JAMAICA’S HIGHER EDUCATION COMMITMENT UNDER THE GATS: 
A CASE STUDY OF THE SHAPING OF POLICY

by

Terence G A Frater

A thesis submitted in conformity with the requirements 
for the degree of Doctor of Philosophy
Department of Adult Education and Counselling Psychology 
Ontario Institute for Studies in Education of the 
University of Toronto

© Copyright by Terence G A Frater 2008
ABSTRACT

This research seeks to answer two questions: why did Jamaica include its higher education (HE) sector in its General Agreement on Trade in Services (GATS) ‘Schedule of Commitments’; and, how do the politicians and policy makers view the impact of this decision? For answers, I looked at arguments linking the GATS with national development and with HE. The thesis explores Jamaica’s HE policy strategies, how they are formed, how well, even after the fact, the decision-makers understand the implications of the regulatory framework of the GATS and the loss of control implicit in some of its tenets.

This study is anchored in research findings by UNESCO and the World Bank, among others, which show that HE systems serve as the foundation for nations’ social and economic development, in providing the required knowledge and high levels of trained manpower to build their human capital. However, suggestions have been made that inequities in the global trading system constrain small developing countries in implementing policies that serve these objectives. Therefore, the emergence of the GATS as a new regulatory structure for trade in educational services raises concerns about the ability of countries like Jamaica, to promote an HE system likely to meet their needs.
Twenty senior policy actors within Jamaican society were interviewed to elicit their views on national priorities for HE and, the opportunities or threats to their fulfilment presented by the GATS Commitment. Of particular interest is the growth in cross-border HE services found in Jamaica.

The research found that notwithstanding the inequities of the global trading system, Jamaica embraces the concepts of liberalisation and free trade, and its negotiators, in formulating the Commitment, were seized with GATS’ potential for rapidly expanding access to HE. However, the evidence of this research suggests they were ill-prepared to make this decision, and clearly there is need for a better understanding of the role of HE in Jamaica’s development.
ACKNOWLEDGEMENTS

I wish to acknowledge the contributions of Daniel Schugurensky and Marilyn Laiken, who planted the seed for me to consider embarking on this journey. Gladys Katchowski, Susan Hall, Margaret Brennan, Amelia Nanni and Chris Fung, helped me navigate the necessary administrative processes, and provided encouragement along the way – I sincerely thank them. Special thanks to my supervisor Karen Mundy, for whose guidance and support I am grateful, and with whom I feel honoured to have worked. Her wisdom and direction enabled me to receive the prestigious IDRC Doctoral Research Award to pursue my field work in Jamaica. Other committee members¹ played key roles in supporting me along my journey. Jane provided valuable insight on the General Agreement on Trade in Services; Ruth was always reassuring and inspirational; and Cicely coached me in the academic traditions and edited my work. Cicely’s wisdom and wit knows no bounds. Shirley Byfield, Anna Kay Lee and all my wonderful friends in Jamaica, willingly went the extra mile and supported my work any way they could… I am in their debt. My faculty advisor Kiran Mirchandani, at the start of my journey, helped me synthesize my thoughts, guided the development of my topic and pointed me to my thesis supervisor. She made me understand how lonely this journey could be, and what would be required for me to remain motivated, intellectually connected, and emotionally involved. To my fellow graduate students who shared in this experience, your support enabled me to reach new heights. Finally, the support and encouragement provided by my sons was inspirational and divine.

¹ Thesis Committee: Karen Mundy – Thesis Supervisor; Jane Knight; Ruth Hayhoe; Cicely Watson.
DEDICATION

To my sons Antoine, Remi, and Matthieu

May they always seek after knowledge, even for its own sake.
# Contents

ABSTRACT ........................................................................................................................ ii

Acknowledgements ............................................................................................................ iv

Dedication ........................................................................................................................... v

List of Figures .................................................................................................................. viii

List of Tables ..................................................................................................................... ix

Chapter One ........................................................................................................................ 1
   Introduction ..................................................................................................................... 1
       Research Problem .................................................................................................. 2
       Research Questions ............................................................................................... 6
       Importance and Benefits of This Research .......................................................... 9
       Some Background ................................................................................................. 10
       Organisation of the Thesis .................................................................................... 15

Chapter Two ...................................................................................................................... 17
   Background of Jamaica and the Caribbean Region ...................................................... 17
       Introduction ........................................................................................................... 17
       History (pre-independence) .................................................................................... 19
       History (post-independence) .................................................................................. 23
       Population ............................................................................................................. 27
       Economic Indicators ............................................................................................. 29
       Jamaica’s Higher Education System .................................................................. 31
       Ideological Factors Shaping Jamaica’s Education System .................................. 35
       Governance and Institutional Arrangements ..................................................... 42
       Policy Issues facing Jamaica’s Higher Education System ................................... 46
           Equitable Access as a Meaningful Policy Strategy .......................................... 50
           Establishing and Maintaining Quality in HE .................................................. 58
           Migration of Graduates and Remittance Flows .............................................. 60
       Regional Governance ............................................................................................ 67
       Jamaica’s Experience With Trade Liberalisation ............................................... 72
       The Expectations of Developing Countries ....................................................... 74

Chapter Three .................................................................................................................... 78
   The WTO, GATT, and GATS: The Multilateral Trade Regime .................................. 78
       WTO/GATS Overview ......................................................................................... 79
   The GATS – The WTO Services Agreement .............................................................. 85
       Purpose and Form of the Agreement .................................................................. 86
       Structure and Scope of the GATS ....................................................................... 91
           Provisions and Obligations ............................................................................. 94

Chapter Four ...................................................................................................................... 102
   Theoretical Bases and Related Literature .................................................................. 102
   Introduction ............................................................................................................. 102
   Theoretical Concepts and Arguments Influencing HE Policy .................................. 103
       Human Capital Theory ........................................................................................ 106
<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Map of Caribbean Basin</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>Map of Jamaica</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Jamaican Higher Education Institutions - The First 150 Years</td>
<td>33</td>
</tr>
<tr>
<td>4</td>
<td>Local Institutions Offering Foreign Degree Programs</td>
<td>43</td>
</tr>
<tr>
<td>5</td>
<td>Foreign Institutions with programmes accredited by the UCJ</td>
<td>44</td>
</tr>
<tr>
<td>6</td>
<td>The Acts of Parliament addressing higher education in Jamaica</td>
<td>46</td>
</tr>
<tr>
<td>7</td>
<td>Main Differences between GATT (goods) and GATS (services)</td>
<td>81</td>
</tr>
<tr>
<td>8</td>
<td>Modes of Supplying Services</td>
<td>88</td>
</tr>
<tr>
<td>9</td>
<td>Categories of Participants in the Thesis Research</td>
<td>153</td>
</tr>
<tr>
<td>10</td>
<td>Participants</td>
<td>158</td>
</tr>
<tr>
<td>11</td>
<td>A sketch of government’s policy development framework</td>
<td>179</td>
</tr>
<tr>
<td>12</td>
<td>Rankings - Stakeholder Perspectives on HE Policy Priorities</td>
<td>223</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Selected Features of English-speaking CARICOM Countries</td>
<td>18</td>
</tr>
<tr>
<td>Table 2</td>
<td>Estimated Population of Major Urban Centres</td>
<td>27</td>
</tr>
</tbody>
</table>
EXPLANATION of TERMS and ACRONYMS

ASEAN - Association of Southeast Asian Nations
CARICOM - Caribbean Community and Common Market
CSME - Caribbean Single Market Economy
GATT – General Agreement on Tariffs and Trade
GATS – General Agreement on Trade in Services
GDP – Gross Domestic Product
HE – Higher Education
Higher Education - Tertiary Education, Post Secondary Education
JIS – Jamaica Information Service
Ministry of Foreign Trade – Ministry of Foreign Affairs and Foreign Trade
NCE – National Council on Education
Public Goods – non-excludable, non-competitive externalities
Public Support – Subsidised/financially assisted by government
State – country, nation
Technical amendment – Technical Clarification, Technical Rectification
UNCTAD – United Nations Conference on Trade and Development
UNESCO – United Nations Educational, Scientific, and Cultural Organization
USTR - US Trade Representative
WTO – World Trade Organization
CHAPTER ONE

Introduction

This chapter introduces the thesis topic, outlines the research questions, explains the importance of the topic and the basis of this research, makes a brief reference to the background of the topic (which is addressed more fully later in this thesis), and explains the organisation of the thesis. The thesis is a case study that examines the policy implications for Jamaica of the inclusion of higher education in the country’s Schedule of Commitments under the General Agreement on Trade in Services (GATS). It explores the connections between: (1) the ‘public and private good’ flowing from investment in higher education; (2) the justification for investment in education as a major requirement for social and economic development; and (3) the factors that explain the policy actions of nations based on theories of human capital versus other forms – physical capital, social capital, and political capital – all of which are abundantly present in rich developed nations of the world. The GATS is one of several agreements that comprise the governance framework of the World Trade Organization (WTO), and covers trade in all categories of services, including education. This Agreement, together with the expansion in cross-border forms of educational provision, has raised concerns about the ability of small developing countries like Jamaica to implement education policies that best serve their economic and social development needs.

For the thesis, a cross-section of high-level Jamaican policy actors was interviewed. Their voices, together with published reports, public commentary, and other secondary sources, provided the research data. The objective was to reveal the policy
decision process that underpins Jamaica’s GATS commitment, and explore the issues of
the research questions.

*Research Problem*

To help understand the research problem, the next few paragraphs introduce three
key concepts underlying this study. Although they do not represent an exhaustive list,
they are the most relevant and important factors.

The first relates to the notion that education is the foundation of knowledge and
human development. UNESCO and the World Bank support this idea by regarding
expansion of access to education at all levels, as the prime means for developing
countries to cope with the many challenges that hinder their national development and
social, political and economic growth (UNESCO, 2002a; World Bank, 2002). To some
extent this thinking is based on the economic theory of human capital, which economists
have identified as an important factor that explains the economic growth of western
industrial nations. In addition, from the social and legal concept of human rights, access
to education is regarded as one of the natural rights of individuals, their path to health and
personal welfare, to prosperity, the exercise of personal freedom, and to social mobility
(UNCHR, 1966; UNDP, 2007). In recent years, the emergence of the WTO has raised
concerns about the capacity of developing countries to implement appropriate policies for
the regulation of the education sector, one which will serve best, both national and
individual interests. Underlying the concern is the recognition that education is both a
‘public good’ and a ‘private good’, integral to human development. In this regard, its
role in national development may be seen as antithetic to the intentions of a multilateral
(international) trade agreement. This thesis revisits the public/private debate regarding education, and the associated policy implications for Jamaica.

Another key underlying factor of this study relates to power and the traditional inequities within the international arena, between rich developed countries and their poorer developing counterparts. Also of importance to this research is the changed geopolitical dynamic that was heralded with the end of the Cold War and the growing general endorsement of the value of ‘free trade’. This caused a major shift in the dependency relationships on which the fortunes of many developing countries traditionally hinged. Many had enjoyed preferential arrangements with colonial and other powerful partners. When they could no longer depend on such preferences, there arose an urgent need to become more competitive in international relationships. The complexities of navigating emergent global accords made it an imperative for developing countries to create more effective policy mechanisms to cope with an increasingly competitive global dynamic. This requires ‘knowledge capital’ capable of negotiating various types of regulatory frameworks to produce outcomes that are consistent with national objectives. Therefore, an important issue centres on the knowledge gap between developed and developing countries within the new framework for trade in educational services. The inherent inequality in this international forum disadvantages poorer countries. This creates problems since rich countries are accused of exploiting their superior knowledge and economic clout in the international arena. One of the articulated goals of the WTO is to support the development needs of poorer countries through more equitable trading arrangements. However, it is held that this objective is limited by the institution’s central mandate, which is to facilitate trade (Sutherland, 2004). One issue
central to this study, therefore, is whether developing countries possess, or can readily
develop, sufficient knowledge capital to acquire the ability to confront difficult domestic
conditions and economic and social issues, while at the same time through international
trade, perform effectively on the global stage.

A third underlying factor of this study relates specifically to Jamaica - the case
study of this thesis - and in general to the Caribbean region. After gaining their
independence from Britain and particularly since the end of the Cold War, the English-
speaking Caribbean states lost the advantage of their strategic significance to their
traditional trading partners the United States of America (US), Great Britain (UK), and
the European Union (EU). However, their history as trading nations had spawned a
culture of engaging with the international community, and supporting initiatives aimed at
trade liberalisation and the free movement of capital. In striving for growth and
sustainable development, Caribbean politicians and policy makers see higher education
as the cornerstone for achieving their socio-economic objectives (Roberts, 2003). In
reaction to this promise, Jamaican policy makers are attempting to make education
generally, and higher education in particular, more accessible so that it becomes the agent
of national transformation. The research problem centres on the fact that Jamaica
included higher education in its GATS commitments, subjecting its policy initiatives to
the governance of the WTO, without first exploring possible unintended side effects. At
issue is whether policy makers can reconcile this commitment with the national goal of
making higher education more accessible.

In this thesis the acronym for higher education - ‘HE’, or the terms ‘tertiary
education’ or ‘post-secondary education’ are used. In the United Nations Classification
Registry, higher education (HE) is listed as Classification Product Code (CPC) 923. The Registry provides a detailed structure and explanatory notes for the classification, which is divided into two subcategories:

- **9231 - Post-secondary technical and vocational education services**
  
  This subclass includes:

  - Post-secondary, sub-degree technical and vocational education services. In terms of subject matters, such education services consist of a great variety of programmes. They emphasize teaching of practical skills but also involve substantial theoretical background instruction.

- **9239 - University and other higher education services**

  This subclass includes:

  - Education services leading to a university degree or equivalent. Such education services are provided by universities or specialized professional institutes. The programmes not only emphasize theoretical instruction but also aim to prepare students for participation in original research.

This thesis uses the UN classification, and also embraces the following definitions by UNESCO, the World Bank and the Jamaican Ministry of Education:

Higher education includes post secondary education which is expected to and does respond to the demand for ‘trained professionals and skilled persons to fill the manpower needs of the society’ (Ministry of Education, Jamaica, 2001)

Higher education includes but is not limited to universities, other educational establishments, centre structures of higher education, teachers colleges, nursing schools and distance teaching schools that are approved as such through recognised accreditation systems or by competent state authorities (World Bank, 2005; UNESCO, 1997)

In discussing Jamaica’s higher education policy process within the broader structure of the WTO’s governance framework, it is essential to understand the complex historical circumstance of the Caribbean. These are described in some detail in Chapter
Two. The research problem posed by Jamaica’s GATS commitment of higher education, and the implications of this decision for national development, must take this broad historical context into consideration.

Research Questions

This thesis seeks to answer the following questions:

1) Why was ‘higher education’ included in Jamaica’s GATS Schedule of Commitments? 2) How do politicians and policy makers view the impacts of this decision?

