module Clinical Sciences \$5500 per module	
Medical University of the Americas	USA and Canada ⁱⁱ	Mainly the US	\$4950 semesters 1-5 \$5950 semesters 6-10	53 permanent staff
St Luke's University of Medicine	Various institutions from the US as well as Belize	Mainly Belizean Medical institutions as the university itself is owned and operated by Belizeans	International students; Semesters 1-3 - \$8595 Semesters 4- - \$ 9315 Semesters 5-8 - \$9875 Local Students Semesters 1-3 \$4300 Semester 4 \$4660 Semesters 5-8 \$ 4940	12 Basic Sciences 8 Clinical Sciences
Ross University School of Medicine	Hospitals primarily in the US.	Most of the graduates obtain residency programs in the US	Basic Science Training - 4 semesters \$40560. Advanced Introduction to Clinical Medicine (AICM) Training - 5th semester: \$11,100. Clinical Science Training - 5 semesters: \$55,500	90 permanent faculty
St Georges University	This institution has a large number of institutions with which it is affiliated.	Graduates have been accepted in a wide range of countries	Terms 1,2,4-\$ 13488 each Terms 3 and 5 \$5064 Term 6 \$10134 Term 7-11 \$ 13574 each	Over 200 permanent staff with part time and visiting professionals as well
International University of Health Science	Universal Empire Institute of Medical Sciences - India, MIES, an educational division of the Modi Group of New Delhi, Indianapolis College, London College of Medicine	US and UK		7 pre clinical faculty, 3 Clinical faculty and 8 Honorary, adjunct and visiting faculty
Ross University of Veterinary Medicine	This University is affiliated with many US institutions.	Mainly targets the US as the student body is primarily comprised of US students	Tuition costs for Pre clinical training for 7 semesters \$71,995 and clinical science training for 3 semesters \$37,350.	
Windsor University School of Medicine		Mainly the US	Fees include all costs (housing, books and tuition) \$53,890 for the 10 semesters	
Medical University of the Americas		Mainly the US Market	Tuition costs US\$4950 for semesters 1-5 each and US\$5950 for semesters 6-10	53 permanent employees
Spartan Health Sciences University School of Medicine	Mainly in the US		Basic Medical Sciences US\$3,550 and Clinical Sciences U.S.\$3,550 Per trimester	13 on permanent staff
University of Health Sciences	Mainly in the US	Mainly the US	\$19525 per year for the first three years then 15000 for the fourth and beyond.	3 administration 2 deans 2 administration heads of departments 5 basic and clinical studies lecturers.
American International School of Medicine	Affiliated with health care facilities under the ministry of health	Graduates are eligible for certification in Guyana, the US and the UK	\$ 1800 Per year for basic sciences \$ 6500 (12 weeks) for clinical medicine	12 basic sciences lecturers 15 clinical sciences Lecturers

Source: compiled from various websites.

Case Studies of the Economic Impact of Selected Universities in the Region

Table 18 below provides summary information on the size of the student body, the average cost of living and aspects of the economic linkages these universities stimulate.

Table 18: Some Economic attributes of three offshore TLIs

Name of institution	Size of student body (separated by % of local and foreign enrolment)	Average cost of living for students	Economic linkages
St Georges University (Grenada)	2,154 (fall 2003) 2154 are currently in the basic science program at the Grenada campus. A further 900 students are completing their clinical sciences program in the US and the UK. Of which: 1630 US citizens, 524 non US citizens of which, 370 non US internationals, 154 permanent residents. The top ten countries of origin besides the US are Canada, India, UK, Grenada, Botswana, T&T, St Vincent, Kenya, Bahamas, and Nigeria.	The cost of accommodation varies from term to term, in that the most recent estimates are such that housing in Grand Anse, for example range from US\$500 to US\$5500 per month depending on the size, amenities, and comfort which the facility offers. There are facilities available for rent to single, double and family occupancies.	Many of the international students conduct their financial business with one of the island's largest institutions, Barclay's Bank Ltd, but several of the other smaller financial merchant companies also benefit from the students business. There are several restaurants, which have been established primarily to facilitate the needs of the student population in the area, both local and non-local. Around the campus there are 5 grocery stores. Employment of locals Off camps housing rentals are from nationals
Ross University School of Veterinary Medicine (St Kitts)	Approximately 800 full time students, at any given semester.	The cost of accommodation varies by semester. The estimates per semester are detailed as follows; US\$ 3900 for the first 7 semesters. Other costs of living estimated per semester for this period are, transport costs US\$775, and personal expenses US\$1875. The cost of accommodation for semesters 8-10, is US\$4017 per semester, whilst the other estimates for transport and personal expenses are US\$1185, and US\$1417 respectively.	Businesses that tend to flourish around the campus itself are food and grocery supplies stores. Employment of locals Off campus housing rentals are from nationals Transportation
University of Health Sciences (Antigua)		There are on campus facilities available for US\$ 350 monthly. Off campus accommodation ranges from US\$500-1000 per month. The option of guesthouses and bed and breakfast is also open to students at an estimated cost of US\$ 65-US\$95 daily.	Food huts and variety shops around campus. Employment of locals Off campus housing rentals are from nationals Transportation
Source: various years			

As the data in the Table 19 illustrates, the average real growth rate of the OECS countries has decreased during the 1980s, 1990s and for 2000 and 2001. In this type of economic environment there is therefore need for new dynamism in the productive structure to increase output and to sprout new growth poles within the economy.

Table 19: Average Growth Rates of Real GDP, 1960s, 1970s, 1980s 1990s.

Countries	1980-89	1990-99	Average for 2000 and 2001
Antigua	6.74	3.32	1.35
Dominica	6.28	2.28	-2.05
Grenada	5.00	3.51	1.11
St. Kitts and Nevis	6.06	3.94	3.51
St. Lucia	5.85	4.89	-1.50
St. Vincent and the Grenadines	5.77	3.57	0.78

Source: <http://publications.worldbank.org/WDI/>.
a: represents average for 1978 and 1979 for Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines.

The significance of the private sector and by extension of the TLI operating in the OECS is evident by its expansion.

A lack of information of an adequate level and structure makes the determination of an appropriate economic assessment difficult if not impossible. It is difficult to ascertain the amount of profits, for example, repatriated by these offshore TLIs although they receive considerable tax breaks.

In 2002, St. Matthews University, a medical University, left Belize. It has been suggested that the withdrawal caused the Belizean economy to lose as much as US\$40m per annum.⁴⁶ From another dimension, the increasing worth of offshore medical institutions is reflected in the recent sale of Ross University to De Vry INC for US\$310m, an amount almost equal to the aggregate GDP of St Kitts for 2003.

Economic linkages also accrue to non-education sectors as student purchases, access transportation, spending on entertainment, etc. Interviews with members of the business community in St. Kitts suggest that the student population of these offshore TLIs are a valuable clientele.

It should be noted that, while off-shore schools enjoy benefits in their host countries while conferring some benefits on their hosts, they are not very highly regarded in the countries from which the majority of their students originate and are generally regarded as options of last resort by their clients. At the same time, the success of their graduates certainly enhances their reputation and facilitates their growth and financial sustainability.

One of the challenges for countries and institutions in the Caribbean is whether the region can be developed as a destination which attracts international students. The answer to that is clearly in the affirmative and the issue therefore is whether there are institutions or countries in the Caribbean which have the wherewithal to make this happen.

The University of the West Indies can certainly attract international students. And there are countries in the region, such as Trinidad and Tobago, which can build up an education cluster attractive enough and competitive enough to attract large numbers of international students. The question is whether the will exists.

If we assume that the pulse beat of the private sector is in line with the requirements to survive in a globalizing world economy, then we may argue that offshore TLIs in small island economies are on the upswing of the relevant international product cycle.

7. The effect of Trade in Service Negotiations on CARICOM Member States' Interests in the Trade of Education Services

The OECD (2000)⁴⁷ has investigated the sources of economic growth of its member states for the 1980s to 1990s. It found that one of the strongest factors contributing to the economic growth process was human capital formation. This provides strong empirical support for the CARICOM's interest in TLE.

Table 20: Decomposition of changes in annual average growth rates of GDP per capita: Estimated effects of changes in explanatory variables to changes in output per capita growth rates over the period 1980s to 1990s.¹

Contribution from:	% change in output per capita growth rate	Investment share	Human capital	Population growth	Variability of inflation	Size of government	Trade exposure
Australia	0.80	-0.16	0.17	0.46	0.05	0.03	0.57
Austria	-0.23	0.37	0.31	-0.07	0.12	-0.02	0.37
Belgium	0.37	0.37	0.45	0.17	0.26	0.06	0.24
Canada	-0.60	0.24	0.19	-0.10	0.01	-0.02	0.60
Denmark	0.34	0.10	0.20	0.03	0.07	0.01	0.22
Finland	-0.90	-0.91	0.44	-0.03	0.05	-0.13	0.33
France	0.04	0.01	0.35	0.27	0.23	-0.02	0.42
Greece	-0.06	na	0.57	0.09	-0.12	-0.05	0.54
Ireland	1.21	-0.17	0.54	-0.75	0.35	0.13	0.46
Italy	-0.06	0.05	0.84	0.36	0.18	-0.01	0.49
Netherlands	0.97	-0.04	0.43	0.32	0.07	0.01	0.25
New Zealand	-0.26	0.33	0.21	-0.47	0.68	0.06	0.44
Norway	0.61	-0.21	0.27	0.15	0.14	-0.41	0.30
Portugal	-0.15	0.25	0.32	0.02	0.42	-0.20	0.53
Spain	0.46	0.33	0.90	0.46	0.25	-0.12	0.67
Sweden	-0.64	-0.19	0.42	-0.05	-0.20	0.02	0.33
Switzerland	-0.58	0.02	0.26	0.09	-0.09	-0.07	0.14
United Kingdom	0.01	0.08	0.44	0.05	Na	0.03	0.25
United States	-0.19	0.19	0.07	-0.06	0.13	0.07	0.65

Source: OECD (2000a).

Note: The calculations are from decompositions of differences in growth rates based on the results of multivariate regressions. The sums of the contributions shown do not correspond to the change in output per capita growth rates because the estimated impact of initial levels of GDP per capita and the component unexplained by the regressions are not shown.

- Changes in growth are based on differences in average growth in GDP per person of working age over each decade. The 1980s include the period 1981 to 1989; the 1990s cover the period up to 1997.
- Government consumption as a percentage of GDP is used as a proxy for the size of government due to data unavailability. This variable is historically correlated in most countries with tax and non-tax receipts (as a share of GDP) for which, however, country coverage is more limited.

It is widely acknowledged that human capital formation is critical to the economic growth process. According to Ritzen (2002), although a sound primary education is necessary to increase the literacy rate as well as numeracy skills for citizens to function effectively in society, there is also the need for a high level of tertiary education, especially as the economy matures. Ritzen also points out that tertiary education allows for the foundation of sustainable economic growth as well as social development. Ozturk (2001) expresses a similar sentiment, but also notes that tertiary level education increases the productivity and creativity of individuals, encourages entrepreneurship as well as the adoption and adaptation of up-to-date technologies. Tertiary education facilities allow nations to tap into the global pool of information. Tertiary Education also enables developing countries to be on par, or more than likely, to have a better grasp of significant issues in a globalizing world. Ozturk (2001) also suggests that tertiary education assists in scientific development as well as in the establishment of important support institutions such as governmental institutions and the financial system.

