GATS and Tertiary Education

Tuesday 29th April 2003

Dr. Grant McBurnie
GATS and Tertiary Education:

What does GATS mean for Australian education exporters?

Grant McBurnie
29 April 2003
Possible Benefits of GATS for Institutions

• The opportunity to reduce some forms of risk
• The ability to plan more effectively
<table>
<thead>
<tr>
<th>Mode</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross Border (DE)</td>
<td>6%</td>
<td>(10,808)</td>
</tr>
<tr>
<td>Consumption Abroad (Students in Aust.)</td>
<td>65%</td>
<td>(101,458)</td>
</tr>
<tr>
<td>Commercial Presence (Offshore f2f)</td>
<td>29%</td>
<td>(45,030)</td>
</tr>
</tbody>
</table>
So, What’s New?

• If we want to expand it will probably be offshore
• There is/will be more competition (SG, MY, EU)
• China has joined WTO
Risks for institutions

- Legal
- Sovereign
- Financial

In bacon and eggs, the pig is more committed than the chicken.
Planning considerations for TNE

1. Transparency of regulations
2. Transparency of approvals process
3. Consistent application of rules
4. Ownership, equity and governance
5. Who, what, how can you teach
6. Movement of materials and people
7. Movement of money
Otherwise …

B road
R anging
I nternational
B usiness
E xpense
USA’s GATS requests on education

China:

Remove ban on education services provided by foreign companies and organizations via satellite networks.
Remove requirements for foreign educational institutions to partner with Chinese universities.
Remove ban on for-profit operations in education and training services.
Relax other operational limits and restrictions on geographic scope of activities.
USA’s GATS requests on education

South Africa:
Remove burdensome requirements, including non-transparent needs tests, applicable to foreign universities operating, or seeking to operate, in South Africa.

Turkey, Italy:
Remove requirement that foreign entities teach only non-national students.

Greece:
Remove restriction that the granting of degrees is limited to Greek institutions only.
USA’s GATS Requests

India, Philippines, Thailand:
Remove ownership limitations on joint ventures with local partners.

Japan, Israel:
Recognize degrees issued by accredited institutions of higher education (including those issued by branch campuses of accredited institutions); and adopt a policy of transparency in government licensing and accrediting policy with respect to higher education and training.
The challenge …

- Ensure high quality education
- Help ensure that the liberalized trade system will benefit students