The study inquires into the perceptions of Jamaican policy actors regarding the role of higher education (HE) in their society, their views on priorities for the sector, and their understanding of whether the WTO/GATS framework presents an opportunity for, or threat to, Jamaica’s social, economic, and educational development. The research makes the following assumptions:

1) An accessible higher education system is critical to the successful economic and social advancement of developing countries;

2) Arrangements like the WTO, whatever their short-term gains and benefits, in the long run perpetuate inequalities favouring rich developed countries at the expense of developing countries.

These assumptions are the underlying tenets found in much of the literature which is opposed to, as well as that which justifies, the GATS (sometimes referred to in this thesis as the “Agreement”). This thesis examines the approach of Jamaican policy makers during the GATS negotiations, and questions their understanding of the provisions of the Agreement when they arranged the country’s higher education commitment. It questions their specific knowledge and understanding of Jamaica’s development needs as determined by the national goals, and whether this was adequate for the purpose of negotiating the country’s GATS commitment.
There are three possible scenarios that might explain the underlying decision context of the country’s GATS commitment. The first suggests that negotiators understood the linkages, between Jamaica’s HE policy initiatives and their GATS negotiation strategy with its primary trade emphasis. This understanding enabled them to navigate the broad ramifications of the GATS to forge a commitment that protects the priorities being pursued in the education sector, with the same success they exhibit in other trade negotiations. The second suggests that policy makers had no clear appreciation of the nation’s vision for the HE sector, and therefore, did not sufficiently understand the obligations being assumed by the commitment. The third is that their understanding was imperfect and therefore insufficient to ensure that Jamaica’s interests were adequately protected - they did as well as could be expected, recognising the vulnerability of small developing nations in international negotiations.

The contention of this thesis is that positive policy outcomes are ultimately a function of how well policy makers understand the role of HE within the broader political and socio-economic considerations of their society. Also important, is how well they use the knowledge to avoid having negative unforeseen by-products from what they intend as a good decision. To quote an OECD study:

There is widespread recognition that [higher] education cannot be considered in isolation from other key public policies… Fundamental to building better links between education and other policy areas is the education sector’s capacity to clearly articulate its objectives, to demonstrate how these inter-relate with wider social and economic developments, and to identify and implement cost-effective policies and programmes. Economic and social changes have required education to develop a broadened conception of its role…This broadened scope necessitates much closer integration between education, labour and social policies – but also exposes the limitations of the current knowledge base about how to make that work. (OECD Staff, Mckenzie & Hirsch, 2003; p7).
This statement underscores the perception that education policy is a political construct designed to foster, *inter alia*, socio-economic outcomes. It has been argued that whereas knowledge is correlated to economic development, it cannot be accurately quantified because the linkage between education (i.e. a well educated populace), and development is neither precise nor assured. The relationship is not linear, but rather, it is mutually interactive and complex. Therefore Souza (2002) suggests that coherent policies together with effective policy design and assessment mechanisms are critical to safeguard national interests in international negotiations. Very important, according to the OECD, is the ability to demonstrate the role of the education sector in the social and economic development of the nation. To inquire into this ability on the part of Jamaican higher education policy actors, was an essential part of this thesis.

There are scholars who believe that public policy decision-making is not a rational activity. Indeed, most would judge that it is not ‘demonstrably rational’ because it is largely influenced by the ideology and epistemology of the policy actors themselves and the power structures that exist within the system (Laswell, 1950; Lindblom, 1977; Parsons, 1995). Therefore it is important to recognise that the context in which policy development takes place will vary, and all related factors and players must be considered when judging public policy decisions. According to the OECD, policy development in education must be capable of bridging disparate roles and objectives. Parsons (1995) suggests that it is through organised intelligence [knowledge] that the disparate societal interests can be balanced for the national public good. The significance of the policy process, therefore, cannot be overstated.
Importance and Benefits of This Research

This research has a practical as well as an academic purpose. It seeks to assist Jamaican policy makers in understanding the higher education policy development process and the ramifications of including HE within GATS. In juxtaposing the country’s obligations in the global trading system against the opportunities and threats arising from its higher education policy strategy, the knowledge and understanding thus gained should be useful in helping Jamaica develop a more effective policy framework to support national development objectives.

Although the policy response of each country is based on its unique combination of historical, political and cultural experiences, Jamaica shares a common history, has a similar political system, and displays comparable characteristics in its higher education arrangements with the other countries of the English-speaking Caribbean. As members of a regional trade agreement, they collaborate in many forums dealing with the international community. My research should, therefore, prove valuable in informing the higher education policy arrangements throughout the region.

Beyond the Caribbean region the value of this research is uncertain because of the wide variation in the characteristics of developing countries. However, Jane Knight (2003) suggests that much can be learnt from public policy analysis in education, regardless of the contextual differences involved, even though it must be recognised that solutions to a problem in one society may well be irrelevant in another with its different history, and social, political, economic, and demographic structures. In any event, this research will add to the body of knowledge related to the implications of GATS for higher education policy development in developing countries.
Some Background

Since the turn of the century, UNESCO and the World Bank have been advocating improvements in the overall HE arrangements of developing countries as one strategy for building the knowledge capacity needed to tackle the socio-economic impediments to their national development, and effectively engaging with the global community (UNESCO, 2002a, 2004a; World Bank, 2000, 2003b). Their reports suggest that societies where a large proportion of the population has high levels of education are wealthier, provide greater social mobility, are more innovative and productive, and enjoy greater political stability and civic engagement, than those with a smaller proportion of their nationals with comparable skills. Such highly educated societies are also able to attract capital investments and highly educated immigrants. They have expanding economies, benefit from lower unemployment rates and, therefore, have enhanced capacity to be effective in multilateral interactions.

The “World Declaration on Higher Education for the Twenty-first Century and a Framework for Priority Action for Change and Development in Higher Education” that was adopted at UNESCO’s 1998 World Conference on Higher Education, affirmed that the core mission of HE is to contribute to the sustainable development and improvement of society as a whole (UNESCO, 1998). Daniel et al (2005) submit that the critical role of fostering socio-economic development thus consigned to the sector, has served to inspire the search for domestic policy frameworks that are focussed on national priorities. It is this general recognition, which contributed to the Declaration highlighting the need for higher education policies that support the expansion and advance of knowledge. The
Declaration called for policies that provide for equitable access, the promotion of relevance and the maintenance of quality in the sector.

However, where concern has been raised, is with the existence of the relatively new regulatory system for global trade, the WTO. The WTO includes higher education services as a tradable commodity within the scope of its services agreement – GATS. With this categorisation, a philosophical discord emerged within the higher education community. UNESCO’s vision of education is based on principles of social and human rights. It seeks to promote human development, understanding, and peace (UNESCO, 2007). Furthermore, it envisions national decision processes as being unencumbered in the complex multidimensional task of educational policy development. The GATS however, is an economic tool. Its purpose is to facilitate trade and exchange as a source of wealth.

Similar to all trade agreements since the Second World War, the GATS is intended to promote predictable market access conditions in the provision of services from one WTO member to another (WTO, 2004b). Under GATS, the transactional nature of the cross-border ‘demand’, ‘supply’, and ‘consumption’ of higher education services is governed much like that of any other commodity.

Peter Sutherland, widely regarded as ‘the man who built the WTO’, believes that while the WTO is a useful and necessary agency, it has but limited ability to advance the social agenda of member states. While a strong supporter of trade liberalisation and the principle of multilateral governance, he highlights the WTO’s limited capacity to assist the development of poorer countries through a trade agenda, as follows:
To my mind the development of the poorer countries is very much the concern of the WTO, but it’s a concern which is limited by its remit, which is to facilitate trade. Those of us who believe in global economic integration and the benign effects of trade think a multilateral system can help create equal opportunity and through equal opportunity the development of better conditions for the poor. (Sutherland, 2004)

Inclusion of HE in GATS, therefore, has led to opposition from those who argue that the sector is too critical to the social development and economic growth of developing countries to have been incorporated in the multilateral trade regime. They are critical of the basically inequitable nature of the international trade environment. It is, they contend, incapable of balancing the needs of countries - developed vs. developing, large vs. small, rich vs. poor. Underlying their concerns is the legally binding nature of WTO agreements and the organisation’s ability to challenge the national policies, including those relating to HE, of any of its member states, regardless of whether such policies are actually in the best interests of its nationals. The enforceability of WTO agreements has sparked fears that the benefits from pursuing improvements in the higher education sector, being advocated by UNESCO and the World Bank, might be unattainable under GATS strictures, where developing countries are unable to safeguard their unique national interests (Boyd, 2002; Knight, 2002b; Maxwell, 2003; Robertson, 2007; UNESCO, 2004b).

There is also scepticism about the sincerity of rich countries in the whole trade liberalisation process. Some scholars maintain that since these rich nations dictate the multilateral trade agenda, they are well positioned to take advantage of its opportunities. Accordingly, they disproportionately reap the benefits from trade liberalisation (Altbach, 2001; van der Wende, 2001). It is a case of ‘he, who pays the piper, calls the tune’. The
recently stalled DOHA Round negotiations saw the ‘plurilateral negotiations’\(^2\) modality pushed through, in spite of the protests of many developing countries (Khor, 2006b). If nothing else, this latest development appears to support the argument of GATS opponents, that rich countries exploit their power and superior knowledge to the disadvantage of poorer countries.

It should also not come as a surprise that rich countries are also the primary ‘exporters’ of higher education services. They have (or can easily generate) the excess knowledge capacity – programs, qualified personnel and physical resources – to ‘send abroad’. Since their institutions are the principal beneficiaries of this trade, they advocate greater “commitments” be made, which then increases their market access through liberalisation. Lal Das (2006) recommends that developing countries, which now have over a decade’s experience working within the WTO, resist these efforts, and try to ensure they receive commensurate actual benefits in terms of access to various other applicable sectors. In other words, he argues for a ‘quid pro quo’, so that commitments in HE favourable to rich countries, are balanced by commitments favourable to developing countries in other sectors. However, supporters of liberalisation argue that all WTO member countries can decide whether or not, and on what terms, they commit their higher education sector under GATS (Altbach, 2002; Sauvé, 2002b). They suggest that without a commitment no obligations exist. A member country has full control over the extent to which it allows access to its higher education market by cross-border providers.

\(^2\)In the plurilateral modality, a set of countries that demand wider and more rapid opening in a service sub-sector can formulate their demands and requests to a set of countries for negotiations on these demands. This plurilateral approach was opposed by many developing countries which believed that they would be subjected to greater pressure under this method, and that this would also go against the development flexibilities of the GATS (Khor, 2006b).
from developed countries. Developing countries therefore, are free to pursue whatever policy direction they choose.

Views are split on this issue, particularly since a provision of the Agreement requires all WTO members to progressively liberalise all services. This suggests that, ultimately, in spite of a country’s intentions to the contrary, education will form part of its GATS commitments (AUCC, 2003; Canadian Federation of Students, 2001). The Agreement is still being negotiated, and the DOHA Round presents a double-edged sword for small countries. It provides an opportunity for them to forge a framework that better recognises their social and economic development needs, and their vulnerability in the international trade arena. Conversely, owing to their superior knowledge capacity, developed countries also have an opportunity to extract greater benefit for themselves. It must be conceded, however, that to this point a country’s GATS commitment in HE remains voluntary.

As one of a small group of poor countries that has made a higher education commitment, Jamaica finds itself grappling with significant social and economic difficulties. The country’s political leaders and policy makers view HE as a pivotal instrument for tackling some of these challenges (NCE, 2003), and with the passage of time the problems seem to be mounting faster than the country’s higher education system’s ability to create an effective coping mechanism. There is urgent need for an appropriate regulatory framework to safeguard the relevance and quality of its higher

---

3 As at February 2006, only 47 of the 150 WTO Members have made commitments in education, and only 38 of these have included commitments in higher education. Those making commitments in higher education are: Australia, Czech Republic, Jamaica, Norway, Nepal, Oman, Saudi Arabia, Liechtenstein, Norway, Sierra Leone, Switzerland, Congo RP, European Community, Lithuania, Moldova, Japan, Mexico, Panama, Slovak Republic, Trinidad and Tobago, Costa Rica, Hungary, Lesotho, New Zealand, Poland, Slovenia, Turkey, Latvia, Kyrgyz Republic, Jordan, FYR Macedonia, Georgia, Estonia, Czech Republic, Croatia, Cambodia, China, and Chinese Taipei.
education system, and ensure that it both promotes the advance of knowledge and serves national development needs. Questions arise as to why the GATS commitment was made, and how in the liberalised context of the WTO, Jamaican policy makers can position the higher education sector so as to maximise support for the country’s socio-economic development objectives.

**Organisation of the Thesis**

Following the introductory chapter, the next chapter provides information on the historical and policy context of the case study – Jamaica. It describes the political and historical milestones in the development of the country, provides relevant economic and demographic information, discusses the higher education arrangements that have emerged over the years and the contemporary issues and challenges faced by the system. The chapter ends with a review of Jamaica’s experience with trade liberalisation, and its membership in a regional economic organisation.

In Chapter Three, a detailed description and discussion of the WTO and the GATS is presented showing the provisions of the Agreement and the rules for the conduct of trade in services. Possible interpretations of its various provisions that are relevant to the policy development process of small developing countries like Jamaica are highlighted. There is also speculation on why developing countries like Jamaica make the GATS commitments in HE.

Chapter Four discusses related literature and theories which provide the framework for the thesis. It examines economic explanations accounting for a nation’s
wealth, including concepts such as “public and private good” and “human capital theory”,
and relates these to the discourse on education and its role in development.

The methodology used in this research and the organisation of the resulting
evidence are described in Chapter Five, as well as the product of the interviews and the
treatment of information they yielded.

Chapter Six is the first of two data chapters describing the interviews conducted in
Jamaica with stakeholders drawn from the political, trade and education segments of the
society. It presents their perspectives on the considerations and policy process that
influenced Jamaica’s GATS commitment in HE, and, on the role of higher education in
the country’s social and economic development.

The second data chapter – Chapter Seven – examines participants’ perceptions
regarding the opportunities and threats arising from the Commitment. Concerns related
to out-migration of graduates and skilled professionals, and the accompanying loss of
knowledge and high level skills, are discussed.

Research findings are outlined, and concluding arguments of this thesis are
presented in Chapter Eight. It ends with speculation about the future for Jamaica’s higher
education policy development within the multilateral trade regime of the WTO, and the
implications of this environment for achieving its national goals.
CHAPTER TWO

Background of Jamaica and the Caribbean Region

Introduction

What is Jamaica, the country, which is at the centre of this research inquiry? It is an island in the Caribbean Basin and stands out as the largest and most populous country of the former British colonies in the region. It has land mass of just under 11,000 square kilometres and a population of approximately 2.7 million people. These independent countries vary greatly in size, and economic and social development. Jamaica is south of Cuba, and west of the centre of the Caribbean Basin.