Because human capital helps increase the pace of innovation and has a favourable impact on economic growth, attempts should be made to foster improvements in the human capital formation process. Given that the stock of human knowledge increases each time a new product is developed, the cost of innovation decreases as human knowledge increases. Consequently, the growth rate of an economy is dependent on the rate of new products being launched. Moreover, according to endogenous growth theory, when the stock of human capital or human knowledge is increasing at a relatively fast rate, economic growth will also be favourable.

Given that, in many developmental circles, it is argued that the enterprise of the indigenous people conditions the pace at which economic development proceeds, and given the view long expressed that:

“Dependence on imported enterprise builds into the economy an assured backwardness vis a vis countries whose entrepreneurial dynamic is indigenous,” (pg. 64, Best and Levitt 1968).

TLE has an important role to play in the development process by helping to create an indigenous entrepreneurial class. In this regard therefore, CARICOM countries have an active interest as well as concerns pertaining to liberalizing trade in higher education services. On the one hand, they need to optimise gains which will inevitably accrue from expansion of the tertiary sector. At the same time, how the sector expands and whom it serves will determine whether high impact gains can in fact be made. This may well be determined by the availability of financial resources internationally, both for investment in the sector and for support for expanded access for individual citizens.

CARICOM's stated interests⁴⁸ in tertiary education is in terms of human resource development to effect social change and diversify the economy of member states into

areas of high value products and services which can be exported. In this context, tertiary education services as an export product has not been given much focus by national public providers as they have been kept busy by the domestic demand, which exceeds their capacity to meet. However, with the increasing desire of CARICOM to restructure the sector to make it more efficient and relevant, providers like the regional UWI have been quietly using its existing internal resources to generate additional revenue to offset possible budget cuts from governments. Budget cuts have already taken place with the reduction by the government of Jamaica by 15% of its allocation to Mona⁴⁹ in May 2004.

UWI sees this as a policy measure by governments to make it more self sufficient and, as a consequence, UWI is increasing its revenue generating activities. This has accelerated the interest in UWI for creating programmes for export beyond the region in the areas which it has comparative advantage. To support this fledgling activity requires CARICOM countries to assess the barriers which providers like UWI face in offering services in the very competitive North American and European markets and to seek to have those countries remove identified barriers to market access and discriminatory measures biased towards national providers.

Challenges that CARICOM national and regional providers face when attempting to enter the markets of developed countries include the following:

- A highly developed and competitive environment in which students expect high quality and customer service orientation.
- Well funded competitors.
- Lower cost and better quality telecommunications infrastructure than in CARICOM
- Competitors who have a long history of being branded as world class prestigious institutions.

In addition to these challenges, the following barriers may exist.

Mode 1: Cross Border Supply Barriers

Qualifications awarded by a foreign virtual university that are not recognized by the national accreditation bodies pose as a barrier for foreign providers since the nationals who study at these providers are at risk if local employers and educational institutions do not accept their degrees.

Mode 2: Consumption Abroad

There are a number of restrictions faced by CARICOM nationals wishing to study abroad. They include visa requirements and other immigration controls. Visa requirements and market access problems are typical of the US and Canadian markets. The UK and Ireland do not require visas for students from former British colonies, other EU states do. CARICOM nationals also face the problem of insufficient recognition of their domestic qualifications in foreign markets. This is always a concern since the education institutions in the CARICOM region are generally small. Table 21 below shows that this problem also occurs in Australia where the credentials of foreign graduates are also questioned. One of the limitations here is high public subsidy of residents.

Mode 3: Barriers to Commercial Presence

The authority to grant degrees: One of the most fundamental restrictions is that of the authority of the institution to grant or award certification for courses completed a right that is in most cases reserved to the domestic suppliers. In the United States, while there are over 30 accrediting bodies, not all are recognised by the United States Department of Education.⁵⁰ In many cases, students enrolled in US owned institutions established overseas are not offered the same privileges, as those enrolled in national institutions in the US. This clearly is the case with institutions such as Ross University School of Medicine and St. George's University.

Financial barriers: Another barrier to commercial presence lies in limiting the size of foreign commercial firms or in terms of the extent of their equity holding. In some cases, local content requirements may also be enforced.

National service stipulations: This may include any requirements involved in establishing the institution or offering the programmes.

Needs test: In some economies, one of the ways in which commercial presence is restricted is by limiting the investment of foreign firms to invest in specific sectors. This means that CARICOM education suppliers may not be able to provide a certain type of service and/or the quantity of services may also be limited. For example, Table 21 lists Italy and Spain as requiring a needs test to allow a foreign supplier to set up a commercial presence.

Foreign teacher recruitment: Some economies restrict the inflow of foreign teachers to their economies. Thus, when CARICOM assesses those countries to which it would like to export TLE services, it must be aware of these national requirements. An example of this is seen in both Greece and France where control mechanisms such as length of stay,

needs test as well as payments of taxes have been introduced in order to limit the inflow of foreign teachers.

Mode 4: Barriers to the Movement of Natural Persons

As far as CARICOM is concerned, several issues may arise in Mode 4, regarding general immigration legislation, such as entry and stay requirements regardless of the length of the visit. The movement of natural persons also raises issues pertaining to work permits and wage inequality. Factors such as qualifications and recognition, work experience and training, also have to be negotiated. Table 21 lists the visa requirements for lecturers and teachers that are required for entry in the US, Europe, Canada and Australia. For the US, the "J" exchange visitor program is designed to promote the interchange of persons, knowledge, and skills in the fields of education, arts, and sciences. The "J" visa applies to lecturers and professors from CARICOM visiting the US to give lectures.

Table 21: Barriers to trade by mode of supply and country

Modes of Supply	United States	Europe	Canada	Australia
Cross border supply	Student at risk if programme is not accepted by accreditation bodies, national Universities, licensing bodies and professional associations.	Student at risk if programme is not accepted by accreditation bodies, national Universities, licensing bodies and professional associations. France: Condition of nationality for mode 1 Italy: Condition of nationality for service providers to be authorized to issue State recognized diplomas.	Student at risk if programme is not accepted by accreditation bodies, national Universities, licensing bodies and professional associations. Has not made any commitments in GATS in all modes.	Student at risk if programme is not accepted by accreditation bodies, national Universities, licensing bodies and professional associations.
Consumption abroad	Travel to CARICOM: Passport required. Visa required for long stays.	Travel to CARICOM: Passport required. Visa required for long stays	Travel to CARICOM: Passport required. Visa required for long stays	Travel to CARICOM: Passport required. Visa required for long stays
Commercial Presence	Restrictions on ownership of land. Tax regulations which discriminate against foreign owned institutions. Subsidies and grants restricted not available for foreign owned institutions.	Italy and Spain: Economic needs test for private universities Greece: Unbound for education institutions granting recognized State diplomas.	Has not made any commitments in GATS	At least two directors of foreign owned institutions are Australian nationals. Private foreign owned tertiary institutions not treated as same as national institutions
Presence of natural persons	USA: "J" visa required for employment. Issued 90 days or less in advance of date of departure: http://travel.state.gov/nonimmigrantvisas.html#3 Without a "J" visa the visiting lecturer cannot be paid. US Tax laws and Treaties may prevent payment to travelling lecturers.	UK: visa not required for former British colonies. http://www.ukvisas.gov.uk Ireland: visa not required for former British colonies. http://193.178.1.205/services/visa/default.asp?m=s EU: visa required http://www.drive-alive.co.uk/visa.htm Denmark: Condition of nationality for professors. France: Condition of nationality. However, third country nationals may obtain authorization from competent authorities to establish and direct an education institution and to teach.	Canada: visa required. http://www.cic.gc.ca/english/offices/	Visa requirements Employment rules

The history of offshore medical schools in the Caribbean is a case study of the barriers which non-US institutions face in offering educational services to US students.

The three leading offshore medical schools in the Caribbean are St. Georges University⁵¹, Ross University⁵² and American University of the Caribbean⁵³. These institutions are in direct competition with the 125 accredited medical schools in the US. In 2003, only 52.5% of 34,786 applicants to medical schools in the United States were successful⁵⁴. The large numbers of unsuccessful applicants are the target of the offerings of the 18 or more offshore Caribbean medical schools and provide the incentive for their operations.

Since their inception, these three offshore medical schools combined have produced over 12,000 graduates who practice in the US and Canada. To reach this level of success, they have had to overcome significant hurdles.

Robert Ross, the Founder of Ross University details the opposition, which he faced from the US medical establishment of the Association of American Medical Colleges (AAMC) and US Medical Boards. He also faced difficulty in overcoming the regulatory restrictions that were placed on financial aid for US students studying at foreign medical schools such as Ross University⁵⁴.

On June 4 2004 the Prime Minister of St. Kitts and Nevis announced the establishment of The International University for Nursing⁵⁵. As this new university establishes itself as an alternative to US Nursing schools, it is likely to face similar obstacles as those faced by Ross University.

Ross University was established before the GATS but its services can be classified under both mode 2 and mode 4. Mode 2 relates to consumption abroad. The university represents a foreign commercial presence, even though it exists primarily to serve the nationals of the US market. It successfully negotiated US government financial aid for US students but the US Department of Education regulations prohibit this for institutions receiving programme approval in any US State after 1991. It would be to the benefit of governments which are recipients of foreign direct investments from offshore institutions to request that this restriction be removed for institutions which primarily serve US citizens.

In their GATS schedules, Canada and the US have made no commitments to liberalize their higher education sector. In practice, they have relatively open market access and have not restricted cross border education activity. The University of London LLB⁵⁶ degree distance programmes are allowed in those aforementioned countries (cross border supply). However, there are barriers to acceptance of the degree. Students are therefore at risk, for example every US State has its own criteria for admittance to the Bar and the foreign London LLB degree is not treated equally in all States.

Australia has made commitments to market access for its higher education sector only for private tertiary education services in modes 1, 2 and 3. For national treatment it has committed to modes 1 and 2 only.

The countries of the European Union have made commitments to market access for the higher education sector for mode 2. Under national treatment it has made commitments to mode 2 and 3. The restrictions of individual EU countries are listed in the Table 21.

All developed countries restrict the movement of natural persons of CARICOM into their jurisdiction for the purposes of employment. Some highly skilled lecturers are allowed to enter these countries but require temporary entry visas. Tax regulations, such as those in the US, further restrict foreigners from receiving payment for professional services such as lectures.

The following case study highlights some of the specific problems faced by TLE programs in the Caribbean that are exported. The case is on a Master's degree in Telecommunications Regulation and Policy, which is currently being offered by UWI St Augustine.⁵⁷

Case Study: MSc. in Telecommunications Regulation and Policy

The objective of the MSc in Telecommunication Regulation and Policy is to strengthen the capacity of national regulators and policy makers in the telecommunications industry with an emphasis on practical application to regional development. As a result, students from developing countries are more likely to enroll in the programme.⁵⁸ The programme is delivered primarily over the Internet and has attracted students from all over the world. In order to provide high quality education to this online community, some of the course development, course delivery and administrative procedures had to be reviewed and designed specifically for this programme.