Figure 1 – Map of Caribbean Basin

---

Footnote:
4 Anguilla, Antigua/Barbuda, the Bahamas, Barbados, Belize, the British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands
However, despite their differences, the English-speaking Caribbean nations share a similar language, parliamentary political system, and a colonial heritage linked to the slavery of African people transported to provide the labour force for the agricultural plantations. They face a particular challenge with respect to their small size and limited natural resources, making it difficult to develop the human capital required to sustain all the areas of a complex modern economy (Acosta, 2000). Therefore collectively, they have joined with other nations of the region to form an economic bloc, the Caribbean Community and Common Market (CARICOM). These English-speaking nations are listed in Table 1.

Table 1
Selected Features of Independent English-speaking CARICOM Countries

<table>
<thead>
<tr>
<th>NAME</th>
<th>POPULATION (000) (2006)</th>
<th>LAND MASS (sq km)</th>
<th>GDP Per capita $US 000 (2003)</th>
<th>YEAR INDEPENDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua &amp; Barbuda</td>
<td>69.1</td>
<td>442.6</td>
<td>11.0</td>
<td>1981</td>
</tr>
<tr>
<td>Bahamas</td>
<td>303.8</td>
<td>13,942</td>
<td>20.2</td>
<td>1973</td>
</tr>
<tr>
<td>Barbados</td>
<td>279.9</td>
<td>431</td>
<td>17.0</td>
<td>1966</td>
</tr>
<tr>
<td>Belize</td>
<td>287.7</td>
<td>22,960</td>
<td>6.8</td>
<td>1981</td>
</tr>
<tr>
<td>Dominica</td>
<td>68.9</td>
<td>754</td>
<td>5.5</td>
<td>1978</td>
</tr>
<tr>
<td>Grenada</td>
<td>89.7</td>
<td>344</td>
<td>5.0</td>
<td>1974</td>
</tr>
<tr>
<td>Guyana</td>
<td>767.2</td>
<td>214,970</td>
<td>4.6</td>
<td>1966</td>
</tr>
<tr>
<td>Jamaica</td>
<td>2,758.1</td>
<td>10,991</td>
<td>4.4</td>
<td>1962</td>
</tr>
<tr>
<td>Montserrat</td>
<td>9.4</td>
<td>102</td>
<td>3.4</td>
<td>N/A</td>
</tr>
<tr>
<td>St. Kitts &amp; Nevis</td>
<td>39.1</td>
<td>261</td>
<td>8.8</td>
<td>1983</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>168.4</td>
<td>616</td>
<td>5.4</td>
<td>1979</td>
</tr>
<tr>
<td>St Vincent &amp; The Grenadines</td>
<td>117.8</td>
<td>389</td>
<td>2.9</td>
<td>1979</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>1,065</td>
<td>5,128</td>
<td>16.7</td>
<td>1962</td>
</tr>
</tbody>
</table>

5 Other CARICOM members and associate members include Haiti (French speaking), Suriname (Dutch speaking) – members; and Anguilla, Bermuda, British Virgin Islands, Cayman Islands and Turks and Caicos Islands (UK dependencies) – associate members.
Jamaica has largely been influenced by external events that have shaped its population, economy, social and political culture, education system, and its policy making institutions. To explain why Jamaica’s public policy decision process operates as it does, the traditions and background to current practices - which influence thinking about policy initiatives - have to be deconstructed. The analysis requires an understanding of the historical influences that define the country’s political, social, and economic development. This chapter provides the reader with the necessary information to understand the policy context of Jamaica, the basis for this case study.

**History (pre-independence)**

From the arrival of the Spanish in 1494, through colonisation by the British in 1655, and since independence in 1962, negotiating and trading with more developed countries has been integral to Jamaica’s political and economic history (Grant, 2003). The occupation of Jamaica by the Spanish was primarily to provide a base to support the conquest of the Americas. Economic activity was for local consumption and to supply the Spanish fleet. The native Jamaicans, the Arawak Indians, were enslaved by the Spanish and eventually all died from brutal treatment and imported diseases. They were replaced by black slaves from Africa (Jamaica Gleaner, 1998). As in other territories colonised by the Spanish, architectural examples of their occupation are still evident. During that period, “St Jago de la Vega”, now known as Spanish Town, was the administrative centre of Jamaica (see Figure 2).

The conquest of Jamaica in 1655 by the British, and its continued existence as a colony until 1962, heralded a defining period for the nation’s economic, demographic,
and political development. Slaves were brought in primarily from West Africa to work the sugar plantations, the basis of the country’s increasing prosperity as a major producer of sugar cane for sale to Europe. Much later it also became a producer and exporter of coffee, spices, and bananas. From the beginning of the British occupation until the end of the Napoleonic wars\(^6\) (1815), Jamaica remained an important British military and naval station. Hence, it became invaluable for, and was identified with, all the intervening power struggles and wars involving Britain. Its strategic location in the Caribbean Basin also made it ideal as the home of the famous pirate Henry Morgan (who later became governor of Jamaica).

\[\text{Figure 2 – Map of Jamaica}\]

---

\(^6\) The Napoleonic Wars were a series of conflicts fought between France under the leadership of Napoleon Bonaparte, and Britain and other European nations, between 1799 and 1815. They continued and extended the wars sparked by the French Revolution of 1789.
Based at Port Royal, which is located at the end of the peninsula across the bay from Kingston, Morgan led the buccaneers in plundering the Americas and the Spanish fleets throughout the region. After 1670, Port Royal became increasingly important as the regional distribution centre for slaves, sugar, and raw materials. It was the Caribbean’s mercantile centre, with vast amounts of goods flowing through an expansive trade network. Jamaica was also the staging post for military forays by the British to Cuba, Central America, and Hispaniola. All of these activities and its reputation as the trading ‘jewel of the crown’, made the country very prosperous. During and after World War II and the ensuing ‘Cold War’, Jamaica, together with the other British colonies in the region, was of great strategic importance to the United States. Merchant and naval shipping from US ports in the Gulf of Mexico crossed narrow Caribbean passages that constituted "choke points" (Library of Congress, 2005). The Caribbean Basin provided a link between US naval forces operating in the North Atlantic and South Atlantic, and afforded an important source of raw materials imported by the United States.

From the late eighteenth century, Kingston became the chief economic centre for the British, after Port Royal was first destroyed by a massive earthquake in 1692, then by fire in 1703, and was again struck by earthquake in 1907. After the first earthquake, much of the commerce started to shift to Kingston, which became the administrative capital of Jamaica in 1872 (Jamaica Gleaner, 1998). When slavery was abolished throughout the British Empire in 1838, it became difficult to produce and export at previous levels, since many former slaves refused to work the plantations, preferring to eke out a living from subsistence farming on their own land. Therefore, indentured
labourers were brought in from India and China, to make up the shortfall on the plantations.

With the reduction in output from Jamaica and the other colonies, Britain adopted a ‘free trade’ policy in 1848, and sugar from Cuba and goods from foreign countries, entered Britain on similar favourable trade terms. The end of hostilities in Europe and the emancipation of slaves by the Empire, enabled Jamaica to enjoy a period of development and relative peace and security, from the mid nineteenth century until the outbreak of the Great Wars. The country was exporting sugar, rum, tobacco, coffee, and cocoa to England under very concessionary terms. With the two Great Wars, mining also became a significant export industry. Bauxite and alumina, both plentiful and easily mined, were important to the war effort. Between 1939 and 1945, US influence in Jamaica grew rapidly when it assumed Britain’s responsibility for the defence and security of the country. This US involvement continued and grew after Jamaica became independent.

Politically, the pre-independence period had the system of governance common to many British colonies – an appointed Governor and local House of Assembly. This system survived for three (3) centuries until the roots of Jamaica’s independence and its current political structure, were spawned by the birth of its labour movement. With the abolition of slavery in 1838 and the rise of a local land-owning peasantry, conflicts over land emerged, culminating in a major rebellion that was brutally repressed. This led to an outcry in Britain and in 1866 there was a push for democratic reform. However, the Jamaican legislature renounced its powers, rather than share power with people of African descent, so the country became a crown colony, ruled directly from Britain.
With the provision of public education and expanded economic opportunities, a more broad-based local middle class slowly emerged in Jamaica and throughout the Caribbean, made up chiefly of low-level public officials, police officers, and teachers. However, their further social and political advancement was blocked by the appointed colonial authorities. Jamaica depended for its prosperity on international trade, and the fallout from the depression of the 1930s had a major negative economic impact. In 1938, unrest resulting from unemployment, low wages, and poor working conditions, led to the arrest of Alexander Bustamante, the leader of the labour movement (Library of Congress, 2005). It also led to the creation of the country’s first political party, the People’s National Party (PNP), under Norman Manley. In 1943, a second political party, the Jamaica Labour Party (JLP) was formed, under Bustamante’s leadership. He became the country’s first Chief Minister in 1953, under a new constitution that saw the creation of a House of Representatives and a Legislative Council. In 1958, the West Indies Federation, consisting of Britain’s colonies in the region, was proclaimed. However, in 1961 Jamaica withdrew from the Federation and formally asked for its independence from Britain.

History (post-independence)

In the pre-independence period and during the years leading up to the twentieth century and political independence, Jamaican history was dominated by conflict. Slave rebellions, wars between Britain and Spain, Britain and France, the American Revolution, the American Civil War, and the two Great Wars, were all defining events in the country’s development. This early history can be characterised as turbulent and violent, and it is a legacy that continues.
After independence, Jamaica’s more recent history can be described as a period of political and economic consolidation. Since the end of World War II the influence of the US and Canada has grown in relation to that of Britain. Jamaica’s slave trade had coincided with the North American slave trade of the seventeenth and eighteenth century, but slavery continued in America long after it had disappeared in Jamaica. Under British rule there had been a brisk trade with the New England states and the Canadian colony. Some loyalists even moved to Jamaica after the American Revolution. During both of the Great Wars in Europe, Jamaica contributed soldiers to the Allied cause. Since gaining independence on August 6, 1962, in spite of continuing as a free member of the British Commonwealth, Jamaica’s economic fortunes have become increasingly tied with the US. In 1962 the country entered the high stakes arena of the Cold War between the United States and the Soviet Union with what has become known as the ‘Cuban Missile Crisis’. A mere ninety miles south of Cuba, the country’s strategic importance to the US now mirrored its earlier history as the military and naval hub of British interests within the Caribbean.

On gaining independence, Jamaica joined the UN and adopted the Bretton Woods agreements of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank). At that time, the country’s economy was one of the better performers in the developing world, and in the aftermath of independence, throughout the 1960s, it regularly grew five or six percent annually. Its prosperity gradually became heavily dependent on mining and tourism, as the relative importance of agriculture exports, though still important, continued to decline with growing inefficiency in production. The fall in Jamaica’s agricultural production meant
it was even unable to fill the reduced quotas arising from the development of the European Common Market. Development models and international perspectives were adopted from the West, and from independence to the early 1970’s, Jamaican prime ministers declared their solidarity with the US. However, continued foreign dominance (increasingly American) of the ownership of the economy precipitated growing discontent among political leaders and ordinary citizens. The widespread economic disparities that became manifest, resulted in social unrest. This came to a head under Michael Manley, who was selected to lead the PNP in 1969, and became the Prime Minister in 1972 (Jamaica Gleaner, 1998). Manley’s more socialist-oriented government established close ties with Cuba, and gained international accolades and notoriety (depending on perspective) as a proponent of the non-aligned movement and Caribbean regionalism. He openly challenged the policies of the IMF and the World Bank, and took steps to discontinue the ‘structural adjustment’ standby arrangements with the IMF. He refused to initiate many of the market-oriented measures demanded by the IMF, and the country was refused a much needed line of credit (Bakan, 1990). Over the decade of the 1970s, the Jamaican economy collapsed and actually shrank, and Manley was forced to negotiate an IMF ‘standby agreement’. This period under Manley was pivotal in Jamaica’s political history, as ideological differences came to the fore and political violence reached levels not seen before.

From 1980, when Edward Seaga became the Prime Minister after a resounding victory at the polls by the JLP, the foreign policy direction of the country was reversed and more close relations established with the US administration of Ronald Reagan. In the ‘80s Jamaica was struggling for its economic life. In 1983, the world recession
wreaked havoc with its bauxite industry, which had become its biggest earner of foreign exchange. The passage of Hurricane Gilbert in 1988 devastated its agricultural sector, particularly the now booming banana industry. Throughout the 1980s, Jamaica’s sugar industry lost its dominant position through declining world prices, inefficiency in production, and US reductions in import quotas. Rising unemployment created new political pressures. The education system had not developed to produce the needed professional skills of a modern economy. For much of the 1980s, although Jamaican’s standard of living and income actually rose under Seaga, massive foreign debt strangled the economy. Even today Jamaica is among the most indebted of the world’s countries.

When Manley returned as Prime Minister in 1989, he abandoned the socialist rhetoric of his earlier period, and maintained the free market economic model of his predecessor (Bartilow, 1997). In fact, he made determined attempts to speed the process of privatization. The country by this time had to commit over 50% of its foreign exchange earnings to debt servicing. This had developed during the ‘lean years’ when the influence of the IMF returned to Jamaica. As a result, various forms of international assistance had been conditional on balance-of-payments returns. Jamaica was in a vicious circle of international loans and interest payments on its debts, which continued into the 1990s. Manley retired in 1992 and the government he left behind decided, in 1993, to end borrowing from the IMF. Nevertheless, the debt continues to grow from accrued interest.

Jamaica’s resistance against the pressure of powerful international organisations is symptomatic of its history of rebellion against perceived colonial and other domination. The country’s quest to chart its own path in a world where powerful nations
determine the rules, and thrive at the expense of those less capable to strike out on their own, has been replayed time and again throughout its economic, social, and political history.

**Population**

The vast majority of Jamaican people now live in the coastal urban centres (see Figure 2, page 20), so internal migration has long been a significant contributor to population flows, first from rural to urban, and then between the urban centres, as people relocate to the areas of economic activity and better employment prospects. About one-third live in the Kingston metropolitan area, and about half the total population of approximately 2.7 million live in the major urban areas (see Table 2).

**Table 2**

**Estimated Population of Major Urban Centres (November 2007)**

<table>
<thead>
<tr>
<th>CITY NAME</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston &amp; St Andrew</td>
<td>795,700</td>
</tr>
<tr>
<td>Spanish Town</td>
<td>148,800</td>
</tr>
<tr>
<td>Portmore</td>
<td>175,000</td>
</tr>
<tr>
<td>May Pen</td>
<td>60,000</td>
</tr>
<tr>
<td>Mandeville</td>
<td>52,800</td>
</tr>
<tr>
<td>Montego Bay</td>
<td>121,000</td>
</tr>
<tr>
<td>St. Ann's Bay</td>
<td>12,700</td>
</tr>
<tr>
<td>Black River</td>
<td>4,900</td>
</tr>
<tr>
<td>Savanna-la-Mar</td>
<td>18,900</td>
</tr>
<tr>
<td>Port Maria</td>
<td>8,400</td>
</tr>
<tr>
<td>Morant Bay</td>
<td>11,600</td>
</tr>
<tr>
<td>Port Antonio</td>
<td>14,900</td>
</tr>
<tr>
<td>Falmouth</td>
<td>10,060</td>
</tr>
<tr>
<td>Lucea</td>
<td>6,700</td>
</tr>
<tr>
<td><strong>Total of Major Urban Centres</strong></td>
<td><strong>1,441,460</strong></td>
</tr>
<tr>
<td><strong>Total Population of Jamaica</strong></td>
<td><strong>2,758,100</strong></td>
</tr>
</tbody>
</table>

(US State Department)
These shifts have moved population for generations, first from agriculture to mining, then manufacturing, and later to tourism, as each gained importance as a major employer contributing to the Gross Domestic Product (GDP). When Jamaica became independent, the population had become sufficiently ethnically diverse to justify the national motto “out of many, one people”. Today, according to the statistics of the US State Department, the population is: 90.9% African, 1.3% East Indian, 0.2% Chinese, 0.2% White, 7.3% mixed, and 0.1% other.

Jamaican outward migration has a long history and has taken many forms. The UN Economic Commission for Latin America and the Caribbean (ECLAC) report of November 22, 2002, to the Hemispheric Conference on Immigration, claims the country has the highest level of emigration of all the Caribbean countries. It also ranks first in terms of the loss of graduates from tertiary level education programs. Estimates put persons currently living outside of the country able to claim Jamaican nationality, at approximately three million. Migration patterns in the Caribbean have always been influenced by regional and global trends. According to Petras, up to the mid-nineteenth century Jamaica was a ‘voracious consumer of immigrants’ (Petras, 1988), but since it stopped importing slaves the country has become a net exporter of people. Although the birth rate stands just under 20 per 1,000 of population, this has been falling gradually at least since the 1960s. *The World Factbook* of the CIA estimates Jamaica had a net migration outflow of six persons per 1,000 of population in 2007.

By the 1980s, the steady flow to Britain, the US and Canada was well established but it had long been underway. It began with the flight of escaped slaves in the seventeenth century, through the exodus of the middle class and professionals in the
1970s under the socialist-leaning Manley government. Jamaicans went to Panama and Costa Rica to help build the canal and the railroads. They worked on the banana plantations of Central America, and the sugar and coffee plantations of Cuba. During the period 1950–60, Canada and Britain alone accounted for approximately 200,000 Jamaican emigres (Encyclopaedia Britannica). However, during the 19th and 20th centuries, the United States attracted more Jamaicans than all other nations combined, and today - together with Canada - it remains the primary destination for Jamaican migrants. Canada specifically attracts much of Jamaica’s knowledge capital as a result of immigration policies that target skilled and highly educated persons from other countries. Caribbean teachers and nurses are targeted by the US, Britain, and Canada, to Jamaica’s great loss.

**Economic Indicators**

In recent decades, Jamaica’s primary foreign exchange earnings have shifted away from the agricultural base of the pre-independence era. The initial move was to mining, but now is to the services sector. The economy is heavily dependent on the services sector, with tourism ranking as the leading service industry. The most recent available figures (2006) indicate that over three million tourists visited the country that year, the majority as stop-over visitors. Over a third are from the US and Canada, although traffic from Europe has been steadily increasing. Total revenue earned reached US$2.1 billion at the end of 2006, ranking it second to remittances at US$2.5 billion, and ahead of bauxite/alumina, even though Jamaica is one of the world’s top producers of bauxite/alumina. Other services, such as ‘data entry’, and ‘assembly’ industries are
regarded as important in providing employment. Jamaica’s major markets in order of magnitude are the US 26.3%, Canada 19.6% and U.K. 10.8%.

Since the 1970s, Jamaican music and dance have garnered worldwide attention and appeal. The name ‘Jamaica’ has evolved into a valuable brand, well-known globally and the trademark is a revenue generator. In recent years steps have been taken by the country to protect its intellectual property - particularly in relation to its art forms and cottage industries. However, in spite of its potential, within the Caribbean region, today Jamaica has the highest level of inflation and among the lowest per capita GDP (CIA, 2005). Regarded as a ‘lower middle-income’ country, it grapples with high unemployment levels and very high crime rates (DFID, 2005). Inflation remains high relative to that of its trading partners and the country maintains a strict fiscal policy as it tries to manage inflation and reduce unemployment.

With the economy facing systemic and long-term difficulties related to its trade deficit, internal and external debt, and high interest rates, the effects of the global fallout from the September 11, 2001 terrorist attacks on the US were devastating. Even so, Jamaica’s economy is open, and it is still supportive of liberalisation and free trade. Although reform challenges lie ahead, 2006 saw the country achieve positive growth (above 2.5% - a number not seen for many years). At the end of 2006 the World Bank projected growth in 2007 would rise above 3.0%, but since that projection, the effects of the 2007 hurricane season and national elections have probably nullified the estimate.

Jamaica’s economy is historically inextricably linked to the world economy and any downturn in world financial markets or the US economy affects both the sensitive tourism industry and the country’s ability to fund its external debt, and results in
reduction of foreign direct investments. The International Development Research Centre (IDRC) of Canada notes that “while there is a consensus that Jamaica is not performing to its potential, there is little agreement as to the reasons for this failure” (IDRC, 2007). The World Bank reports on its website that its Country Assistance Strategy (CAS) for Jamaica for 2006-2009 aligns with the government's Medium Term Socio-Economic Policy Framework. One of the three pillars of the strategy is the improvement of human development and opportunity. This focuses on social development and capacity building. Another of the pillars is geared towards accelerating economic growth. Approximately 28% of World Bank assistance provided to the country is under this pillar and is directed towards education.

**Jamaica’s Higher Education System**

The development of Jamaica’s education system is best understood as part of the country’s pre-independence and post-independence journey. British missionaries were the first to bring education to the black slave population. Through basic education and conversion to Christianity, they transferred their model of theological education across the Caribbean during the 17th and 18th centuries, as one way to support efforts to subdue the slaves. Therefore, many of the teachers and school principals were initially, members of the clergy.

In the 19th century, teachers colleges and a religious college were established in Jamaica. The religious college trained young men of African descent for service in the colonies of the Caribbean and West Africa. The first of the teachers colleges – Mico -
was financed by a private trust\textsuperscript{7}, supported by the Negro Education Grant\textsuperscript{8} (NEG), which had been established in 1831 in Britain. Other teachers colleges were also established across the Caribbean but with the withdrawal of the NEG in 1845, they all gradually folded, with the exception of the Mico College in Jamaica. It was preserved by a decision taken in Jamaica because there was a need for better equipped teachers. It still operates today as the largest teacher-training institution in the Caribbean. The advent of teachers colleges were a direct result of the changing attitudes towards slavery and former slaves, and the need to train the local population at least to the elementary level, so that there would be the labour capable of serving the local economy. However, the system was elitist and selective. Each year only a few ‘lower-class children with ability’ were admitted. It bred a general lack of confidence among the black population who consequently undervalued their own ability and knowledge. Nevertheless, education was the great ‘social equaliser’ for many poor Jamaicans of African descent, and a secondary education enabled them to enter the professions.

Today, Jamaica is well aware of the impact of an undereducated populace. By the time the country became independent, its inability to produce the professionals and skilled labour needed to sustain economic and social development, and accommodate

\textsuperscript{7} Upon her death in 1670, Lady Mico bequeathed 2,000 pounds to her husband’s nephew Samuel, on condition that he marry one of her nieces. She directed the money be invested and if Samuel did not marry as stipulated, half the sum should go to rescue Englishmen enslaved by Barbary pirates. Samuel did not marry as Lady Mico wished and by 1827 the principal sum had grown to 120,000 pounds, because piracy had declined and not much had to be paid out. In the meantime, the social and political climates toward slavery had changed and the Mico trustees applied to the Chancery for permission to divert the funds to education for the newly emancipated West Indies. Approval was secured in 1835 and influential abolitionists worked to achieve this goal.

\textsuperscript{8} The Negro Education Grant was enacted in 1831 but was delayed until 1835 and distributed for ten years until 1845. The objective of parliamentary aid was to maintain ‘public tranquility’. Owing to the limited vision in the way the program was pursued, it had limited success. However, it proved to be a decade of learning the cost and challenges of establishing an education system anywhere. On the other hand, the idea that education should be a public responsibility and should be widely available, was regarded as the major achievement of the process.
shifts in the economy, was the direct result of former lack of attention paid to the education of its predominantly black population. Many foreigners came to Jamaica to fill gaps in the high-income professions and provide much of the needed pool of managerial talent. As a consequence, the commanding heights of the economy, and the positions of political and social influence, were small elites of white Jamaicans and foreigners. However, this has changed and today Jamaica’s higher education system reflects the strides the country has made and the political maturity it has achieved (see Figure 3).

**Figure 3 - Jamaican Higher Education Institutions: The First 150 Years**

<table>
<thead>
<tr>
<th>INSTITUTION NAME</th>
<th>START DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mico Teachers College</td>
<td>1836</td>
</tr>
<tr>
<td>Calabar Theological College</td>
<td>1848</td>
</tr>
<tr>
<td>Bethlehem Teachers College</td>
<td>1861</td>
</tr>
<tr>
<td>Shortwood Teachers College</td>
<td>1885</td>
</tr>
<tr>
<td>St. Josephs Teachers College</td>
<td>1887</td>
</tr>
<tr>
<td>West Indies College</td>
<td>1919</td>
</tr>
<tr>
<td>West Indies School of Public Health</td>
<td>1945</td>
</tr>
<tr>
<td>University of the West Indies</td>
<td>1948</td>
</tr>
<tr>
<td>Caribbean Nazarene Theological College</td>
<td>1951</td>
</tr>
<tr>
<td>College of Arts Science &amp; Technology</td>
<td>1958</td>
</tr>
<tr>
<td>Jamaica School of Music</td>
<td>1961</td>
</tr>
<tr>
<td>Churches Teachers College</td>
<td>1965</td>
</tr>
<tr>
<td>United Theological College</td>
<td>1966</td>
</tr>
<tr>
<td>Moneague Teachers College</td>
<td>1972</td>
</tr>
<tr>
<td>Excelsior Community College</td>
<td>1974</td>
</tr>
<tr>
<td>Knox Community College</td>
<td>1975</td>
</tr>
<tr>
<td>Jamaica School of Dance</td>
<td>1975</td>
</tr>
<tr>
<td>West Indies Theological College</td>
<td>1980</td>
</tr>
<tr>
<td>College of Agriculture</td>
<td>1982</td>
</tr>
<tr>
<td>Jamaica Maritime Training Institute</td>
<td>1990</td>
</tr>
</tbody>
</table>

From the nineteenth century, the great expansion of HE in Jamaica was focussed on producing better trained school teachers. In 1948, the first Caribbean university was established in Jamaica as an external college of the University of London. Its mandate was to serve all the colonies located in the region, which collectively was referred to as
the British West Indies. It was the creation of this institution - the University of the West
Indies (UWI), that solidified awareness among the general black population, of the
importance of education as a vehicle for social advancement (Sherlock & Nettleford,
1990). However, under British-centred leadership there was no meaningful access to this
institution for the general population. Beyond the primary (elementary) level, access was
still effectively denied the majority poor black Caribbean nationals.

All of that changed in Jamaica after political independence, particularly during the
1970s under the government led by Michael Manley. The higher education sector in
Jamaica now includes national and foreign universities; three year teachers colleges;
community colleges; vocational training institutes; professional training institutions, etc.
These multipurpose higher education institutions emerged in response to the need to
develop the nation’s human resources, through public policy, political ideology, and
external influences (Roberts, 1999). Current methods, practices, and content in
Jamaica’s education system are grounded in the country’s historical connection with
Britain and its strong post-independence relationship with North America. Today,
Jamaica possesses the most comprehensive and complex higher education system in the
Caribbean in spite of the rather inadequate policies of the early independence decades.
Chevanne believes that the entire region will continue to face development challenges,
including with expansion of educational services. Although current structures are a
reflection of their colonial past and their independent-minded vision of the future, new
structures are necessary for the type of development in keeping with national demands
and global trends (Chevanne, 2003).
A former Minister of Education observed that much of Jamaica’s recent education history has resulted from the need to develop ‘home-grown’ solutions to economic, social, and political challenges. Since the mid-twentieth century, the proliferation and diversification of locally-established institutions has led to the growth of sub-systems with differing characteristics and levels of complexity, quality standards and opportunities for upward mobility. The community colleges and teachers colleges have developed articulated arrangements with other local, regional, and extra-regional higher education institutions. This piece-meal expansion now makes system development and regulation of the entire sector more difficult.

**Ideological Factors Shaping Jamaica’s Education System**

Since independence, Jamaica’s education landscape has been shaped by ideological tensions between the country’s two main political parties, the Peoples National Party (PNP) and the Jamaica Labour Party (JLP). The PNP focuses on education as an agent of social development and change, empowering the individual. The JLP for its part focuses on higher education’s contribution to knowledge and the fostering of human skills to assist business development and economic growth. The PNP coined the phrase ‘democratic socialism’, a slogan that galvanised a people suppressed under the elitist British regime that had disempowered them for generations. The JLP coined the slogan ‘it takes cash to care’, citing the increase of economic power to provide social mobility through individuals’ private enterprise, entrepreneurship, and economic growth achieved through business (Chambers & Airey, 2001).
The ideological divide was most profound during the period 1972 – 1992 when the two movements (PNP and JLP) were under the leadership of Michael Manley and Edward Seaga. Manley led the PNP to form the government in 1972 and championed the Jamaican Movement for the Advancement of Literacy (JAMAL). The campaign set its goal as ‘engaging’ one hundred thousand functionally illiterate adults each year until full national literacy was achieved (Library of Congress, 1987). His government also initiated reform of the rest of the educational system that included free access to education up to the college and university undergraduate levels, in order to enable poor Jamaicans to overcome the institutional barriers to education (Jamaica Gleaner, 1998). It was during this period that higher education extended beyond the UWI, the teachers colleges, and the theological colleges, as Manley tried to reverse the selective elitist policies of the previous British-dominated system. In 1975 his government introduced the Puerto Rican model of the ‘community college’, to provide ‘tertiary level’ skills training and continuing education. Through various incentives and regulatory concessions, employers were encouraged to support the government’s initiatives. Critics argued that the increased access came at the expense of the quality of the tertiary level education system. Proponents countered that the Manley ‘empowerment’ agenda sought to give every Jamaican, young or old, a stake in the educational process.