Some of the challenges faced in developing this programme to facilitate export include the following:

- The development and coordination of multi-disciplinary/multi-country course development and delivery teams.
- The development of an online community spirit that supports and facilitates effective learning, and the continuing support of both teaching and learning within that community.
- The development of collaborative work programmes with key partners in course delivery for adequate computer services and other technical support as well as, for the establishment of a collection of electronic reading resources.

- The lack of an established framework of policies, procedures, and infrastructure meant that many administrative and other processes had to be developed for online use, including online application and registration.
- Quality assurance procedures had to be put in place to ensure that all stakeholders (teaching staff, students, Web engineers, support staff) were familiar with the requirements of online delivery and that they understood their roles and responsibilities. These procedures included the development of training manuals and the evaluation of online courses by students and staff, as well as external examination.
- Financial constraints have to be constantly monitored. Many expenses were considerably higher than those for on-campus course delivery, such as international consultancy services, international calls, DHL services.
- The administration relating to negotiating and issuing contracts to Course Directors, Course Tutors and other staff, which is onerous because, unlike in face to face teaching, most of those contracted are not campus-based and are contracted for only short periods.

This case study illustrates that penetrating the extra-regional export market with an educational service requires careful strategic short and long-term planning. Moreover, it emphasizes how critical institutional capacity is in accessing opportunity and how vital it is to work out clear terms of collaboration on joint projects with other institutions.

8. Requests made to CARICOM states regarding education services by other WTO Members

The GATS request by the US to Barbados, Jamaica, Suriname and Trinidad and Tobago seeks "...full commitments for market access and national treatment in modes 1, 2, and 3 for higher education and training services, for adult education, and for 'other' education. Consistent with commitments, countries remain free to review and assess higher education and training, by governmental or non-governmental means, and to cooperate with other countries, for purposes of assuring quality education."⁵⁹

Knight (2003) has also reported this same request has been made to all 145 WTO members and has described the US negotiating strategy as "maximalist or going for the moon and see what you get." The position of the USA is clear: it wants unrestricted access for its providers of higher education services. This is probably due to the fact that the US is the leading destination for students studying abroad and wants to ensure its growth and leadership in this sector.

One noteworthy aspect of the GATS is non-reciprocity. A country is not bound to offer the same access to its market as it requests to other countries. The US offer of market access to its higher education sector includes a number of limitations which constitute barriers such as "state regulations apply to the establishment and operation of a facility in the state." This is much less than the full commitments requested of all 145 WTO members. This is significant since it can be argued that the US tertiary education sector is the most competitive in the world and it would be very difficult for any foreign provider to establish itself because of the high standards of quality that is expected by students in this market. One must also ask why it is that in this particular case the privilege of reciprocity does not apply when it seems to apply across the board almost everywhere else.

Since the GATS schedule of commitments is a legally enforceable international agreement and the process of retracting commitments to open markets is difficult and potentially costly, CARICOM member states would be well advised not to accede to the US request. Endorsing this course of action can be justified by the fact that developed countries are much more competitive in this sector and the domestic providers are not ready for an open, market driven environment. CARICOM can learn from the strategies of India and South Africa, which have decided against making GATS commitments in the education sector and take a cue from them. It would seem that the entire agenda for trade in educational services has been set by the USA and other industrialised nations. Developing countries, and especially small developing countries such as those in CARICOM, have had little or no input in the agenda-making process. It is not therefore unreasonable for CARICOM to start focussing on how to influence the agenda that will inform future negotiations rather than start or continue negotiations now.

For 2002 the OECD⁶⁰ gathered statistics on the number of foreign students enrolled in tertiary education by country of destination. An extract is shown in the table below:

Table 22- Number of foreign students enrolled in tertiary education by country of destination (2002)

Country	OECD/non-OECD	Foreign students	% of Total
United States	OECD	582992	31%
United Kingdom	OECD	227273	12%
Germany	OECD	219039	12%
Australia	OECD	179619	9%
France	OECD	165437	9%
Japan	OECD	74892	4%
Russian Federation	non-OECD	70735	4%
Spain	OECD	44860	2%
Belgium	OECD	40354	2%
Switzerland	OECD	29301	2%
Austria	OECD	28452	1%
Italy	OECD	28447	1%
Sweden	OECD	22859	1%
Netherlands	OECD	18888	1%
New Zealand	OECD	17709	1%
Malaysia	non-OECD	16480	1%
Turkey	OECD	16328	1%
Denmark	OECD	14480	1%
Hungary	OECD	11783	1%
Czech Republic	OECD	9753	1%
Ireland	OECD	9206	0%
Greece	OECD	8615	0%
India	non-OECD	7791	0%
Norway	OECD	7679	0%
Poland	OECD	7401	0%
Finland	OECD	6760	0%
Korea	OECD	4956	0%
Chile	non-OECD	4883	0%
Jordan	non-OECD	4363	0%
Thailand	non-OECD	4092	0%
Argentina	non-OECD	3343	0%
Philippines	non-OECD	2609	0%
Tunisia	non-OECD	2487	0%
Mexico	OECD	1892	0%
Slovak Republic	OECD	1643	0%
Iceland	OECD	472	0%
Indonesia	non-OECD	377	0%
Total OECD destinations		1781090	94%
Total non-OECD destinations		117160	6%
Total destinations		1898250	100%

The total number of foreign students at UWI is approximately the same as that of Indonesia for the same period and is an indication that UWI has some capacity to compete in this market. CARICOM governments could nurture UWI's underdeveloped capability to attract foreign students by not making commitments in the GATS schedules until UWI, or any national tertiary education institution, is sufficiently prepared for open market competition.

The table above also shows that the other leading destinations for foreign students include the UK, Germany, Australia and France. In contrast to the US, these countries have made no requests to CARICOM countries to liberalize their tertiary education sectors. It is noteworthy that these same countries have not offered to liberalize their tertiary education sectors as requested by the US. CARICOM countries should follow this example since CARICOM has not completely studied the implications of a fully liberalized tertiary education sector and the GATS is only now being discussed among the tertiary education associations like ACHEA and ACTI.

Even before the existence of GATS, CARICOM States have been allowing foreign tertiary education providers to operate within their borders and each instance was negotiated on a case by case basis within the context of short and long-term benefits to the specific member state. The current arrangements have worked well for CARICOM States and it is difficult to see any additional benefit of making commitments in the GATS when GATS commitments, which are impossible to reverse, have the potential to undermine governments' autonomy to unfairly regulate the sector.

9. An Assessment of the Current TLEs Operating and Programs being offered in CARICOM Member States

The regional TLE environment is characterised by disconnects, disjuncture and teething problems. Countries are at various stages of development in terms of legislation, policy and procedure to govern access to their respective TLE markets but generally the regulatory regime is in its infancy. Access is largely unrestricted and continues to be enforced in an ad hoc manner which presents both problems and opportunities. Various arguments have been made for the regulatory process to begin at either the national or regional levels but the majority of the current initiatives are carried out at the national level.

While these circumstances may not ensure the competitiveness of the region in international TLE, it also presents the opportunity to move through the development process rapidly using existing international legislation and proven best practices. The opportunity for greater regional cohesion through the creation of common policy and procedure is also evident.

As far as the foreign commercial presence is concerned, CARICOM countries including those that are yet to make commitments under the GATS, seem to have adopted the following views:

- (1) The current TLI network has a supply capacity which cannot cater to their expected growth in demand;
- (2) Foreign providers can provide the relevant skills and training;
- (3) Foreign providers will enhance the quality and prestigious character of the TLE sector;
- (4) If these foreign firms come into the CARICOM, they may help to stem a consumption abroad outflow; and
- (5) Foreign providers will force UWI to improve its cost effectiveness.

In this regard, many member states have welcomed twinning and foreign partnerships. Many community colleges and other TLIs now offer Associate degrees, Bachelor's and Master of Science degrees in conjunction with foreign TLIs. These joint venture arrangements have widened the opportunities available to CARICOM nationals desiring TLE and may have also helped to improve the capacity of regional TLIs (Beckles 2004). Across the CARICOM region, there are more than 100 such partnerships, as indicated in Tables 23 and 24 below:

Table 23: Twinning and Foreign Alliance relationships in the CARICOM

Country	Ext./twin	External Distance Education	Private	Off-shore	Virtual
Antigua					1
Bahamas	4	1	3		1
Barbados	3		4		
Belize	19			5	
Dominica		1		1	
Grenada				1	
Jamaica	8	1	22		
St Kitts			1	5	
St Lucia		1	1	1	
St Vincent		2			
Trinidad	3	10	21	1	
Source: Brandon (2003).					

Table 24 below provides details of partnerships between foreign and local TLIs. The foreign partners provide a range of academic programs from business to medicine, as well as a range of qualifications from Associate degrees, Doctor of Medicine, BSc degrees, MSc degrees and MBA's. The mode of delivery although principally face-to-face, also includes, distance, online and correspondence. Some of these foreign providers have a local presence while others use other means including a financing relationship with local TLIs.

Table 24: Foreign Education Suppliers in the CARICOM

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
Antigua and Barbuda	University of Health Sciences Antigua	<p>Medical</p> <ul style="list-style-type: none"> <input type="checkbox"/> Doctor of Medicine <input type="checkbox"/> Post Graduate Diploma in Tropical Medicine and Hygiene Liberal Arts <input type="checkbox"/> Associate of Arts degree Sciences <input type="checkbox"/> Associate of Science degree 	Online	Commercial presence and foreign ownership catering mainly to foreign students
The Bahamas	College of Saint Benedict/Saint John's University (CSB/SJU), in Minnesota USA	<p>Liberal Arts</p> <ul style="list-style-type: none"> <input type="checkbox"/> Bachelor of Arts Science <input type="checkbox"/> Bachelor of Science 	Face-to-face	Commercial presence as Benedictine University College
	University of Miami (Florida, USA)	Master's degree in Special Education	Face-to-face	The College of the Bahamas
	Kent State University (Ohio, USA)	Executive MBA	Face-to-face	The College of the Bahamas
	Florida Agricultural and Mechanical University (FAMU Florida, USA)	Masters degree in Counselling	Face-to-face	Atlantic College and Theological Seminary
	Institute for Financial Management (IFM)	Bachelors degrees	Face-to-face	Jamaica Institute of Bankers
	The University of St Thomas	<p>MBA for Financial Specialists</p> <p>Graduate programmes in Education</p>	<p>Distance</p> <p>Online</p>	No commercial presence
	University of London External Programme	LLB	Face-to-face	<p>Success Training College</p> <p>Institute of Business and Commerce</p>

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
Barbados	Carnegie Mellon University (USA)	Software Development Systems Program	Face-to-face	Licensed by Barbados Community College
	Durham Business School, University of Durham	MBA	Face-to-face Distance	Ernst & Young Caribbean
	Surrey European Management School (SEMS), University of Surrey	MBA	Face-to-face	Barbados Institute of Management and Productivity (BIMAP)
		MSc in Human Resource Management	Face-to-face	
		MSc in Financial Services Management	Face-to-face	
	Institute of Chartered Secretaries and Administrators (UK).	MSc in International Business Management	Face-to-face	Barbados Institute of Management and Productivity (BIMAP)
		University of Wisconsin	Chartered Secretary	Face-to-face
	Resource Development International (RDI):		Chartered Administrator	Face-to-face
<input type="checkbox"/> Liverpool John Moores University		Occupational Health Safety programme	Face-to-face	
<input type="checkbox"/> University of Sunderland		UK business qualifications, ranging from access programmes at certificate and diploma level up to MBAs	Face-to-face	
	<input type="checkbox"/> University of Leicester			
	Association of Chartered Certified Accountants	ACCA Certification	Face-to-face	Capitol Business Solutions Prestige Accounting bookshop and Accountancy College