Jamaica experienced major changes to its educational system, from basic education through to higher education, as Manley saw the role of his government as controlling and managing critical industries and key economic resources of the country, to facilitate the participation of all Jamaicans. His ideological vision informed the policy objectives and processes, which were implemented through legislation. Allocation of
public financial resources was linked to the government’s social and political agenda. It was the first far-reaching education policy framework since the Education Act of 1965, which had established the Minister of Education as the responsible authority for policy, and laid out the statutory organisation of the entire sector.

The Seaga-led JLP government, on the other hand, steered toward a capitalist political economy achieved through free trade. He embraced the neo-conservative Thatcherism of the UK and the republican conservatism of Ronald Reagan in the US. After forming the Government in 1980, he reoriented the development strategies for the education system, directing it to become more attuned to the needs of the labour market. Seaga had been the Minister of Culture in the 1960's, and was knowledgeable about the rich traditions of the Jamaican Diaspora. He had his political roots in the poorest and most depressed areas of the country. He was the architect of bold housing initiatives that gave dignity to the living conditions of the people in those communities. While serving as Minister of Finance from the late 1960s, he had been instrumental in the enactment of the Student Loan Act (1971) to provide financial assistance to needy students in public tertiary institutions, who had difficulty paying tuition fees.

The period under Seaga as Prime Minister, also witnessed significant educational reform. He did not eliminate populist programs like JAMAL, but he restructured them. In 1981 their objectives were broadened to integrate the teaching of literacy with that of occupational skills (Frater, 2000). His political philosophy of social development could only be realised within a framework of economic progress. This was to be fuelled by private investment. Higher education and knowledge creation were targeted to meet the needs of industry and the government’s economic objectives. Plans to expand Jamaica’s
role as an internationally recognised transhipment port led to a partnership with the Norwegian government, and the establishment of the Maritime Training Institute. This institution, which later became the Caribbean Maritime Institute, trains maritime professionals throughout the Caribbean.

Seaga also encouraged private participation in the education system. In 1980 the first foreign cross-border higher education institution – Nova Southeastern University, opened an office in Kingston, initially to provide marketing and administrative support for its MBA program. Over the ensuing years, other foreign institutions were established or offered services by varying means. However, the education initiative for which the Seaga government receives the most credit is the creation of the Human Employment and Resource Training (HEART) academies in 1982. They were designed to prepare graduates of the secondary system to enter the workplace with marketable skills (Seaga, 2007). The program was intended for those who did not wish to pursue the academic track to higher education but lacked necessary employment skills.

Similar to the JAMAL program under Manley, the HEART program was linked to the government’s social and economic agenda through clear objectives and a supporting legislative framework. The academies were managed by a state corporation with the mandate to develop priorities and curricula based on the labour market’s needs. They were responsible for establishing the standards and the quality control mechanisms necessary to be acceptable to industry. These policies were moving from primary production to a service-dominated economy as the HEART academies trained the workers needed to serve emerging industries, in particular the rapidly expanding tourism industry. Regular feedback had to be made to Parliament. Critics charged that the public
funds could have been better spent upgrading the existing community colleges. The stage was set for education in Jamaica to become increasingly politicised from the 1980s on (Library of Congress, 1987).

Unfortunately, the Seaga government faced a worsening economic climate as the ‘80s progressed - first, a world recession depleted Jamaica’s export income, especially in the principal industry of bauxite/alumina mining; then the adverse macroeconomic environment constrained what government could afford and the structural adjustment program adopted under the IMF/World Bank presented challenges for an education budget unable to meet rising costs and increased demand for access. Efforts were made to preserve funding levels for primary and secondary education, but HE suffered significant reductions. The policy of free college and university education, introduced under Manley, was reversed with the introduction of the ‘Education Tax’ in 1983, levied on workers and employers, and the ‘Cess’ of 1986, which was levied on students. By 1988, the budget share of government’s annual recurrent expenditure – net of debt servicing - allocated for education had fallen to 12%, from 20% in the late 1970s. The Education Tax introduced in 1983, was increased in 1989, though the revenues were diverted from education (Miller, 2004).

Jamaica’s economic stability was further shaken on September 12, 1988, by the worst hurricane in the country's history. Before long, a political movement to recapture the social agenda and educational promise of the 1970s, led primarily by students from the colleges and UWI, gained momentum and the Seaga government was defeated in 1989. However, with Manley returning to lead the PNP government once more, his political ideology was modified towards a free market economic model with private
sector investment acting as the engine of growth. Determined efforts were made to 'free up' the economy and accelerate the process of privatisation that had started under Seaga. The Cess was not rolled back and the Education Tax, which now formed an important part of government revenues, was maintained.

Manley, a political scientist, saw politics as the ‘art of the possible, with the state as the enabler - creating conditions in which members of civil society can give input and have their interests secured (Manley, 1991). He focused on trying to create a more egalitarian society with education as the foundation for self-improvement, empowerment and good citizenship, which are the foundation for increasing wealth. Seaga, a historian, saw education as one of the tools for creating wealth, the basis for economic growth leading to a higher standard of living and a more stable society. His approach created a necessarily stratified society with the growth of an entrepreneurial middle class and skilled working class. Both ideological positions, were not only integral to the historical development of Jamaica’s political culture, they helped shape its institutional educational arrangements.

When Manley first announced his plan to make secondary and higher education free of charge, he encountered opposition from middle and upper class Jamaicans, including members of his own staff and his Finance Minister. During his second term in office (1989-1992) he pursued fewer social egalitarian policies. His government no longer revolved around the ideological issue of equality, but on free trade and free-market, to enlarge economic opportunities for Jamaicans. This is the path the country continues to tread today - one of combining an economic agenda with a social vision. It
is the attempt to balance this combination that defines Jamaica’s present socio-economic reality.

The character and practice of higher education followed rather than led the policy changes. In spite of various educational reform initiatives, a clear integrated vision and framework, recognising the significantly dynamic role higher education could play, was lacking. The National Report on Higher Education in Jamaica (NRHEJ), noted that the establishment of the University Council of Jamaica (UCJ) in 1987 was the first credible attempt to set a framework related to policing structure and standards for the sector (Evans & Burke, 2007). In 1991, the Cabinet appointed a committee to rationalise the pay and teaching responsibilities of staff in public HE institutions, and to make recommendations for restructuring and reclassifying the institutions within the system. The committee’s report led to the creation of the Association of Caribbean Tertiary Level Institutions, and in 1995 to the eventual upgrading of the public College of Arts Science and Technology, and in 1999 to raise the private West Indies College to university status.

The worldwide attention now being given to the importance of knowledge and high-level skills to a nation’s economic and social development, and the contribution HE makes to the process, has finally found its way into public dialogue in the Caribbean. The authors of the NRHEJ noted that the implications of the GATS heightened the urgency for the development of a policy framework as well as a system of accreditation and monitoring - particularly since Jamaica has committed its higher education sector in the Agreement.
**Governance and Institutional Arrangements**

Education in Jamaica falls under two broad categories, public (publicly supported) and private. Publicly supported HE in Jamaica includes teachers colleges, post secondary technical and vocational institutions, universities, and specialised professional schools. Under the Education Act of 1965, public education is directed and regulated by the Ministry of Education, Youth and Culture (Ministry of Education) and the Minister of Education is the Cabinet member ‘accountable’ for the administration of the system in the public interest. Through this Ministry, the Government of Jamaica owns and maintains all the physical capital of the public system. Thus it explicitly influences the direction, programming, and operations of all the public HE institutions, with the exception of the regional UWI campus, which it influences indirectly through the funding mechanism.

Private institutions may be local or foreign-owned and are not regulated, financed or influenced by the Ministry. They register under the Companies Act like any other business and determine fees, programming and operations based on commercial considerations. Some private institutions offer international professional programmes, accepted in Jamaica as equivalent to post graduate work. Northern Caribbean University (NCU) is a private, religious-based Jamaican university that enrolls students from over thirty nine countries across the region and from around the world. Many of these students work in university-owned businesses to supplement the financing of their education. NCU is a multi-disciplinary institution that started as a secondary and vocational training institute. It became a college in 1959 and started directly conferring baccalaureate degrees even before the UWI.
Foreign provision is offered through a variety of arrangements - local branches, partnerships, franchises, and online/distance education. The last fifteen years have seen an increase in the number of foreign-affiliated institutions in Jamaica, offering programs by various means. All teachers colleges now offer undergraduate degrees, including programmes offered in association with some foreign institution. This is also true for some community colleges. Altbach calls these facilitation arrangements with institutions from developed countries, “the new neo-colonialism” (Altbach, 2002). He sees it working through knowledge providers to herald an entirely new era of influence and power, resulting in loss of intellectual and cultural control. Figure 4 shows a list of the Jamaican institutions affiliated to foreign institutions, and offering degree programs under some sort of facilitation process, or franchising/licensing arrangement.

**Figure 4 - Local Institutions Offering Foreign Degree Programs**

St Joseph’s Teachers College  
Mico College  
Shortwood Teachers College  
Church Teachers College  
Sam Sharpe Teachers College  
Insurance College of Jamaica  
Institute of Certified Accountants of Jamaica  
Jamaica Institute of Bankers

Foreign providers hail from the US, Canada, and the UK. Additional providers have applied for entry and their applications are in varying states of being licensed and accredited. In 1980, Nova Southeastern University of the US was the first foreign provider to establish a branch operation in Jamaica. Today it has expanded its programs with two additional campuses located in the country. Across the board it is felt that standards have remained high but concern is growing. Graduates of both local and
foreign HE institutions have generally found their certifications recognised and accepted in most countries throughout the world. In part, this has been due to all these degree programs having been examined and accredited by the University Council of Jamaica (UCJ), and the international standing of the UCJ. Non-degree granting programs, which lead to diplomas and certificates, are less well-controlled.

Foreign institutions with programs accredited by UCJ that are being offered through a branch office in Jamaica or using the facilities of a local institution are listed in Figure 5. Accreditation is not mandatory and programs offered through on-line/distance education are not controlled.

**Figure 5 - Foreign Institutions with programmes accredited by the UCJ**

- Florida International University
- Mount St. Vincent University (St. Josephs Teachers College)
- Nova Southeastern University (Mico College)
- University of South Florida (Shortwood Teachers College)
- University of New Orleans
- Temple University (Church Teachers College)
- University of Southern Carolina
- Central Connecticut (Sam Sharpe Teachers College)
- University of Bangor, Wales

Reliable figures of the enrolment in foreign programs were not available but steps are being taken to start compiling and tracking this information. The lack of statistics may be partly due to these providers not attracting attention until recently, when reports suggested a link between the GATS and the numbers of foreign programs and institutions in Jamaica. However, much of the expansion in the cross-border provision of HE in Jamaica occurred before the WTO became operational in 1995. The majority date from the 1980s. This variety of institutional arrangements co-existed under the governance of
the Ministry of Education and the review process of the UCJ. Though not influenced by any multilateral governance structure, the opportunity for profit accounted for the existence of these early providers offering mainly MBA programs.

Regardless of the rise in foreign provision, public HE accounts for some 80% of total enrolment, which makes the Jamaican government the largest service provider in the sector (World Education Services - Canada, 2004). Funding for education (including HE) has grown from an annual average of 4% of GDP in the 1990’s, to an average of 8% since 2000, even as the user fees charged to students have also increased. HE accounts for 0.5% of the latter (i.e. of the 8% figure). As a percentage of the annual budget for the past ten years, the education system was allocated on average 11% of Jamaica’s total net capital and recurrent expenditure, after debt servicing (Ministry of Finance). This ranks among the top twenty five countries in the world in terms of per capita expenditure on education (UNDP, 2007).

Education stakeholders, however, are dismissive of Jamaica’s UNDP ranking and scoff at current expenditure allocations, which have actually declined in real terms. They are also concerned about the apparent unstructured approach to regulating and managing the HE sector, and the lack of cohesion in policy development (Evans & Burke, 2007). Much of the infrastructure development over the past decade has been directed at expanding the lower educational levels. A number of policies and reports relating to education and training have also been developed but none dealing with HE. For example, the Ministry of Education recently published “The Development of Education National Report” (Ministry of Education, 2004), but in it only makes brief mention of HE. There was also the “Task Force Report on Educational Reform (2004)”. On examination, this
proved to be a report dealing only with education at the elementary and secondary level and which barely mentioned HE – that a review of the sector was necessary and should be undertaken. There have, however, over the years been various pieces of legislation addressing policy issues in HE. These are listed in Figure 6.

**Figure 6 - The Acts of Parliament addressing higher education in Jamaica**

1. University Hospital Act (Nov 26, 1948)
2. Education Act (December 16, 1965)
3. Joint Board of Teacher Education (1965)
4. Students Loan Fund Act (July 1, 1971)
5. Council of Legal Education Act (April 1, 1974)
   - The Act was amended in 1991 to expand its role to become the National Training Agency. A further amendment in 1994 established the National Council on Technical and Vocational Education and Training (NCTVET). This entity is legally authorized to accredit training programmes and institutions, to certify trainees and vocational instructors and to assess procedures for TVET.
7. University Council of Jamaica Act (October 1, 1987)
8. The University Students Cess Act (May 2, 1988)
11. University of Technology, Jamaica Act (June 29, 1999)
12. Council of Community Colleges of Jamaica Act (December 31, 2001)
13. University of the West Indies, Mona Campus Security Act (October 14, 2002)

One could argue, as the NRHEJ suggests, that the existing legislative framework does not demonstrate a logical, strategic development of the sector.

**Policy Issues facing Jamaica’s Higher Education System**

HE in Jamaica had its roots in teacher education and religious education, provided by the colonial authority. Much of the structure, curriculum, and practices throughout the system derive from this British heritage, adapted somewhat by post-independence development. Historically, it would be similar to the development of HE in Eastern and Central Canadian provinces and the north-eastern part of the United States. The phases
in the evolution of the sector and its location in the broader Caribbean framework will
play an integral part in the way the country now positions itself to face foreign
competition and emerging geo-political risks. The ideological political struggle of the
1970s was reflective of comparable struggles elsewhere, which transformed colonial
legacies of elitism and social stratification that pervaded the education system. Today, a
broader cross section of the population can exercise greater choice in accessing higher
education, but demand continues to exceed supply. Politicians and policy makers admit
there is much room for improvement. At a meeting in Jamaica in 1997, Caribbean
political leaders committed that by 2005, 15% of the age cohort 18-24 in each country
should have participated in tertiary education (CARICOM, 2008b). Jamaica surpassed
the target in 2004. According to the Ministry of Education, the objective now is to
increase the participation rate by a further 3% by 2007, at the rate of 1% per annum
(Thompson, 2004). HE policy planners argue the need for a governance framework for
the sector that will take into account the country’s international obligations and the
considerable differences among institutions in terms of status, relevance, program
delivery, support services, access and quality standards. There is need for good, easily
available statistics to inform planning. There is need for a stringent monitoring process.
There is also need for a periodic, relevant assessment and accreditation review process.

In the pre-independence period, Jamaica suffered from a lack of will on the part
of the British colonisers to adequately educate the black population. Now, it suffers from
a lack of financial and skilled human resources. Since the early days, two factors seem to
be primarily responsible for the nation’s slow progress in developing a coherent world-
class system. First is the absence of a strategic policy plan for the HE sector, which links
it with the socio-economic drivers of the society. The second is inadequate finance. The education policy initiatives under the Manley and Seaga governments were not born of a vision for mass HE – a system that would transcend populist politics or neo-liberal economics. Manley sought through his brand of politics to empower people by providing the opportunity to acquire knowledge, but confined this initiative to basic knowledge through literacy and early schooling. His policies stopped short of also including the HE system as a means of social awakening, and as a catalyst to build the human capital necessary to realise the human and economic potential of the country. Seaga’s neo-liberal philosophy sought to increase wealth by empowering industry through the diffusion of knowledge and skills through the labour force. However, his policies lacked the long-term vision needed to adequately support economic recovery even after the impact of world events and natural disasters that caused the downturn. Skills training, needs to be treated not as an end in itself but as a single avenue for growth, and a pause providing for skills flexibility and re-training, leading to new heights of learning. These historical periods, though politically motivated, were pivotal moments. They presented an opportunity for Jamaica to forge a knowledge-based ethos, aspiring to increasing levels of knowledge attainment, and the goal of a knowledge-based economy, and a (proportionally) large and growing middle class.

It must be recognised that public resources were severely constrained throughout most of the 1980s and 1990s and even to-date in the 21st century. The country has been experiencing low, and negative, economic growth. Even so, during the period, public expenditures on education reached 8% of GDP, with HE accounting for as much as 22% of total education expenditure since the 1990s (UNDP, 2007), notwithstanding the
pressures on revenues. The growing demand for HE services has persuaded the Jamaican government to increase student loans and grants, but this direct support to students is still regarded as quantitatively inadequate and too limited in scope. Continuing fiscal deficits in the public institutions mean that they now have to recover a higher percentage of their costs from students.

With knowledge hailed as the currency of economic and social development, political attitudes in Jamaica are attempting to respond to the demands of a society that wants to participate in this post-modern culture (Beckles, Perry and Whiteley, 2002). Philbert Dhyl, Assistant Chief Education Officer (ACEO): Tertiary, who is responsible for the oversight of HE in Jamaica, was reported by the Jamaica Information Service (JIS) in 2005 that an increasing enrolment trend is evident in the sector (Thompson, 2004). Numbers have grown from less than 10,000 students in the 1970s to over 40,000. He credits the enrolment increase primarily to individual demand based on the expectation of a better financial return from higher paying jobs, and employers’ recognition that higher productivity and greater innovation flow from more qualified labour.

However, there is greater demand than the current system is capable of delivering. A review of Government’s current financial allocation for HE, does not include a capital budget for additional institutions and the expansion of current facilities. The need for more physical capital to accommodate greater access has fuelled private participation and led to growth in foreign provision. But it has also led to increased anxiety about cross-border provision in light of the GATS debate, and it exacerbates issues still not very well understood. The Jamaican government welcomes the participation of foreign scholars
and the expectation of a more international context for the education of its nationals. But so far, it has resulted in a narrow concentration of mainly business programs, which some policy-makers view as undesirable. Foreign certification makes their skills more globally competitive, but it is offset by many of the country’s graduates either opting to migrate at the end of their period of study or subsequently, if their skills cannot be adequately rewarded in line with their expectations and they are underemployed.

Equitable Access as a Meaningful Policy Strategy

Providing equitable access to HE has become a desirable priority goal, not only for Jamaica, but for the entire developing world where projections estimate the population will reach between seven and eight billion by 2025. It is expected that more than half of this number will be under the age of 25 (Daniel, 2006). As Jamaica assesses its development needs, education is seen as the crucial vehicle by which to build the necessary human and knowledge capital to improve economic performance (Roberts, 2003). After independence, the protection and support from Britain waned and was replaced by the US, but with the end of the Cold War, the country lost its strategic advantage to the US. This made it more imperative to quickly develop Jamaica’s human capital necessary to sustain economic growth and become competitive on the global stage – even if the process had to be financed through debt.

The inclusion of education as a development strategy for Jamaica is regarded as promising (DFID, 2005), and HE is the critical component of this strategy, but HE development presents policy challenges. Fuelled by the growing demand for services, Jamaica’s higher education sector has become a network of diverse institutions and programs of varying size and quality, specialisation, and mission, with an increasing
presence of foreign institutions and programs. Although the country’s participation rate in all types of HE has now risen to approximately 15% of the applicable age cohort – aged 17-25, this is less than the 18% average for the region. There are plans to double access by 2010 by developing local provision, expanding the programs already being offered, and partnering initiatives among institutions, with greater collaboration with foreign institutions. But there is awareness that HE as a vehicle for social mobility also facilitates access to an international labour market and emigration of graduates. The increasing public demands for greater access also includes demands for better quality, and greater accountability.

Liberalisation trends are also influencing the expansion of local provision and the participation of foreign providers. These foreign providers are facilitated by Jamaica’s belief in liberalisation and free trade. Their initiatives to profit from the demand are driving ‘demand and supply tensions’ that already exist. In this regard, the GATS has emerged to focus attention on the market-oriented aspects of trade and investment in the education sector, since it can itself be a catalyst for both importing and exporting HE services (Sauvé, 2002a). Whereas higher education provision was formerly selective, exclusionary and underdeveloped, great strides are being made in developing an all encompassing system that can form the basis for a skills and knowledge producing economy - one that is robust and responsive to the shifts that will occur nationally and globally (Souza, 2002).

Jamaica’s GATS commitment in HE, therefore, focuses attention on economic models for public policy for the sector, and on the role of government in managing the expansion of the HE system. Souza advocates that the postsecondary education system
be broad, diversified and flexible in order to remain continuously up-to-date. He
suggests that only then can it keep pace with the development of new knowledge and
technologies, enabling people to return frequently to educational institutions over the
course of their working lives.

The local expansion of Jamaica’s higher education system thus far, could be
described as comprehensive and diverse, but it still lacks the flexibility to facilitate
participation by a significant constituency of learners, particularly professionals and
working caregivers. Foreign cross-border provision has prospered in recent decades
because it offers a more flexible, student-centred approach to programming that finds
favour with a large cross section of people (Roberts, 1999). However, as more persons
come to appreciate the correlation between knowledge and wealth, the demand for HE to
re-train and broaden and transfer their knowledge with new learning applications will
continue, and quite apart from the pressures of population growth, the push to broaden
system access will persist.

Cross-border providers now act something like the pressure valve for the HE
system. They allow for a wide range of circumstances, and cater to a wide-ranging
population, not just the traditional young age cohort. The flexibility of their programs
overcome the traditional admission barriers of matriculation, program, limited resources,
and geography of location, thereby making access much more equitable than obtained in
public institutions. As competitive conditions unfold in Jamaica, the role of the state is
shifting from being the primary provider of HE services to being the creator and monitor
of the framework within which the system operates.
Persons living far removed from metropolitan commercial centres are impacted negatively. They either have to travel great distances to classes or are forced to make drastic changes in their personal life to attend school. Cross-border providers have responded to their unmet demand with greater flexibility in locations, matriculation requirements, class times, degree requirements, and programming. The appeal of, and response to, these alternatives is confounding some policy makers and educators. They now recognise that the market has been far from being served. Much more is required to change long term, and to devise more creative approaches which will boost access.

For example, the foreign-affiliated University College of the Caribbean (UCC) offers both undergraduate and graduate programs in conjunction with universities in the US. The UCC also is launching a pilot Associate of Science (ASc) degree in Business Administration, and an upper level Bachelor of Science (BSc) Degree in Business Administration through a hybrid model that involves a combination of free-to-air television, wireless cable, and traditional classroom (Reid, 2005). This project is in response to a growing number of adults who seek access to HE but either require greater flexibility to participate, or are not qualified for admission to traditional public institutions.

The institution is reported to have forged links with other foreign institutions, including from the UK and Canada, to expand the programs currently being offered (Brown, 2007). Some foreign programs offer classes during evenings and on the weekends, with US-based professors travelling to Jamaica, and at the end of the courses students obtain a U.S. university degree. Other local institutions are affiliated with a foreign provider who offers its programs directly on their premises. Entry to these
programs is based on more flexible admission criteria – such as lower academic prerequisites with applicable work experience – and is offered at non-traditional study times. Several foreign providers from the UK, Canada, and Australia, offer online/distance programs and the public universities are themselves establishing affiliates throughout the country to deliver their programs. UWI offers courses of more than 1,000 degree programs through colleges across the country. The pace of these partnerships being formed and expanded by UWI, has accelerated in the face of increasing numbers of foreign providers.

While cross-border providers are overcoming many access and equity problems, they impose some barriers of their own. One of the most significant has to do with the higher cost of their programs. Jamaica’s high inflation rate relative to its major trading partners results in a significant movement in Jamaican dollar terms when the currency weakens against the US dollar to which it is pegged. These could prove devastating to someone who is partway through a foreign program. It is reported that a lot of Jamaican students are struggling to pay the fees charged by these foreign institutions. Initially the programs offered by foreign providers were the more expensive MBA and professional programs, but this has changed. Several baccalaureate programs, a broad selection of master’s programs, and a PhD program in instructional design, are offered by Nova Southeastern University in association with Mico. Nevertheless, even when they are offered in local public institutions, many foreign programs are more costly than would have been those of the public institutions. This is partly because they are priced in US dollars and with Jamaica’s high inflation rate relative to the US, the depreciation of the
Jamaican dollar results in students requiring to pay more for these programs in local currency.

Levy (2002) reports that the accelerated growth in private investment in HE is generally outstripping the growth in public financing of the sector both in developing countries and some developed ones. Nevertheless, to address the issue of equitable access as a policy strategy, Jamaica must examine the student support mechanisms, the criteria for access to financing, the methods and costs of acquiring funding, and the administration of the process.

In 1971 Seaga introduced the legislation that established Jamaica’s Student Loan Fund (SLF). The SLF operates as a revolving fund, maintained by investments, repayment, government contributions and external borrowing. The Student Loan Board that administers the SLF reports that difficulties arising from under-funding are compounded by high default repayment levels, partly attributable to borrowers’ migration (Jamaica Gleaner, 2006). Many ignore their liability once they are abroad.

Students with financial needs are able to access the loan scheme provided they are enrolled in the public system, but even for such students, actually obtaining loans is often difficult because of the fixed pool of funds, which necessitate repayment of existing loans to enable disbursement of new loans. Moreover, the means-tested loan scheme is not geared towards students faced with the extra cost of being domiciled outside the urban centres where the majority of public higher education institutions are located. A World Bank report on the sustainability of the SLF, found it had structural, administrative, and policy flaws that, exacerbated by high default/arrears rates, seriously endangered the entire program (World Bank, 2003b). However, the SLF is a major source of funding for
students at the UWI who account for about 40% of SLF disbursements. Students at the University of Technology (UTech), the other public university, account for another 31% of the total (Students Loan Bureau, 2006). In the 1970s, loan approval rates were over 90 percent of applicants, and it continues to be fairly high at about 80% (Wu, 2001, winter). Still, financing is geared to covering only the cost of tuition, and solely for students enrolled in approved institutions. Students outside of the mainstream universities, such as those at teachers colleges, are only eligible for limited support, capped at a specified amount well below the cost of tuition. To improve the collection of outstanding loans, a policy has recently been implemented of publishing the names and photographs of defaulters in the local media, and it has been suggested that this be extended to the foreign media (Students Loan Bureau, 2006).

Officials at the Ministry of Education admit that there are unnecessary obstacles to matriculation imposed by some of the country’s public HE institutions. For example, UWI does not recognise the Caribbean Examination Council (CXC) certificate for matriculation purposes, even though the examinations were developed since the 1980s to replace the London-based General Council of Education (GCE) examinations. Secondary graduates wanting to enter UWI must sit the GCE examinations. All other Jamaican institutions accept the CXC, but although this satisfies the basic requirement, capacity limitations result in a competitive landscape requiring high levels of academic performance and additional admission requirements. Calls have been made for an evaluation of the matriculation requirements vis à vis program requirements. Some faculty at the UWI admit that the university puts up barriers to entry – for example, about 50% of the applicants in recent years are rejected. Critics suggest that the success of
cross-border providers is forcing UWI to become more flexible and the devolution of programs to the colleges will reduce barriers and expand access. It is feared that this trend could go too far and devalue standards, but until now, the quality mechanisms of UWI have allayed concerns. Most local institutions, as yet, do not have programs that allow matriculation based on maturity or work experience, and the Minister, as well as the ACEO at the Ministry of Education, have voiced concern at the pace at which these institutions are becoming more flexible in their arrangements to meet the emerging demographic trend of more learners available to seek access to HE. There is always the issue of whether greater numbers will mean lesser quality; this is not unique to Jamaica.

The ongoing debate regarding access to HE, the opportunities and risks inherent in WTO/GATS provisions, and the need for national sovereignty over the sector, are all instrumental in making it imperative that these issues with regards to Jamaica be investigated and resolved. The Canadian economist George Fallis (2004) regards the evolution of higher education institutions as a response to the nature and needs of the society providing them support. He notes that through processes of post-industrialisation and global interaction, the transformation of their society empowers nations both to lead and to follow this transformation. Ironically, as the importance of higher education increases, the relative amount of public investment in the sector decreases in terms of purchasing power and, in many cases, absolutely. Jamaica faces this conundrum with growing competing demands pitted against shrinking financial resources, and tensions are heightened by different conditions in different contexts. In the case of Jamaica, violent crime has surfaced as possibly the biggest political challenge to its democracy and social
and economic development. DFID\(^9\) (2005) reports that in looking to HE as a platform for its growth strategy, the country offers a very challenging environment.

**Establishing and Maintaining Quality in HE**

Expanding access may rank as the primary priority but the ‘quality’ of HE programs in general and cross-border HE in particular, is the most common concern in the literature. It features prominently in the policy priorities of the Jamaican education planners. Indeed, throughout the world, how to establish quality standards in the international trade of education has become a serious issue. Despite the considerable expansion taking place in HE, most developing countries consider the quality and relevance of their system is inadequate. Even the developed countries, with relatively large numbers of modern research universities, are faced with the issue of quality standards because the linkages between the various types of university and “short-cycle” HE institutions – diploma granting, colleges, technical institutes, etc. – depend upon each accepting on trust the quality standard of the others. When all is said and done, it is the competitiveness of the sector, in terms of the quality and recognition of its graduates, which is important. When national policy dictates rapid expansion of HE and results in ‘new’ products to achieve the targets, the question arises - will the ‘quality’ of emerging graduates be accepted on the same basis as those of highly selective traditional universities?