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
				Caribbean School of Business & Management
	University of Cambridge	Cambridge Management Awards	Face-to-face	Prestige Accounting bookshop and Accountancy College
	Oxford Brookes University	B.Sc. Accounting	Face-to-face	
	Holborn College in London in partnership with University of Wolverhampton	Law degrees	Distance	No commercial presence.
Belize	Central America Health Sciences University (CAHSU) - (http://www.cahsu.edu/)	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Grace University School of Medicine (previously in Nevis) - (http://www.grace-usom.org/)	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Medical University of the Americas (MUA, also in Nevis) - (http://www.muabelize.com/)	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	St Luke's University School of Medicine - (http://www.stluke.edu.bz/)	Medicine	Face-to-face	Commercial presence and local ownership catering mainly to foreign students
	Galen University - http://www.galen.edu.bz/	Business and Medical programmes	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Georgia College and State University	Master of Arts in Teaching	Face-to-face	Association of Tertiary Level Institutions of Belize
	University of Bristol	Primary Education programmes	Face-to-face	The Belize Primary Education Development Project and Belize Teachers' Training College
	Consortium for Belize Educational Co-operation (COBEC): <input type="checkbox"/> Colorado State University <input type="checkbox"/> East Carolina University <input type="checkbox"/> Fort Valley State University <input type="checkbox"/> Georgia College and State University <input type="checkbox"/> Hillsborough Community College		Distance Education materials	Consortium for Belize Educational Co-operation (COBEC): <input type="checkbox"/> Association of Tertiary Level Institutions in Belize <input type="checkbox"/> Corozal Junior College <input type="checkbox"/> Muffles Junior College <input type="checkbox"/> Sacred Heart Junior College <input type="checkbox"/> San Pedro Junior College

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
	<input type="checkbox"/> Kennesaw State University <input type="checkbox"/> Metropolitan Community College			<input type="checkbox"/> School for International Training <input type="checkbox"/> St. John's College Junior College
	<input type="checkbox"/> Murray State University <input type="checkbox"/> New Mexico State University <input type="checkbox"/> Oklahoma State University <input type="checkbox"/> State University of New York, Cortland <input type="checkbox"/> University of Hawaii at Hilo <input type="checkbox"/> University of North Florida <input type="checkbox"/> University of South Florida <input type="checkbox"/> University of Vermont <input type="checkbox"/> Valdosta State University <input type="checkbox"/> Viterbo University <input type="checkbox"/> Western Kentucky University			<input type="checkbox"/> Stann Creek Ecumenical Junior College <input type="checkbox"/> University of Belize
Dominica	Ross University School of Medicine (http://www.rossmed.edu)	Medicine Veterinary Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Commonwealth of Learning Canadian Caribbean Distance Education Scholarship Programme, CCDESP Memorial University of Newfoundland	Teacher education degree	Distance	
Grenada	St George's University (http://www.sgu.edu/)	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	with partnerships with <input type="checkbox"/> Cambridge Tutors College, Croydon (UK) <input type="checkbox"/> The University of East London <input type="checkbox"/> The University of Northumbria <input type="checkbox"/> The University of Nottingham	Veterinary Medicine Arts & Sciences		

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence	
	<input type="checkbox"/> Bermuda College <input type="checkbox"/> New Jersey Institute of Technology <input type="checkbox"/> Barry University	Business Graduate Studies			
Guyana	American International School of Medicine (AISOM), Guyana (http://www.aism.edu/)	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students	
Haiti					
Jamaica	Eastern Connecticut State University (USA)	Bachelor of Arts in Sociology and Applied Social Relations	Face-to-face	Commercial presence and foreign ownership catering mainly to local students	
	Florida International University (USA)	MBA	Face-to-face	Institute of Management Sciences	
	Manchester Business School (UK)	MBA	Face-to-face	Jamaica Institute of Bankers	
	Mount Saint Vincent University (Canada)	Master in Education	distance learning offerings combine teleconferencing, the Internet, print materials, television broadcasts and on-site visits by MSVU professors		Jamaican Council for Adult Education (JACAE)
		Master of Arts in Education			St. Joseph's Teachers' College College of Agriculture, Science and Education (CASE)
Nova Southeastern University, Fort Lauderdale, Florida, USA	Master of Business Administration (MBA)		Face-to-face	Commercial presence and foreign ownership catering mainly to local students	
	BSc in Professional Management		Distance including online		

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
		Master of Science in Human Resource Management (MSc/HRM)		
		M.Sc. in Instructional Technology and Distance Education Ed.D. in Instructional Technology and Distance Education		
	Temple University (USA)	B.Sc. in Education	Face-to-face	Church Teachers College
	University of New Orleans (USA)	Executive MBA	Face-to-face	Commercial presence and foreign ownership catering mainly to local students
	University of South Florida (USA)	Masters in Early Childhood Education	Face-to-face	Shortwood Teacher's College
	University of London External Programme	Bachelor of Law LLB	Face-to-face	University College of the Caribbean Institute of Law and Economics
Montserrat				
Saint Lucia	Spartan Health Sciences University School of Medicine (http://spartanmed.org/)	Doctor of Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
St. Kitts and Nevis	International University of Health Sciences (IUHS) (http://www.iuhs.edu/html/home.html)	Medicine	Face-to-face, distance including online	Commercial presence and foreign ownership catering mainly to foreign students
	Ross University School of Veterinary Medicine (http://www.rossvet.edu/)	Veterinary Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
	Windsor University School of Medicine - (http://www.windsor.edu/)	Medicine Business Management	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Nevis:	Medicine	Face-to-face	Commercial presence and foreign ownership catering mainly to foreign students
	Medical University of Americas (MUA) - (http://www.mua.edu/)	Health Sciences Nursing		
	Berne University International Graduate School - http://www.berne.edu/	Graduate studies in Business, Social Services, and Education	Online and summer residency	Clarence Fitzroy Bryant College
	Association of Chartered Certified Accountants	ACCA certification	Face-to-face	Caribbean Consulting Group
St. Vincent and the Grenadines	St George's University (http://www.sgu.edu/)	Medicine	Face-to-face	Branch campus Kingstown Medical College
Suriname				
Trinidad and Tobago	Andrews University (AU), Berrien Springs, Michigan, USA http://www.andrews.edu/	Bachelor in Science Bachelor of Theology MBA	Face-to-face	Caribbean Union College http://www.cuc.edu.tt/index2.html
	Southern Alberta Institute of Technology (Canada)	Technical Vocational programmes	Face-to-face	Trinidad and Tobago Institute of Technology
	Northern Alberta Institute of Technology (Canada)	Technical Vocational programmes	Face-to-face	Trinidad and Tobago Institute of Technology
	University of New Brunswick (Canada) http://www.unb.ca/	Bachelor in Business Administration Bachelor in Education	Face-to-face Online / Face-to-face	Roytec http://www.roytec.com/ Roytec http://www.roytec.com/
	Monroe College (USA)	BBA in Information	Face-to-face	Roytec

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
	http://www.monroecoll.edu/	Systems		Articulated into Associate in Science Degree in Information Systems Management
	American Management Association	Certificate in Management	Face-to-face	Roytec
	Canadian Association of Insurance and Financial Advisors	Certified Financial Planner	Face-to-face	Roytec
		Chartered Financial Consultant	Face-to-face	
	University of London External Programme	Bachelor of Law LLB	Face-to-face	Academy of Law www.community.wow.net/acol Institute of Law and Academic Studies Institute of Tertiary Tutors K. Beckles and Associates Law Tutors School of Accounting and Management www.samtt.com
	Heriot-Watt University, Scotland	MBA	Online	School of Business and Computer Science (SBCS)
	University of London External Programme	B.Sc. Computer Information Systems	Face-to-face	SBCS
	University of Sunderland	Undergraduate and Postgraduate programmes	Face-to-face	SBCS
	University of Greenwich	Undergraduate and Postgraduate programmes	Face-to-face	SBCS
	University of Leicester	Undergraduate and Postgraduate programmes	Face-to-face	SBCS
	NCC Education UK- The University of Portsmouth	Masters degree in Strategic Business IT	Face-to-face Online	School of Accounting and Management www.samtt.com

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
	NCC Education UK- London Guildhall University	B.Sc. in Computing and Information Systems	Face-to-face Online	School of Accounting and Management www.samtt.com
	Henley Management College (UK)	MBA	Face-to-face Online	School of Accounting and Management www.samtt.com
	Anglia Polytechnic University	BA in Marketing Management	Face-to-face	School of Accounting and Management www.samtt.com
	The University of Sheffield	Masters in Education	Face-to-face	Caribbean Institute for Research and Professional Education Limited (CIRPEL),
		Doctor of Education	Face-to-face	c/o DRETCHI
	London Chamber of Industry and Commerce	Marketing Group Diploma (1 Year)	Face-to-face	Institute of Training and Development Limited - (http://www.intadltd.com/)
		Marketing / Advertising / Public Relations		
		Option 2: Business Management Group Diploma (1 Year)		
		Principles & Practice of Management / Business & Industrial Management / Business information Systems		
		Professional Secretarial & Administration Programme (6 month Study Programme)		

CARICOM Member	Foreign Tertiary Education Service Provider	Programmes and qualifications	Delivery	Local presence
	Association of Business Executives (UK)	ABE qualifications	Face-to-face	Institute of Training and Development Limited - http://www.intadltd.com
	Chartered Institute of Marketing (UK)	CIM qualifications	Face-to-face	Institute of Training and Development Limited - http://www.intadltd.com
	Association of Chartered Certified Accountants (UK)	ACCA qualifications	Face-to-face	Institute of Training and Development Limited - http://www.intadltd.com Omardeen School of Accounting Professional School of Accountancy Ltd SBCS
	Thomson Education Direct www.edudirect-intl.com	Associate Degree Technical Vocational qualifications	Correspondence	Students Accountancy Centre Education Direct 89 Edward Street Port of Spain 625-3149
All of CARICOM	University of Phoenix http://online.phoenix.edu/	Business Education Bachelors Masters Doctorate	Online	No commercial presence

Source: Brandon (2003)

Foreign students on formal exchange programs between UWI and other universities⁶¹

The following is a list of the universities with which the UWI has developed or is currently developing formal and informal links facilitating student exchanges (unless otherwise stated, agreement applies to all 3 UWI campuses). Please note that titles in **BLUE** contain hyperlinks to the institution's Webpage.

JAPAN

[Aoyama Gakuin University](#)

The Mona Institute of Business, UWI, and the Graduate School of International Politics, Economics and Business, Aoyama Gakuin University, have signed an agreement aimed at promoting the development of cooperation between the two institutions.

SURINAME

Antom De Kom University

In 1996 the UWI and Antom De Kom University signed an 'umbrella' agreement. Student Exchange may be possible but please check with the Assistant Registrar, Student Affairs.

CANADA

Nipissing University

Discussions are progressing on the development of a link, involving student exchanges, between the UWI and Nipissing University, based in Ontario Canada.