Academic quality is a significant part of the *raison d’etre* for individuals investing in HE in the first place. It implies recognition of the certification received, which is ‘sold’ on many labour markets besides that of teaching and research. The extent and type

---

\(^{9}\) UK Department for International Development
of the benefits derived from participation in HE are the major attractions driving demand. Once a secondary school system has been achieved, the size of the cohort demands for HE grows. Similarly, a large pool of HE graduates increases the application pool for post-graduate and professional studies. Unfortunately, expansion of consumer demand and the growth of foreign cross-border provision have heralded an era of ‘counterfeit’ providers - degree mills and phoney accreditation bodies. Beyond the need to have an effective regime to monitor and control foreign providers, the fraudulent practices cause concern about the long term impact of such deception. Jamaica is aware that, in any event, it must strengthen its registration and accreditation processes to make them relevant to the dynamics of new and emerging ways of providing HE. In 2003 the Ministry of Education rejected the transcripts of some 200 teachers who graduated from a private, foreign-affiliated college in the interior of the country, even though the program had been accredited by the UCJ. The Ministry described the transcripts as having “woeful deficiencies” (Blair, 2003).

Jane Knight emphasises the imperative to develop quality control systems to ensure that HE credentials are recognised. She states:

The need to have mechanisms which recognise academic and professional qualifications gained through domestic or international delivery of education is another important consequence of increased cross-border activity. Even if the education program does not move, the student or the prospective employee can move and therefore credentials need to be recognized if further study or employment is desired (Knight, 2003).

Regulation of the programs of foreign providers is one of the recurrent themes in the literature which critically examines the implications of the GATS and the effects of the activities of cross-border providers on the domestic HE markets of developing
countries. Within the Caribbean, discussions have been ongoing regarding standardisation of accreditation processes and recognition of credentials throughout the region. This forms part of the thrust towards regional integration and the freedom of movement and work of CARICOM nationals. Similar conventions exist under the EU’s Bologna Accord and NAFTA. Such agreements assume that national frameworks to assure standards are consistent with broader regional and international ones. National accreditation bodies, therefore, must establish and develop the capacity to define and measure quality, and account for the effectiveness of their HE programs and credentials. Only then will there be the credibility that leads to broad-based recognition of all the certifications obtained. In 1987, an Act of Parliament in Jamaica established the UCJ as a statutory body under the Ministry of Education. Its mission is to increase – “the availability of higher education in Jamaica, through accreditation mechanisms that ensure courses and programmes are widely recognised” (Executive Director). It is empowered to confer degrees, diplomas, certificates and other academic awards and distinctions, on those who have pursued courses approved by the UCJ at associated tertiary institutions. Until 2005, Jamaica was the only Caribbean country with such an accreditation body. Now under the recent CARICOM initiative, other regional governments are evaluating the legal framework for setting up their own national bodies. UCJ is coordinating this activity and providing expertise and support throughout the region. The standards will be coordinated and harmonised through CARICOM.

Migration of Graduates and Remittance Flows

An area of concern for many developing countries, including Jamaica, is the loss of their educated nationals to more lucrative labour markets in the developed countries.
The “brain-drain” is one-way. Governments of developing countries are being forced to evaluate their position in the global economy, as the multilateral landscape of skills migration continues to widen the knowledge gap and heighten the tensions between rich and poor nations. According to Jamaica’s Chief Education Officer, with the increased movement of professionals throughout the Caribbean region and across the world, Jamaicans assume that if they acquire a foreign-based qualification, it will improve their economic opportunities if they migrate (Thompson, 2004). Cross-border provision of HE, therefore, presents a double-edged sword of opportunity and risk. The advantage of a competitive, widely recognised credential makes the graduate marketable on the international scene, but concomitantly, the innovation and competitiveness that is initially realised through the expansion of the country’s knowledge capacity is then subsequently lost. The benefit of the public investment in the Jamaican HE graduate is realised by the foreign country.

Migration also exacerbates the challenges for planners who are grappling with a high delinquency rate with regard to student loan repayment. How Jamaica deals with the problem, requires creative solutions that will simultaneously achieve economic growth, make employment in the country more attractive to its graduates, improve social inclusion, and create opportunities and reduce crime. It must do this while effectively negotiating its place within a competitive global market economy. The WTO’s current political and economic character signals challenges for Jamaica in this regard. The development and implementation of an HE system for the country, capable of building knowledge and retaining its human capital will not be easy.
The proclivity of Jamaicans, including its graduates, to migrate is worrisome for policy makers. The foreign affiliated institutions in Jamaica, however, do not see this as a serious dilemma for the country. They suggest that educating for migration is a positive policy outcome, rather than a negative one. They are seeking greater recognition for their role of educating Jamaicans and preparing them for the international arena. They argue that the reality of globalisation means Jamaican policy-makers need to accept the reality of the migration of skills. The country stands to benefit financially from the investment in human resources, whether publicly financed or through foreign capital. The Chief Executive Officer (CEO) of one foreign-affiliated institution points to the economic benefits of skills migration through remittances:

"Remittances are now a leading source of foreign income for Jamaica. We earn US$1.2 billion annually. Returns from more skilled persons would be even higher and in any event we are not creating enough suitable jobs for our graduates." (Bellanfante, 2003).

Remittances to Jamaica have grown. IMF and US Census International sources report that in 2006 the remittances of Jamaicans abroad totalled 1,770 million US dollars, which represented 16.64% of the country’s GDP that year. This corresponds to 89.87% of the value of total commodity exports, and represents 641.74 US dollars per person of the population of 2.7 million. Within the broader Latin America and Caribbean region, Jamaica ranks as the second largest recipient of remittances on a per-capita basis (IMF). If the unrecorded flows through formal and informal channels were included, the true extent of remittances would be much larger. Humberto Lopez, a senior economist with the World Bank, observed that while remittances from a nation’s nationals abroad can be an engine of development, there is a danger in depending on them to the extent they are
treated as a substitute for sound national economic and trade policies. A March 2007 World Bank working paper published an econometric analysis of the impact of remittances on Jamaica’s development and concluded there was a negative relationship between labour supply and remittances (Bussolo & Medvedev, 2007). The impact of remittances on economic development is a function of how they are used – whether to support consumption, or savings and production – so an important factor is to whom the remittance is directed. If it is to poor families, it is usually used for immediate consumption. Consumption is beneficial in terms of welfare gains. Remittances used for savings may create investment leading to new productive enterprises or capacity increases of old ones, thus creating employment. But research has shown that even when used for consumption, a part of remittance flows is used to pay for the development of human capital - education and training fees.

Actually, there is very little agreement in the economic literature about the precise economy-wide effects of remittance flows. Clearly more research is needed, precise simulation models developed and the statistical data required for them needs to be generated. IMF and World Bank studies of Jamaica’s remittances suggest that the bulk of them originate not from graduates but from less educated migrant workers who support family networks back home. Graduates tend to migrate with their families. The studies also note that the loss of skills is not offset by the remittance flows. They suggest that Jamaica should therefore reconsider its education policies and link them more closely with its economic strategy (Jamaica Gleaner Commentary, 2005).

Despite the evidence presented by the research findings and the implied negative effects of migration flows, the Jamaican government is committed to the education and
training of the population for socio-economic growth in spite of the emigration risk. In noting the challenges of global trade and the free movement of capital and people, a policy paper commissioned by the Ministry of Finance and Planning in the late 1990s highlighted the migration risk as well as the need to expand the economic base of the country. Both require more skilled workers. “...there is a current and projected shortfall in the number of skilled workers required to meet these challenges as well as the planned expansion of the productive and service sectors” (Ministry of Education Youth and Culture - Jamaica, 1999). One of its recommendations is that investments in the HE sector be accelerated to provide needed physical capital, to expand the infrastructure and produce human capital sufficient to offset migration loss. In other words, the report urges a policy of ‘surplus production’ of HE graduates.

It also sees the opportunity to develop an export market in HE geared towards the countries of Central and Latin America. It concludes that Jamaica must seek to expand its tertiary level exports by attracting more foreign students and implementing a comprehensive fee regime that includes raising user fees at publicly supported institutions. Foreign students would be charged the full cost of their studies. Jamaican students would be subsidised but less highly. Currently UWI and NCU attract a large number of foreign students from the region and also elsewhere in the world. The other HE institutions attract foreign students mainly from the Caribbean region. However, as yet, no initiative has been undertaken to try to develop Jamaica’s HE into a formal export industry.

The targeting and subsequent loss of skilled Jamaican workers to developed countries is nothing new. Nurses have been recruited for years, primarily by the US and
the UK. Since the 1990s, Jamaican teachers have also become targets for these employment fairs. In 2005, at a consultation of Commonwealth states in London, it was reported that during the period 2000-2002 the country lost approximately 2000 teachers from a cadre of about 27,000. A combination of ‘push’ and ‘pull’ factors – both economic and professional development – account for the loss. In addition, targeted immigration policies of Canada and Australia, result in Jamaica losing much of its skilled human capital each year. Skills migration represents a highly relevant factor that developing countries must take into account when they estimate the gains and loss of their social and economic policies and plans. Education is an avenue for social mobility that can result in a net gain or a net loss depending on whether remittance flows into the economy offset the outflow of knowledge. If the extent of the national investment is primarily social, then the loss of graduates through emigration might be mitigated on the grounds that it is better to have them become good citizens elsewhere, than be a marginalised worker at home. But if the intent is primarily politico-economic, then the loss of human capital cannot be justified even if the full cost is recovered - either through fees or remittances – because the graduate represents the renewing knowledge of the country. With an unemployment rate of about 15 percent and significant levels of underemployment amongst its graduates, Jamaica could be regarded as the beneficiary of a global labour market that demands skilled workers. Studies suggest, however, that the outflow of knowledge occurs from the most highly skilled and those most capable of expanding the economic base of the country (Martínez, 2002). However, migration is a complex phenomenon, heavily influenced by factors seemingly unrelated to obvious
issues. One serious weakness of Jamaica and countries like it is that too few demographers generate information about its population.

The Ministry of Finance’s policy paper, mentioned above, expressed concern on the issue of outward migration. Ultimately the benefits from skills migration can be realised and the losses mitigated, through research and planning, appropriate regulatory policies and more understanding of the two-way flows. The country needs to direct the student flows to programs that match increased opportunities for its graduates, and establish targets for a sufficiency of its human capital to build internal capacity. In other words, Jamaica desperately needs good manpower planning to inform policy makers. Only then, can the effects of the migration of the country’s talent pool be judged in relation to the political, economic, and social consequences of its HE policies.

In commenting on the ‘brain drain’ caused by the recruitment of experienced teachers, particularly from the critical areas of mathematics and science, a former President of the Jamaica Teachers Association observed that both developed and developing countries have such shortages (Education International, 2005), but that developed countries have the option of poaching highly skilled workers from developing countries. The developing countries face a vicious circle. They invest in the creation of knowledge, but soon lose their best and most experienced talent to other countries. Paradoxically, the receiving countries advocate that developing economies invest in their human capital, and sometimes even provide economic assistance and expertise to ensure that they can do so. The Commonwealth Secretariat notes that in many rich countries over 50% of highly skilled talent in some sectors is over the age of 55 and approaching retirement, so some replacement from foreign sources is necessary. Education
International points out that, when faced with shortages, the easiest short term solution for rich countries is dipping into the pool from developing countries.

**Regional Governance**

Jamaica’s development strategy and higher education policy direction are also rooted in the country’s membership in CARICOM. This regional accord was formed in the summer of 1973 between Jamaica, Barbados, and Trinidad and Tobago. CARICOM credits Michael Manley, the Jamaican nationalist, with being one of its ‘founding fathers’. It now numbers fifteen members and five associate members. All CARICOM states are considered to be developing countries (CARICOM, 2008a). Although developed countries are better positioned to benefit from the global system, novel alliances including CARICOM are emerging across the globe in response to the need for new kinds of partnerships to strengthen the initiatives of the individual countries and make them better able to negotiate with rich countries in international assemblies. To a large extent Caribbean history and culture is a shared experience, shaped by colonisation, the plantation economy, slavery, and post World War II independence movements. In almost all these countries there are common features of culture and institutions. The regional economic structures evolved through a process characterised by foreign ownership of the key economic activities, production primarily for export, and reliance on imports for domestic consumption. Roberts argue that this explains Caribbean taste preferences for foreign goods and services, including foreign HE (Roberts, 2003).

---

10 **Members** - Antigua/Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. **Associate members** - Anguilla, the British Virgin Islands, Cayman Islands, and the Turks and Caicos Islands.
Many see regional integration as one way for the entire Caribbean area to respond, improve competitiveness and move toward a broader integration into the global system. Finger et al (1998) note that the individual Caribbean economies have structural limitations with being very small. The authors argue using trade as a development vehicle requires much more than liberalisation. Strategies must include more openness to private capital and foreign investments. The largest trading partners for these small economies are North America and Europe, which puts the region in the unenviable position of having to compete with the most developed markets in the world.

Regional Trade Agreements (RTA) like CARICOM, are not without their problems and detractors. At a WTO Forum on September 13, 2007, Jagdish Bhagwati, a professor of Columbia University, noted that these collective arrangements, though legal and compatible within the WTO environment, have proliferated on an enormous scale. There are about 400 of them worldwide. He believes that they have developed into a quagmire for small countries that lack the expertise and resources to navigate the complexity of such a myriad of agreements. In addition, he argues that RTAs are preferential and not multilateral in nature, therefore they corrupt the very foundation principle of the WTO (WTO, 2007). Speaking at the same WTO forum, Gary Hufbauer of the Peterson Institute countered Bhagwati’s arguments, claiming such agreements actually allow countries to reduce trade barriers further and faster - oftentimes to zero, albeit only within the smaller grouping. He attributes the preference for RTAs to the more cumbersome WTO mechanisms, as well as the inherent difficulties of negotiating a broader range of issues with much larger and more diverse interests.
It is the complexity of this framework that scholars believe is so daunting for small states without the expertise to navigate the ‘understandings’. However, CARICOM is working to develop an effective policy support process which will enable its members to produce strategically coherent positions and speak with ‘one voice’, when negotiating in multilateral forums such as the WTO. One such process is the Caribbean Regional Negotiating Machinery (CRNM) that was established in 1997 “…to develop, coordinate, and execute an overall negotiating strategy for various external trade negotiations in which the region is involved” (CRNM, 2007). A major part of the CRNM’s role is coordination and management of the region’s trade negotiating resources and expertise.