York University - Toronto, Ontario

York has one of the few Centres for Caribbean Studies in the world (CERLAC, the Center for Research on Latin America and the Caribbean).

University of Toronto (Toronto)

The University of Toronto and UWI have a longstanding relationship of collaboration and faculty association. A student exchange programme started in 1995, which aims at involving about 25 students from across the 3 campuses.

UNITED KINGDOM

University of North London

Under this exchange agreement special consideration will be given to students whose programmes include Caribbean Studies and the Humanities. The initial target will be for each university to send to the other three students during each academic year.

The University of Warwick

Warwick has shared contacts with the UWI from at least 1982. A collaborative Academic Agreement and a Study Abroad Agreement between Warwick and UWI was signed in August 1994.

UNITED STATES OF AMERICA

Brown University (Providence, RI)

The Cave Hill Campus has an ongoing programme of student exchange with Brown University.

Central Connecticut State University

In July 1996 the UWI signed a cooperative agreement embracing programmes of education and research, and exchange among their faculty and students.

City University of New York (CUNY), [Medgar Evers College]

The hyperlink above allows access to the entire CUNY network.

Colgate University

A study abroad agreement focusing on the faculties of Humanities and Education, and Social Sciences at the St. Augustine Campus, was signed in 1996 between the UWI and the Colgate University.

Florida International University (FIU, Miami)

In November 1993 a collaborative agreement was signed with FIU to foster joint research and student exchange.

Florida State University (Tallahassee)

Various areas for academic collaboration have been explored, and UWI and FSU also have a vibrant collaborative programme in the area of student services/development which facilitates ongoing training for Student representatives, Guild officials and Directors of Student Services from the three UWI Campuses.

St. John's University (New York)

UWI has an agreement with this University which facilitates student exchanges at both the undergraduate and postgraduate levels.

Tulane University (New Orleans), a link between the Chemistry Department at Mona and Tulane University has been formalized through the cooperative agreement and expended to cover other academic areas and campuses, in both science and the arts, of mutual interest.

University of California (all campuses)

A very significant feature of this student exchange agreement is that for every five University of California students received by UWI, the University of California will

provide one full maintenance scholarship for a UWI student to study at the University of California.

University of Florida (Gainesville)

In 1992 the University of Florida and UWI signed a cooperative agreement which facilitates student exchanges at both the undergraduate and postgraduate levels.

University of Georgia (Athens, GA)

A cooperative agreement covering student exchanges, study abroad, collaborative research programs, seminars and workshops, among other things, was signed between UWI and this institution in 1996.

University of North Carolina (at Wilmington)

The UWI (Cave Hill) and this university have established an exchange agreement.

University of Wisconsin-Madison

The School of Agriculture, St. Augustine has an agreement for student exchanges with this institution.

10. Current Regulatory Environment for TLEs operating in CARICOM

Given that issues of accreditation, equivalence and articulation (AEA), must be addressed urgently, CARICOM commissioned a study designed to provide a regional mechanism/framework for AEA, as well as to guide national governments.

It was recognized that member countries were at different levels in the development of AEA and that a regional mechanism would provide practical guidelines for facilitating program development, quality assurance, and the enhancement of opportunity and student mobility. The objective was to create greater consistency and professional standards and attainment. While the regional mechanism has not been fully adopted, it has helped some governments to implement their own national mechanisms.

The following countries have embraced the recommendations of the CARICOM study and have instituted individual national mechanisms.

Belize

In 2003, the government of Belize established an Accreditation Committee to evaluate applicants from foreign entities for the establishment of onshore medical schools. It also established well-defined boundaries and guidelines for medical schools operating to ensure that they did not provide substandard medical programmes. Any applicant wishing to open a medical school in Belize must submit a business plan, a performance deposit, campus development plan, complete core curriculum, and a clinical rotation plan, with timelines for compliance and penalties for non-compliance.⁶²

Guyana

The National Accreditation Bill provides for the establishment of the National Accreditation Council which will be vested with the power to grant recognition to awards (degree, diploma, certificate, other evidence of competence) in Guyana and elsewhere, and to determine the equivalence of all awards for the purpose of establishing acceptable standards within the Caribbean region.

Jamaica

The University Council of Jamaica (UCJ) was established in 1987 to increase access to TLE by accrediting programs and courses that are relevant and acceptable. The Council

also has the authority to award degrees, diplomas and certificates to those who have completed programmes that it recognises.⁶³

The UCJ is concerned principally with safeguarding the public interest through sound standards and encouraging continuous improvement in the management of the quality of tertiary education.⁶⁴

All tertiary institutions wishing to operate in Jamaica must register with the UCJ. The registration process is designed to ensure that they meet basic standards. When a TLI registers it can then request accreditation for some or all of its programmes.

The foreign Programs that have been accredited by the UCJ as at June 2004 include the following:

- The Master of Business Administration from Florida International University, USA
- The Master of Business Administration from Manchester Business School, UK
- The Master in Education and Master of Arts in Education from Mount Saint Vincent University, Canada
- From Nova Southeastern University, USA
 - The Master of Business Administration
 - B.Sc. in Professional Management
 - Master of Science in Human Resource Management
 - M.Sc. in Instructional Technology and Distance Education
 - Ed.D. in Instructional Technology and Distance Education
- Bachelor of Science in Education from Temple University, USA
- Master of Business Administration from University of New Orleans, USA
- Master of Early Childhood Education from University of South Florida, USA
- Bachelor of Arts in Sociology and Applied Social Relations from Eastern Connecticut State University, USA

Trinidad and Tobago

The National Accreditation Council of Trinidad and Tobago (ACTT) ensure that all locally operating TLIs and their programmes meet the national quality standards for tertiary education practiced by accredited institutions of equivalent standing in other parts of the world, thereby signalling that local tertiary education meets international standards. The agency also provides the mechanism for recognizing foreign programmes as equivalent to locally offered programmes to ensure that they meet national standards. The Council replaced the Committee on Recognition of Degrees (CORD) that was established in 1979.

Barbados

The government of Barbados has passed legislation for the establishment of the Barbados Accreditation Council, which will have responsibility for the following:

- The registration of institutions offering post-secondary and tertiary education and programmes of study;
- The accreditation of qualifications offered in Barbados;
- The examination and verification of Certificates of Recognition of Caribbean Community Skills granted to Community nationals by their own country for the purpose of giving effect to Article 46 of the revised Treaty of Chaguaramas; and
- The granting of Certificates of Recognition of Caribbean Community Skills in accordance with the provisions of the Caribbean Community (Movement of Skilled nationals) Act, 2004; and for related purposes.

The Council will also be responsible for registration of local, regional and foreign based institutions that offer educational courses in Barbados as well as for the following:

- Accreditation and re-accreditation programmes of study and institutions operating in Barbados;
- Provide for the validation of new educational courses and programmes of study being offered by institutions operating in Barbados;
- Advise on the recognition of foreign based institutions and their awards;
- Enhance the quality of post-secondary and tertiary education and training in Barbados by (1) conducting research, and providing training for institutions; and (2) disseminating information ascertained from any research conducted; and
- Provide to the public, information on the quality and recognition of programmes of study and institutions, including the annual publication of a list of accredited programmes and institutions in order to protect the interests of the public.

St Kitts

The accreditation process in St Kitts is governed by *The Saint Christopher and Nevis Accreditation of Institutions Act, 1999 (No. 21 of 1999)* and *The Saint Christopher and Nevis Accreditation of Institutions (Amendment) Act, 2001 (No.9 of 2001)*.

An Accreditation Board was established to which all off shore TLIs operating in St Kitts and Nevis are required to apply and register. Institutions operating in St Kitts are required to apply for re-accreditation every five years.

The list of accredited institutions operating in St Kitts as at April 2004 includes the following:

Clarence Fitzroy Bryant College (the National College), Ross University School of Veterinary Medicine, Medical University of the Americas (located in Nevis), International University of Graduate studies (IUGS), Medical International Learning Institute at St. Kitts (MILIK), International University of Health Sciences (IUHS), Windsor University School of Medicine, Berne University International Graduate School.

Suriname⁶⁵

The Ministry of Education and Community Development has established a National Commission to set up an Accreditation Council for Higher Education. The members of the National Commission have visited Trinidad, Barbados, St. Lucia and Jamaica to study their accreditation systems. Based on this information, the Suriname National Commission will finalize its job and suggest draft legislation with regard to higher education quality assurance and accreditation systems. Standards will be similar to those in the rest of the region.

Table 25: Accreditation bodies in CARICOM Member States

Country	Accrediting Body	Responsibility
Belize		
Jamaica	University Council of Jamaica	To increase the availability of University level training in Jamaica, through accreditation of institutions, courses and programmes for recognition and acceptability
T&T	The Accreditation Council of Trinidad and Tobago (ACTT)	(ACTT) will be the national agency responsible for ensuring that all locally operating tertiary education institutions and their programs, meet the national quality standards for tertiary education practiced by accredited institutions of equivalent standing in other parts of the world
Barbados	Barbados Accreditation Council	To register all tertiary level institutions and accredit its programmes .It is also to advise on the recognition of foreign institutions and their awards.
St. Kitts	Accreditation Board	To register and accredit all tertiary institutions and their programmes
Guyana	National Accreditation Council	To grant recognition to awards (degree, diploma, certificate and other evidence of competence) in Guyana and elsewhere, and to determine the equivalence of all awards for the purpose of establishing acceptable standards.

Source: compiled from notes in the text.

The usefulness of accreditation programs in regulating and ensuring standards in the provision of TLE in the region

There can be no question that the Caribbean lags in establishing a coherent and orderly education sector. This has led commentators to describe the Tertiary sector in the region as fragmented and disjointed. The value of a regional accreditation system is that it can do the following:

- Rationalize the tertiary sector in the region;
- Integrate the tertiary sector into a seamless system;
- Establish clear standards of performance while providing a framework for development;
- Function as a gatekeeper to incoming educational providers; and
- Provide the basis for seamless movement of graduates into other regional and national jurisdictions.

However, a regional accreditation system is only now being established. In the context of intentions at CSME level to facilitate free movement of skills and the potential for this in the FTAA, a regional approach is the preferred way to proceed. However, it may be argued that national accreditation systems will bring rationality and establish standards as well as coherence in national jurisdictions, which would facilitate integration at the regional level.

In the case of the medical-related professions, changes in Europe have forced the creation of a Regional Accreditation body to ensure that regional graduates in these professions have access to global opportunities.

Accreditation systems therefore are vital in ensuring standards in TLIs. A regional accreditation system would go a long way in establishing regional standards, which are in harmony with standards in other parts of the world. It would also protect CARICOM from foreign institutions with dubious reputations and facilitate easy articulation and movement within the region and across the world.

The problem at this stage is linked to the notion that CARICOM governments can be lethargic in their implementation of important policies. However, given the significance of this particular intervention, a sense of urgency must prevail.

11. Recommendations for Policy Measures and Negotiating Positions with respect to CARICOM Member States' ability to Trade in Education Services

The findings and conclusions of the previous chapters are summarized below and form the basis of the recommendations.

- There is ambiguity in the GATS which impacts government autonomy and there are key issues such as domestic regulation, government procurement and subsidies which have not been finalized.
- Under the GATS, Jamaica has made liberal commitments for market access to its tertiary education sector, two other CARICOM countries have given restricted commitments and the rest have given none. A large majority of developing countries in the WTO have not made commitments to liberalize this sector. The issue that arises immediately is the extent to which countries are bound to commitments already made when so few countries have made commitments that the game is bound to change.
- There is a significant amount of cross border education activity in the Caribbean with a wide range of public-private arrangements targeting local and foreign students. The level of this activity is increasing. Notwithstanding this, it is fair to say that clear national policies do not exist and a clear regional policy certainly does not exist.
- Most CARICOM public tertiary education institutions are focused on satisfying local rather than foreign demand. The regional UWI is the only indigenous institution in CARICOM actively engaging in cross border activity by providing tertiary education to all the member states. Private training providers have been involved in cross border training both within CARICOM and outside of CARICOM.
- The level of development of the tertiary education sector varies by CARICOM member state and each state has different and unique needs depending on the state of development of their economy. The one constant is that national and regional providers are not meeting the demand for tertiary education.
- The regional and national regulatory, accreditation and quality assurance frameworks for the sector are now being implemented but are far less evolved than in the developed countries.
- There is an international labour shortage of doctors, nurses, primary and secondary school teachers and university lecturers. There is a demand for professional certification and training in IT, accounting, etc. Expansion of the tertiary education sector will also increase the demand for tertiary level teachers as well as administrative staff.

Rationale for exporting education services

While the region has exhibited the potential and ability of exporting education services and training by the example of the off-shore medical schools, there has not been any promotion and incentives for this activity in the export and trade promotion bodies in CARICOM. It can be argued that the case of the off-shore medical schools does not represent the indigenous capacity of CARICOM countries to produce this service and that this activity can be categorized more of foreign direct investment which imports teachers to produce education and training services for export. However, there is a small but growing level of activity among indigenous training providers in targeting markets outside of the national geographic boundaries. One example is TrainX⁶⁶ which specializes in IT and Project Management professional certification and training and which has offices in Trinidad, Barbados and Miami. This company has established a niche in a very competitive industry in the USA without representation by the TIDCO or Chambers of Commerce. This type of export is one area in which the economies of CARICOM could diversify from its traditional tourism and primary agricultural commodity base.

Policy measures that should be put in place to enhance the capacity of the region to export tertiary education services

There are a number of issues in terms of the export of education services.

1. Domestic capacity and the extent of student participation.

This requires a comprehensive assessment of existing capacity in the domestic market. More specifically, if the existing stock of public and private TLIs in CARICOM member states is not fully deployed, then there is flexibility and opportunity to attract overseas students.

In order to be able to export tertiary education sector services, the following complementary factors will have to be simultaneously implemented:

- I. Upgrading existing ICT facilities to be able to enhance cross border delivery programs. In this regard, governments of relevant member states will need to negotiate more stringently with Cable and Wireless for cost reduction in telecom. Internet services will also have to be enhanced to improve competitiveness and to be able to offer better facilities for teaching and research.
- II. An aggressive marketing strategy; and
- III. Appropriate production units with emphasis on niche areas.

The export of TLE services to foreign economies can adopt one of several permutations.

- I. CARICOM production of CARICOM TLE graduates for foreign markets;
- II. CARICOM production of foreign TLE graduates for foreign markets;
- III. CARICOM joint venture production of CARICOM and/or foreign TLE graduates for foreign markets; or
- IV. MNC onshore production of CARICOM and/or non-CARICOM graduates for foreign markets.

Table 26: Export Production Options in Education

Student focus for 'export'	Production arrangement		
	CARICOM unit	CARICOM unit in Joint Venture with MNC	MNC
CARICOM	C1	C2	C3
Foreign	F1	F2	F3
CARICOM/Foreign	CF1	CF2	CF3
C: CARICOM, F: Foreign, CF: Joint venture production between a CARICOM economy and a foreign partner			

As Table 26 above illustrates, there are nine permutations for which a production arrangement on tertiary level graduates can be produced. This study recommends CF2 as the appropriate strategy.

This permutation is recommended for the following reasons. In the first instance, to establish a TLI, especially those catering to a face-to-face mode of delivery, is an expensive undertaking. The economies of the CARICOM sphere are characterised by low real GDP growth rates (negative in some cases), high levels of current account and fiscal deficits and highly concentrated export portfolios dependent on extra regional margins of preference. In this context, foreign partnering (much along the lines suggested by Lewis) will:

- (a) Provide scarce resources,
- (b) Provide high levels of relevant technology,
- (c) Provide entrepreneurial leadership,
- (d) Provide marketing outlets.

The marketing outlet is a very significant aspect of a strategy of this nature. In particular, the "foreign partner" will presumably be more aware of the relevant channels etc. through which graduates could penetrate the foreign market. With a joint venturing arrangement the government will have some influence on the curricula, and can help ensure that it has some indigenous relevance. This strategy is recommended over a pure Industrialisation by Invitation strategy as the latter will more likely involve a mainly internationalised curricula alienated in some regards from domestic requirements.

The experience of the branch plant production firms operating in some CARICOM member states has been phenomenal, with some of the offshore medical schools located in the region catering to as many as 2500 students per semester.

There is need to distinguish between two types of export markets. The first is the market now served by offshore schools. The second is the training of nationals in the CARICOM region for jobs in more highly industrialised economies. In the first instance, these students can generally be attracted to high demand areas where limited exists in their own country. Medicine, Veterinary Medicine, Dentistry, Business-related Studies, and IT-related programmes come readily to mind. But a second group within this category can also be targeted by designing curricula which draw on particular competitive advantages in particular niches. Tourism Management and Event Management, the Internationalization of Small and Medium-sized Enterprises; Sustainable Development, Tropical Biodiversity, Tropical Medicine, Small Island Developing Country Issues – all of these recommend themselves.

In the other category, nurses, pharmacists, accountants, IT specialists, doctors, veterinarians, police officers, teachers are all in short supply. The Caribbean can specialize in training its own nationals as well as others for export to industrialized countries.

2. Teacher supply

One of the key issues that a country considering an expansion of its exporting of education potential must consider is that of the recruitment, training and retaining of a sufficient stock of qualified teachers. In designing an export education program, it must be clear that the teaching requirements of foreign and domestic students may differ substantially. In CARICOM countries, tuition is in English and if the region is to adequately and properly attract foreign students, English teachers for speakers of other languages may have to be sourced and deployed.

Other niches based on the existing activity and demand in the sector include:

- Medical and health care training for doctors, nurses and veterinary professionals geared for the North America and EU market
- Training for primary and secondary school teachers for the America and EU market
- Training for IT professionals

Based on the uniqueness of the Caribbean culture, politics, economy, history, climate, geography, sports and ecosystems there are potential niche areas in education and training services which can be expanded in the following areas:

- Tourism and hotel management
- Marine studies
- Ecotourism

- Studies in small island developing states (SIDS)
- Environmental studies of small islands states
- Natural resources management and forestry sciences
- Tropical agriculture
- Tropical biodiversity
- Tropical medicine
- Studies in regional trading blocks and regional monetary unions
- Sports of track and field and cricket
- Caribbean music, arts, literature and history

In developing the education sector for export, care must be taken to implement policies to minimize an unintended consequence of a two-tiered education and training sector where only the wealthy can access the “higher quality” private for-profit providers who are geared toward export and where the rest access “lower quality” public providers.

Institutional policies will have to change if CARICOM TLIs are to successfully target foreign students.

Both institutions and staff should, if possible, attempt to do the following:

- Become acquainted with the learning needs and the objectives of international students in relation to employment, educational, cultural and home issues.
- Gain access to and use literature pertinent to the curriculum.
- Ensure that the curriculum encompasses an international aspect by identifying and adapting resources to meet the international needs of the curriculum.
- Execute plans, policies and strategies that will sustain and assist in the continuous development of international education.
- Adopt different learning and teaching strategies that will assist international students enhance their English language capabilities. This can be done via group and peer communications.
- Acquire information and feedback as to the significance and success of the programmes from domestic and international students.
- E-learning: Given expanding ICT capabilities, institutional and sector planning within CARICOM will demand enhanced E-learning capacity. E-learning is growing in popularity as it provides a flexible avenue for learning. As a consequence of factors such as geographical distance from mainstream onsite learning outlets, financial and work constraints, as well as a general insufficiency of institutional accommodation, many students are now opting for e-learning as a way to fulfil their goal of receiving TLE.

The following components must also be incorporated in order for e-learning to be successful:

1. Sufficient learner support;
2. Sufficient faculty/facilitator support;
3. Consistent as well as available technology;
4. Adequate content and programs;
5. The learning environment must foster interaction;
6. Suitable resources for both learners and teaching staff;
7. Suitable mechanisms for evaluation;
8. Availability of IT skills which are able to support the network.

3. Quality assurance arrangements

It is essential that the product of the higher education export strategy be of high quality. The following is a list of prerequisites required to establish a successful and sustainable industry:

- Research and development must be continuous;
- Professional and institutional development strategies should be organized as well as accommodating;
- Mechanisms should be put in place so that information resources will be circulated within the sector and to also accommodate dialogue regarding international education issues;
- There must be a framework for quality standards and its continuous improvement;
- The existence of a bilateral and multilateral agreements framework which will sustain qualifications recognition, quality assurance as well as the mobility of both students and teachers; and
- Strategies and mechanisms which will enable offshore knowledge and information with regards to our education, qualifications and quality assurance systems to increase.

4. Regulation

The governments of the region will also need to strengthen the regulatory environment at the regional level and will include policy measures to:

- Strengthen and maintain education standards,
- Promote accreditation, equivalence and transferability of credits obtained from regional TLIs to extra regional economies,
- Ensure that there are provisions in the national intellectual property law to protect the content of courses and materials of local producers
- Strengthen regional cooperation in TLE amongst all TLI stakeholders
- Ensure that the appropriate legal framework for foreign TLIs to operate exist e.g. the right to grant certificates etc.

- Evaluate courses and certification of virtual universities for accreditation so that locals who study through this means are not disadvantaged.

Social and Human Capital: The governments of the CARICOM sphere will need to work towards implementing the appropriate combination of macroeconomic policies which will facilitate the retention of its staff by improving their salaries. In some of the CARICOM member states, e.g. Jamaica, Guyana and T&T, more affirmative action against crime will become necessary.

5. Support links for TLE export strategy

There are a number of support links which may be required to encourage the development of a successful export educational strategy. These include pastoral care and support and accommodation. Pastoral care and support programs for international students are a critical component of any international students program. This will involve the need for better programs and policies to improve the standards of the entire tertiary level sector. There will also be a need to provide a suitable level of housing for these foreign students.

Another support program will be the need for tracer studies on the achievements of past foreign students from UWI and a continual assessment of the TLIs by foreign students and independent academic bodies. An important support linkage is the need to implement quality assurance programs. In general, because foreign students are not funded by domestic tax payers, the central government of most countries are not attentive to their needs. A successful export strategy will need to change this stance.

6. Visa and other requirements

An important issue that needs special examination is that of visa and other requirements. Students, Faculty and Researchers should be granted special access to visas and granted ease of passage with travel related to academic endeavours.

7. Costing and pricing

In order for UWI and other TLIs in the region to be cost competitive, the pricing of UWI degree programs has to be more competitive.

A survey on Tuition Fees for International Students (ACU, Rustom and Smith 2004) indicated that within the Commonwealth, the UK has the highest tuition fees ranging from US\$12,000 - US\$16,000. Canada offers the cheapest range from \$6,000-\$14,000. Tuition costs in Australia and New Zealand are between those of the UK and Canada,

US\$8,000- US\$12,000. In addition, Graduate programmes in Science in Canada are the least expensive.

Amongst the developing countries, the fees for undergraduates in Mauritius are US\$2,148 and US\$3,938 for postgraduates, Singapore US\$3570 and for medicine/dental programmes US\$10,228. In South Africa undergraduate fees range from \$ US\$1990- US\$6050 and in Botswana US\$2484- US\$3270 and US\$1987 – US\$2515 for postgraduates. In the Caribbean and at UWI, tuition fees are comparable to those in the developing countries. An average taken for the three campuses indicates that fees are Humanities US\$2296, Social Sciences US\$2296, Sciences US\$2296, Engineering US\$2631 and Medicine US\$9584.

Positions that CARICOM countries should take in external negotiations (WTO, FTAA, bilateral) regarding education services.

Member countries of CARICOM that sign on to the GATS arrangement are doing so in their own national interest. The UWI expects that Caribbean governments will not compromise the regional University in making commitments at the GATS and other forums. However, many Caribbean countries have already explicitly or implicitly taken the following position:

- Regional demand cannot be adequately met by the existing TLI network of the region;
- Foreign TLE providers will be more cost effective in addressing their specific skill and knowledge requirements as required by socioeconomic needs;
- Foreign suppliers offer a higher quality of TLE compared to domestic institutions; and
- Since UWI operates with too much cost inefficiency, allowing foreign providers into the domestic market will force the UWI to improve its competitiveness.

From a negotiation perspective, CARICOM will need to consider the following:

- Determination of the extent of state subsidisation and other economic benefits that the GATS will allow and whether Article XVII will strictly mean that CARICOM economies will have to offer these benefits to the private (foreign owned) sector. It should be pointed out that if the CSME comes into being, it would be possible for CARICOM to distinguish between a CARICOM provider (investor) and a foreign provider (investor) and the issue of “national treatment” could be dealt with in that way.

- Given the position that TLE has a public good attribute, the CRNM may want to initiate negotiations to reflect the importance of TLE for cultural perpetuation and problem solving techniques within the region. This will call Article VI into discussion.
- The Caribbean Knowledge and Learning Network (CKLN) must become an integral part of the strategy to advance the competitiveness of Caribbean countries through the development of regional e-learning programmes by facilitating the IT infrastructure. The CKLN is intended to increase access to quality educational opportunities for Caribbean students, wherever they choose to study.

If a regional policy position in favour of off-shore universities is taken, it would not be unreasonable for the CRNM to enter into negotiations with the USA for the right of off-shore universities located in the CARICOM to grant or award certification for courses completed and equivalence in certificates between home country institutions and offshore universities, and for access for government scholarships and financial assistance for US students in Offshore Universities.

There is also an urgent need for the CRNM to negotiate for a greater recognition of regional degrees in extra-regional economies so that the UWI and other regional TLIs can attract more extra regional students.

The CRNM also needs to contest the “Needs Test” practiced by some extra regional economies as these represent barriers to entering foreign markets.

Given some of the constraints of small CARICOM economies mentioned earlier, there is an urgent need for CARICOM to negotiate for transition time on any commitment it undertakes and for technical (and financial) assistance so that capacity building can take place to prepare for competition.

The CARICOM region should not agree to US request for full access to national for Modes 1, 2 and 3 given the many reservations that the US made, and the fall back they have through entry barriers, including meeting state regulations. Moreover, CARICOM argue for the principle of reciprocity and the principle of equality of treatment.

CARICOM member states should pay most attention to modes 1, 3 and 4. Mode 2 will require a vast improvement in CARICOM ICT capability to become internationally competitive. At the same time, mode 2 is one area where a significant amount of foreign penetration is already proceeding.

As far as Mode 1 is concerned, cross border supply, CARICOM governments may want to ensure that they protect their nationals from potentially unscrupulous vendors. In this regard, CARICOM states should implement regulatory and infrastructural frameworks to register and licence all post-secondary institutions operating in their

jurisdiction. An important issue would be the capacity of member states to establish and monitor systems for registering new private international providers. In this regard, CARICOM must fast track the adoption of the Regional Mechanism for Accreditation, Equivalency and Articulation to ensure quality standards on a common ground. Currently this is being monitored by the established individual national entities. It becomes relevant also in the event that collaboration and cooperation is sought in the mode III production arrangement. From a negotiating perspective, the CRNM should seek technical and financial aid for this activity, especially for the less developed CARICOM member states.

In terms of Mode 2, consumption abroad, the CRNM should negotiate for free and fair trade in those areas where students have to be sent overseas for a TLE opportunity not available in the region. This is a market access issue. For key consumption abroad areas, students should not find difficulty in obtaining visas. By extension, the CRNM will need to negotiate for recognition and, if possible, transferability of the credits obtained from CARICOM TLIs.⁶⁷ CARICOM should also ask for more relaxed immigration controls for local students studying abroad.

Liberalization of the TLE in Mode 3 is already taking place in many of the non-campus territories. It may thus be difficult to negotiate a reversal of this trend especially as many CARICOM member states heavily weigh the contribution of these offshore for profit institutions. Perhaps the negotiating stance by the CRNM should include an appropriate amount of local value added and local content that these for profit offshore export production units utilise.

In terms of Mode IV, movement of natural persons, the appropriate negotiating stance should be to request a formal market access procedure through which a CARICOM national can go abroad to research or teach, for example. This is already occurring on an informal basis. This includes the reform of the tax regime in the USA so as to allow for easier payment of visiting professionals (e.g. lecturers) who work on a temporary basis. In a similar mode of reasoning, the CRNM should negotiate for an easing of restrictive national requirements e.g. the length of stay of a foreign teacher. The CRNM may wish to negotiate a managed migration strategy for select groups of natural persons. One of the best examples relates to the nursing profession. If the CRNM can negotiate, for example, for a six year managed migration strategy for nurses, then the acute shortage (and hence ethical concerns) of CARICOM member states may be tempered.

At any rate, one has to be careful that too much emphasis is not placed on the GATS, for in its absence a significant amount of trade in TLE has already transpired.

12. Some Final Observations

1. CARICOM must develop a clear philosophy on Higher Education to bring coherence to its strategy and operations. The extent of funding required to operationalize this philosophy on a sustainable basis must be realistically assessed. The proportion of the investment required which can realistically be funded by government should be determined. This should include rationalization of the existing TLE across the region, strengthening of institutional capacity, strategic use of technology by existing institutions and funding required to support expanded capacity in existing institutions as well as to create new institutions. This will have to take into account developments which are taking place now in different countries across the region as well as the fact that it would be desirable for students from one country to study in another within the framework of the CSME and hemispheric integration. Such an approach should help determine a regional strategy for funding tertiary education expansion as well as capacity on a country-by-country basis. It would also assist in determining the extend of non-governmental funding needed and, consequently, the approach which should be take to private sector funding in the context of WTO rules and issues.
2. The dilemma between a global education market place requiring service delivery and the need for individual countries and regions to develop national capacity through education and training, including national institutional capacity, must be resolved. The marketplace argument cannot be allowed to exist on its own. There are also national obligations and needs which must be conceded to the State so that it can manage its local economy in the context of the global system and so that it can manage the development process on its own terms.
3. The dilemma of education as a public good and education as a private service demanded by the market has to be reconciled. Nothing prevents a public good from being aligned to the market and being relevant. It should be emphasized that education is meant to serve more than just economic means and address more than simply providing skills demanded by the market; education addresses citizenship and civilization issues and, consequently, a purely market driven education strategy has its own limitations.
4. In terms of a capacity building strategy for the region, UWI as a regional institution and other national tertiary level institutions (publicly funded) should seek to build up capacity in e-education content, collaboration and delivery, to support a network of programmes which regional citizens can access at relatively low cost.
5. Publicly supported institutions should not be deemed to be in competition with private players in education. States must be able to determine qualification equivalency issues as well as standards, quality and licensing issues.
6. The Caribbean should settle its internal (regional) business first, creating a Regional Accreditation Council with seamless transfer arrangements from institution to institution before engaging the WTO. It will then be able to deal with other regions

on a region-by-region basis while institutions within the region can deal with external institutions on a one-to-one basis.

7. While the principle that education is a public good is acceptable, the view that this public good may be provided by multiple providers within a clear, transparent, regulatory framework is also valid. The challenge would be to ensure equivalent quality in both private and public systems and prevent the emergence of a multi-tiered higher education sector fueled by income inequality.
8. Nothing should be done to undermine institution-to-institution arrangements across borders as part of academic networks involving students, teachers or researchers with respect to academic mobility. Nothing should interfere with country-to-country arrangements or arrangements in which International agencies support development in other countries through education.
9. Brain-drain issues should not be addressed by GATT. They must be dealt with in the context of State sponsored education and the obligations of the citizen at the national or regional levels. The citizen has an obligation to the State if the State pays for his education. On the other hand, there must be limits to this obligation. If the citizen secures his own education through private sources, he has no obligation. Clearly, these are not matters for the WTO.
10. A major challenge for the region is, if CARICOM Governments cannot fund the extent of expansion of access needed in the tertiary sector, how do they manage private sector participation in tertiary education so that tertiary output is linked to investment and economic diversification strategies to facilitate the absorption of graduates. Countries in the region must also take a hard-nosed look at whether they wish to educate citizens for export and whether this needs to be managed in a particular way.

In conclusion, ideally, CARICOM should carefully consider all the issues involved in tertiary education and trade liberalization and collectively arrive at a common position. They should not engage the WTO process until the items that the region wishes to have on the agenda are addressed. Meanwhile, CARICOM should put its internal house in order as far as a Tertiary Education Strategy and policy are concerned and take a clear, self-interested position to the world, winning allies along the way.

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14. Appendix 1

Table 27: Student enrolment by country of origin (excluding CARICOM) and programme option, St. Augustine Campus, UWI, 2003

Faculty	Prog.	Option	Country	No. of students	No. of undergrads.	No. of post-grads.
Agriculture	B.Sc.	General Agriculture	VENEZUELA	1	1	2
	M.Sc.	Agri. Divers. Trop.	SURINAME	1		
	Ph.d.	Commod. Utilization Soil Science	NIGERIA	1		
Education	B.Ed.	Early Childhood Care and Education	UNITED KINGDOM	6	1	
	OTHER	Not Applicable	U.S.A.	1		
				1		
Engineering	B.Sc.	Electrical and Comp. Engineering	INDIA	1	3	
	B.Sc.	Civil Engineering	NIGERIA	2		
	M.Phil.	Chemical Engineering				
		Construction Management	UNITED KINGDOM	1		
	M.Sc.	Engineering & Management		1		
	M.Sc.	Environmental Engineering	INDIA			
		Not Applicable	NIGERIA	1		
	M.Sc.	Mechanical Engineering				
	OTHER		SURINAME	1		
	P		VENEZUELA	1		
Ph.d.		SRI LANKA	1			
Humanities	B.A.	Theology	INDIA	1		
	B.A.	Latin American Studies	VENEZUELA	1		
		Literatures in English				
	M.Phil.	Spanish				
		Linguistics	CANADA	1		
		Not Applicable				
	M.Phil.	E.F.L.	COLOMBIA	1		
	M.Phil.	E.F.L.	U.S.A.	1		
	OTHER	Not Applicable	CANADA	1		
	OTHER	Not Applicable	COLUMBIA	4		
	OTHER	E.F.L.	FRANCE	1		
	OTHER	Cultural Studies	FRANCE	1		
	OTHER		U.S.A.	1		
OTHER		VENEZUELA	12			
Ph.d.		UNITED KINGDOM	1			
			2	4		
	B.Sc.P	Pharmacy	CANADA	1		
	D.D.S	Dentistry (DDS)	BOTSWANA	6		
	D.D.S.	Dentistry (DDS)	CANADA	2		
	D.D.S.	Dentistry (DDS)	U.S.A.	2		
	D.D.S.	Dentistry (DDS)	UNITED KINGDOM	2		
	D.M.	Psychiatry		1		
	D.V.M.	Veterinary (DVM)	NIGERIA	4		
		Veterinary (DVM)	BOTSWANA			
	D.V.M.	Veterinary (DVM)		1		

	D.V.M.	Medicine and Surgery (MBBS)	CANADA	1		
	M.B.B.S.	Medicine and Surgery (MBBS)	UNITED KINGDOM	1		
	M.B.B.S.	Medicine and Surgery (MBBS)	AUSTRALIA	31		
	M.B.B.S.	Medicine and Surgery (MBBS)	BOTSWANA	12		
	M.B.B.S.	Medicine and Surgery (MBBS)	CANADA	7		
	M.B.B.S.	Medicine and Surgery (MBBS)	INDIA	1		
	M.B.B.S.	Medicine and Surgery (MBBS)	MALAYSIA	1		
	M.B.B.S.	Medicine and Surgery (MBBS)	NIGERIA	2		
	M.B.B.S.	Medicine and Surgery (MBBS)	SAUDI ARABIA	5		
	M.B.B.S.	Medicine and Surgery (MBBS)	SRI LANKA	16		
	M.B.B.S.	Not Applicable	U.S.A	17		
	OTHER		UNITED KINGDOM	2		
			BOTSWANA			
Science	B.Sc.	General	CANADA	1		
	M.Phil.	Plant Science	VENEZUELA	1		
	Other	Not applicable	UNITED KINGDOM	1	1	1
Social Sciences	B.Sc.	Economics	NIGERIA	1		
	B.Sc.	Management Studies	VENEZUELA	1		
	B.Sc.	Sociology	VENEZUELA	1		
	Certi	Public Administration	VENEZUELA	1		
		M.B.A. International	SRI LANKA	1		
		Executive M.B.A.				
	M.B.A.	International Relations	CHINA	1		
		International Relations				
	M.B.A.	International Relations	INDIA	1		
	M.Phil.	International Relations	INDIA	1		
	M.Sc.		FRANCE	1		
	M.Sc.		U.S.A.	1		
	Ph.d		CANADA	1		
	Postgrad		SURINAME	1		
Total				184	3	6
Source: UWI International Office						

15. Appendix 2

Persons interviewed:

- Dr. Norma Holder – Principal, Barbados Community College
- Dr. Vivienne Roberts – TLI Unit, Cave Hill Campus, Barbados
- Dr. Bevis Peters – Director, TLI Unit, Barbados
- Mrs. Watson-Griffith, Chief Education Officer, Ministry of Education, Barbados
- Ms. Angela Phillip, Director of Trade- Division of Trade, Ministry of Foreign Affairs, Barbados.
- Marcia Commissiong, Accreditation Officer, University Council of Jamaica
- Mrs. Ruth R. Morris, Executive Director, National Council of Education, Jamaica
- Mr. Wayne McCook, Senior Director, Foreign Trade Department, Ministry of Foreign Affairs & Foreign Trade, Jamaica
- Mr. Esmond Reid – Foreign Service Officer, Foreign Trade Department, Ministry of Foreign Affairs & Foreign Trade, Jamaica
- Mrs. Alicia Morris, Foreign Trade Department, Ministry of Foreign Affairs & Foreign Trade, Jamaica

16. Appendix 3

REPORT TERMS OF REFERENCE

The International Supply of Tertiary Education and Services Trade Negotiations: Implications for CARICOM

Background

The education sector acts as a catalyst for growth and social development by providing the human resource skills needed for these processes. Education increases employability and thus reduces levels of unemployment and poverty. It also enhances human and social capital thereby reducing inequality and social exclusion. The emerging culture of internationalization and the further expansion of a knowledge-based world economy are drivers of growth in the supply of tertiary education worldwide. This is also enhanced by the lack of adequate capacity in many developing countries to educate and train their students at the tertiary level.⁶⁸

The training of people in any economy is a net positive benefit to society since it enhances the quality of the labour force and improves productivity; it should not matter from where the training is supplied as long as it meets adequate standards. CARICOM nationals have long benefited from tertiary level training from a wide range of institutions across the world. Nevertheless, recently there is some concern that countries in CARICOM seem to be mainly consumers and not suppliers of education services. The capacity of the University of the West Indies to become a supplier of tertiary education services to non-CARICOM persons on a larger scale should be explored. There may also be need for upgrading of its physical infrastructure to host virtual education and distance learning programmes. As well, it may need to develop on-line or Internet-based libraries to effectively run long-distance programmes. It is not clear whether the other tertiary institutions in CARICOM are equipped to supply education services beyond their borders.

A further consideration is the fact that the skills demands of industry in the Caribbean may not necessarily be met by university degree programs. There is increasing need for a range of post-secondary education which includes non-degree specialist or technical training.

Another important concern is the continuing high costs associated with the provision of tertiary education in the region, especially for the non-campus territories. For many young persons in the region, this effectively prevents them from furthering their education beyond the secondary and very basic tertiary levels, even though they may have met all the necessary academic requirements for entry into university and other tertiary institutions.

There are also issues regarding standardization of training and education in order to harness the potential advantages and linkages from the presence of foreign suppliers through offshore schools. It is critical to ensure that Caribbean nationals receive top quality education services, commensurate with what is being provided by the onshore branches of these schools. . At the same time, St Kitts, Grenada and St Lucia seem to have achieved significant levels of success

with “offshore” universities in terms of the economic benefits to the local economy.⁶⁹ Offshore schools have been increasing in the CARICOM region and provide an opportunity for increased foreign exchange earnings as well as an outlet for further training for the local students who are allowed to attend. It is important for the indigenous institutions to have discussions to identify possible areas of collaboration.

CARICOM as a region may need to decide on which areas of the market it could compete in effectively as a supplier of international educational services. Providers needed to look at the areas where they have a competitive advantage in education/training services, (for example, the training of teachers and nurses), and specialize in these areas.⁷⁰ Perhaps they can produce such trained personnel to “export” abroad or, they can train foreign students in the region.

Education Services and International Trade Rules

The implications of the General Agreement on Trade in Services (GATS) under the World Trade Organization for the education sector are unclear; and the liberalization of education services is a very controversial issue. It stems from the dual (public and private) nature of education services.⁷¹ The GATS conceives of market access for services in terms of four modes of supply – cross-border (mode 1); consumption abroad (mode 2); commercial presence (mode 3); and presence of natural persons (mode 4). Caribbean nationals have traditionally consumed tertiary education services from foreign institutions by travelling abroad as students (mode 2) and to a lesser extent through correspondence courses. More recently, due to technological changes and greater use of information and communication technology (ICT) in long-distance methodologies in training, there is increasing cross border supply (mode 1) of education to the Caribbean through electronic means. Much of this is apparently unregulated in some Member States. As well, local training institutions in various CARICOM states offer foreign educational qualifications through special arrangements with foreign institutions.

While most CARICOM states have not made commitments in tertiary education services under the GATS, Jamaica made liberal commitments in Higher Education Services (CPC923) in all modes of supply. Trinidad and Tobago made commitments regarding Specialist Teachers (CPC9290) and Lecturers (CPC 9239). But there are apparently few *de facto* restrictions to the cross-border supply of tertiary education in the region. Historically, many students have invested in correspondence courses from established and reputable foreign institutions. In the GATS negotiations, the United States made requests regarding Higher Education (including training) in all modes of supply, to Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago. Interestingly, Canada emphasized that in all its requests it was not making any requests in education or cultural services. It may be worthwhile to consider whether CARICOM states should seek market access through Mode 4 supply of services, (presence of natural persons) for scholars and researchers working abroad. It is also worth examining whether there are any barriers in overseas markets to the cross-border supply of tertiary education and training services by CARICOM states.

For CARICOM to negotiate effectively it will have to decide on the subject areas of importance, both in the short and long term, and what would be the target areas of education services with potential for CARICOM. At the same time, any defensive positions regarding tertiary education services should be well conceived and articulated. The public policy dilemma lies in an

appropriate balance between the needs of consumers of education services and the interests of suppliers.

Objectives

This study will analyze the issues involved in trade in tertiary education services and their implications for CARICOM in order to inform policymakers of the appropriate policy responses. The study will also provide recommendations in terms of offensive and defensive negotiating options regarding education services for CARICOM in GATS, the Free Trade Area of the Americas (FTAA) and bilateral negotiations.

Scope of Work

The Consultant will be required to undertake the necessary research and prepare a report which covers the following tasks:

1. Examine the issues regarding tertiary education in the GATS (public versus private, "training" versus academic education, etc.);
2. Review and assess the GATS commitments of CARICOM states regarding education services and their implications for policymaking regarding tertiary education services;
3. Analyze the international market for tertiary education services and assess the potential for CARICOM states to supply tertiary education services to foreigners. (Include in this discussion any statistics on foreign student enrolment in the University of the West Indies and other tertiary level institutions in the region);
4. Research the views on these issues of Ministries of Education, Teachers' Associations, and existing tertiary education institutions across CARICOM;
5. Briefly discuss the implications of the CARICOM Single Market and Economy (CSME) for the provision of education services in this region;
6. Assess the experience of the CARICOM states (St Kitts and Nevis, St Lucia, Grenada, etc.) that have attracted offshore tertiary education institutions to their locations and give a brief overview of the economic importance of these to the respective countries;
7. Analyze the issues regarding CARICOM's interests in education services in the context of trade in services negotiations with Canada, the European Union, the United States, and other countries. Identify any barriers to the supply of education services from CARICOM to these countries in all modes of supply;
8. Review and assess the requests made to CARICOM states regarding education services by other WTO Members;
9. Examine the situation in each CARICOM state in terms of *de facto* access to the national market by foreign education suppliers and catalogue the foreign institutions that are

currently involved, the programs and qualifications that are being offered to nationals in-country and the mode of supply (online, correspondence, etc.);

10. Identify any regulatory standards/accreditation requirements in place for the supply of tertiary education in CARICOM countries, and assess their usefulness in regulating and ensuring standards in the provision of tertiary education in these territories;
 11. Based on the findings and conclusions of the research, make recommendations regarding: (i) policy measures that should be put in place to enhance the capacity of the Region to export tertiary education services; and (ii) positions that CARICOM countries should take in external negotiations (WTO, FTAA, bilateral) regarding education services.
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