However, Jamaica’s Prime Minister noted at the 26th meeting of CARICOM Heads of Governments in St Lucia, that while member countries are committed to being active participants in international trade negotiations, there has emerged uncertainty as to the benefits to be derived and the costs entailed. He voiced concern over the scope and pace of the adjustment process, which would result from the conclusion of these negotiations (CRNM, 2005). Finger et al (1998) suggests that, for countries like Jamaica, difficulties may arise because of political pressures from interest groups within the region. This is particularly the case with members who are unsure of their ability to compete, or to deal effectively, with external participants. By focusing on the development of knowledge assets across the region, these small countries will be better able to meet the challenges of participation in the global economy, and reap the benefits accruing from the maximization of their knowledge capacity.

The thrust to establish a Caribbean Single Market Economy (CSME) is another initiative to try to respond effectively to the challenges of the new competitive world
order. It seeks to establish a Caribbean counterpoint to such cooperative arrangements elsewhere, as the European Union (EU) in Europe, MERCUSOR in Latin America, and ASEAN in the Asia/Pacific region. The CSME is intended to benefit the people of the Caribbean through trade and exchange. It goes beyond the liberalisation of trade in goods across CARICOM to include liberalisation of the trade in services, the free movement of capital and skilled labour, and the freedom to establish a commercial presence in each other’s territories. This process includes the harmonisation of the regulatory framework, and the coordination of economic, monetary, and fiscal policy measures (CARICOM, 2008a).

Two of the key objectives of the CSME are:

- Deepening economic integration by advancing beyond a common market towards a Single Market and Economy; and
- Progressive insertion of the region into the global trading and economic system by strengthening trading links with non-traditional partners.

The ‘right of establishment protocol’ under the CSME is an initiative that has broader implications in a post-WTO arrangement. It allows for the freedom by any Caribbean institution to establish a commercial venture within the territory of any other Caribbean country. One consideration that springs to mind relates to foreign cross-border higher education providers that establish a commercial presence in any country in the region. That presence may qualify the provider to gain access to all other territories. St Georges University in St Kitts expanded into St Vincent prior to the CSME but now conceivably has access to all CARICOM states under the arrangement. Towards the end of 2003, Ross University in St. Kitts was acquired by DeVry Inc. It is clear that the acquisition serves a strategic objective. Ross University is not accredited in the US and
has no meaningful academic oversight. Therefore, the acquisition raises questions as to the motive of DeVry Inc. (Contreras, 2004).

Although the CSME and Jamaica’s membership in CARICOM introduces another governance structure by which Jamaica is bound, in theory, it also provides an exemption to a key general provision of the GATS. This provision acknowledges the right of WTO members to be part of a regional agreement and, when examining adherence to GATS provisions, makes allowances for participants in a regional free-trade structure. This exemption would enable Jamaica, as a small developing country, to rely on its CARICOM membership to enjoy a favourable disposition in meeting its liberalisation obligations under the GATS. Therefore, harmonisation of Caribbean regional structures into the global system is an important step for the region, in forging a coordinated response to obligations assumed in multilateral negotiations. This takes on added significance for Jamaica and Trinidad, both of which have made GATS commitments in HE. Even so, all Caribbean governments are generally committed to trade liberalisation, and are facilitative of foreign investment. The objective of the free movement of people under the CSME provides the imperative for a mechanism by which the qualifications and skills of Caribbean nationals across the region can be evaluated and standardised.

St. George's University in Grenada was established in 1976 by an Act of Parliament. It is one of the first cross-border providers to establish a fully featured campus in the region. It is one of the most prominent regional cross-border institutions to-date. As the university gained credibility over the years it has expanded to establish a campus in St. Vincent & The Grenadines. It is listed with the World Health Organisation. In the US, it is listed with the state governments of New York, New
Jersey, and California. All approved the medical program to allow for clinical training of St. George's University students in teaching hospitals within their states. The School of Medicine has Limited Registration status with the General Medical Council of Great Britain, and has affiliations with a number of hospitals in the United Kingdom (St George's University, 2008). The Grenadian example has caught the attention of other Caribbean policy makers and institutions like the regional UWI and NCU in Jamaica. The UWI, in response, is taking steps to preserve its regional character and dominance, by furthering its collaboration with national colleges and universities throughout the region. Not much attention has been given to the fact that many other US universities, as well as Canadian and UK providers, are among the scores of degree-granting institutions active throughout the region, without any legal regulatory parameters to govern their operations (Chevanne, 2003).

**Jamaica’s Experience With Trade Liberalisation**

Although Jamaica’s participation in the multilateral arena has at times been qualified, and the country has been excluded from some international committees and executive bodies, traditionally it has voted with the western democracies at forums like the UN. Like many other developing countries, however, Jamaica has been negatively affected by rulings of the WTO Disputes Settlement panel. This has fuelled the scepticism, already held by many developing countries, about the emptiness of the development promises of the WTO and its agreements. Under the LOME IV trade cooperation agreement, African, Caribbean and Pacific (ACP) countries were provided with duty-free non-reciprocal access to the EU market (Huber, 2000). This agreement, which was intended to assist the development of former colonies was created by the
European powers that previously occupied these territories. The US lodged a complaint with the WTO, on behalf of a group of powerful banana exporters, which resulted in the LOME IV agreement being redesigned to the disadvantage of the ACP economies. Effectively, the dispute mechanism of the WTO now defined LOME IV’s purpose and scope; this ultimately had negative implications for its members.

Foreign-affiliated providers in Jamaica have signalled their willingness to avail themselves of whatever leverage the WTO rules allow to achieve their desires. They have made demands for equal access to government administered loans for their students - with one CEO noting in a media interview that the “overwhelming logic” inherent in WTO rules is inescapable, and political leaders cannot ignore the issue much longer (Bellanfante, 2003). His comments were instrumental in putting the issue of Jamaica’s GATS commitment on the public agenda, and eventually led to questions being asked of the Government in Parliament by the Opposition. The growing power of the education lobby, particularly in the US, with multi-billion dollar organisations - like Kaplan Inc. and Apollo Group - is reminiscent of the political clout of the powerful banana lobby groups that contested LOME IV.

Jamaica’s Minister of Information indicates the government is now examining the feasibility of adding limitations to its commitment, in order to address concerns arising from demands made by the foreign-affiliated providers (Bellanfante, 2004). Nonetheless, in spite of disquieting issues emerging, the country is committed to the liberalisation process and free trade. By its GATS commitment it has demonstrated the intention to allow foreign participation in the process of expanding access to its higher education market. The implications of the growth in HE services, and real opportunities for, or
threats to, Jamaica’s HE system will lie in the power relationships that can be settled between those countries whose institutions are providing services. At present there are no agreed controls.

**The Expectations of Developing Countries**

Elsa Hackl of the Department of Political Science, University of Vienna observes that HE stakeholders were very late reacting to trade liberalisation occurring in education. She believes trade policy actors and HE stakeholders perceive themselves as worlds apart. For some time even after the creation of the GATS, HE stakeholders considered the sector as isolated from the marketplace. Trade officials on the other hand, took the lead in defining the role of HE according to a paradigm which sees no difference between trade in merchandise, trade in other services and trade in education services (Hackl, 2002). This brings into question the process developing countries might have employed to bridge the philosophical gap between the negotiators and HE stakeholder groups.

Vivienne Roberts (Roberts, 1999) noted, in relation to Jamaica and the rest of the Caribbean, that there was no consensus among education planners about the nature and extent of the link between HE and public and private returns, i.e. between societal development and individual development. Had this been the case, she suggests, the basis for, and effect of, their commitments might have been made clear from the outset.

Jamaica is the only Caribbean territory to have committed HE under GATS. Trinidad is the only other territory to have also committed any part of their education sector. In her commentary, Roberts (2003) alludes to discord existing in the positions of education policy actors in the region, as a result of:
1) some advocating control of HE expansion because of concerns about ‘credentials inflation’ and too much expansion;
2) some expressing concerns regarding the quality of cross-border programs; and
3) some concerned about the emigration of graduates.

There is no common position on what is to be reconciled and by what means. However, there is consensus on at least one issue - Caribbean governments have accepted that the production of knowledge through the development of their human capital is a vital strategy for development. It is the seeming contradiction of this acceptance versus Jamaica’s GATS HE commitment that underlies the topic of this research. A possible explanation for the seeming contradiction may be the differing perspectives of the HE planners versus the trade planners, about the implications of trade liberalisation in a multilateral environment. According to Hackl, input from sector experts becomes invaluable in achieving successful outcomes, but this is not always the case. Those participating in trade negotiations and crafting international arrangements generally are trade officials, experienced in dealing with accommodations and finance. They make decisions regarding the HE service sector that determine the parameters within which policy development must take place. In examining the GATS commitments that have been made in HE, Julia Nielsen, of the OECD Trade Directorate highlighted a number of drivers for the political decisions that might explain commitments, taken in the absence of the HE establishment (Neilson, 2004). These are: expansion to meet growing demand; access to other technologies, learning models or skills; academic enrichment; domestic capacity building; re-allocation of costs; shifts in the role of government; and the introduction of competition. Other scholars have suggested in addition, enhanced quality
Balancing the politics of the policy needs of HE with those of other key sectors of the economy is complex and uncertain. Whether or not developing countries making GATS commitments in HE have a comprehensive vision for the sector, in most cases the policy outcomes being sought are not clear. In 2005, the issue of Jamaica’s commitment took centre stage in the country’s media, and the ensuing debate underscored the concerns of civil society worldwide. Small developing countries display insufficient understanding of the ramifications of the agreements they sign, and this is particularly true of the role HE plays in a country’s growth. The media now raised awareness about the participation of foreign cross-border providers in Jamaica, and the importance of having a coherent policy framework to govern their participation. The discourse highlighted the potential risks of the commitment adversely impacting national development objectives. Jane Knight (2003) noted that the need to unpack the implications of the GATS for education is of general concern, since working in a trade policy environment is relatively new for the education sector. Developing countries do not define global interactions. Therefore, they are more vulnerable, generally unable to safeguard their interests.

What expectations do developing countries have when making commitments in HE? Do they make rational choices based on a set of well researched, coherent policy strategies? Is there a well defined policy-development process by which they arrive at their nation’s ‘position’, on which they anchor their strategies and realise desired outcomes? It is thought that some developing countries make HE commitments primarily
because they lack adequate financial resources to develop the sector as they wish. The hope is that the commitment will encourage foreign providers to participate, bringing the desired resources and internationally competitive programs they need.
CHAPTER THREE

The WTO, GATT, and GATS: The Multilateral Trade Regime

International trade is documented dating back to the third millennium BC with European trade routes involving trade in spices, textiles and precious metals. However, exchange of goods and services is as old as the history of mankind. The earliest form of trade between individuals was known as the barter system, which grew to become the means of exchange between towns and cities. It had drawbacks, because value could not be stored for later use, exchange between parties implied each had something desirable or useful to the other and there was no common way to determine value. The system therefore gave way to the use of a currency of exchange (money) as a more convenient way to amass the means (wealth) to trade more freely. This facilitated emergence of international markets, each identified with the type of trade. Britain’s ‘slave trade’ during its colonial expansion into the Caribbean was one such market. Historically, attempts to regulate international trade were bilateral in nature and occurred between colonial powers and their colonies; between a dominant state and weaker neighbouring ones; and between two powerful nations. The benefits of trade were mutual but not identical. Adam Smith advanced the idea of productive capacity forming the basis for a nation’s wealth and trade with other nations allowing each to specialise in areas where they had more knowledge and skills (Smith, 1776). In recent centuries, the importance of international trade to the social development and economic growth of industrial nations resulted in its rise to prominence and expansion.

Led by Britain during the 19th century, the influential concept of ‘free trade’ emerged and became the dominant thinking from then on. A global trade organisation
however, is a recent phenomenon. At the 1947 Post World War II economic summit the International Monetary Fund (IMF) and the World Bank were established. A comparable International Trade Organization (ITO) was envisaged but never ratified. Nevertheless, as an interim measure, a loose collection of trade rules was negotiated among a number of nations. This became known as the General Agreement on Tariffs and Trade, the GATT. With the creation of GATT, there were successive ‘rounds’ of negotiations primarily focussed on the reduction of tariffs. The World Trade Organization (WTO) was created under the aegis of the last of these negotiations, called the Uruguay Round\(^\text{11}\) (1986-94). It was intended to deal with the: formulation, modification, and implementation of rules of trade between its member states (Das, 2007). It was formally established on January 1, 1995 as the successor to GATT.

Since its launch, the WTO has emerged as a powerful and influential counterpart to the two existing Bretton Woods institutions – IMF and World Bank. It establishes the legal framework for the governance of cross-border supply of goods and services, and has become the basis for much of the concerns being raised concerning higher education policy development. The WTO therefore heightens the requirement for a deeper understanding and a more perceptive grasp in relation to the process of global trade restructuring (Payne, 2003). Under this institution, the nexus between trade, economic growth, and knowledge, raises immense policy implications.

**WTO/GATS Overview**

Since the inception of the GATT, the development of the multilateral trade regime has been both continuous and unbalanced. It was, and to a large extent still is, dominated

---

\(^{11}\) The negotiations were launched on September 1986 at Punta del Este, Uruguay, hence the name Uruguay Round. It was concluded 1994 at Marrakesh, Morocco.
by the rich industrial economies (Das, 2007). As the regime grew, it became more complex and the WTO is now much larger in scope, reach, and effectiveness than the GATT had been. When the GATT was created, there were 23 founding members consisting of 12 developed and 11 developing economies. Today the membership of the WTO is almost universal with 151 member states, the majority of which are poor developing economies with non-member countries in varying stages of accession. The creation of the WTO is reported to have promised a new environment of greater equity in global economic relations, smooth and predictable flows of free trade, and promotion of the welfare of the population in member countries (WTO, 2005c). However, thus far, the development of the multilateral trade regime appears to have neglected the interests of small developing countries.

Nevertheless, the rich countries contend that there are advantages to the globalisation of the world economy; they are pushing for greater liberalisation. Many economists argue that free trade arrangements are of mutual benefit because there is a ‘trickle down’ effect of the wealth of the richer party to the poorer party – even in cases of inequitable benefit – and this assures some economic growth, in terms of real development for the latter. They argue that it is preferable to ‘foreign aid’ because it encourages local initiative and entrepreneurship, maintains dignity of poor nations, and avoids undesirable dependency.

The WTO is an international organisation with a permanent secretariat. Its agreements are multilateral and binding on all its members. This is unlike the GATT that had no institutional structure and whose plurilateral agreements dealt only with trade in goods. WTO agreements not only cover trade in goods, they include trade in intellectual
property, and in services. The WTO is predicated on making its agreements enforceable which was not the case with GATT. It has the power to mandate countries to change laws that are not in compliance with the provisions of its agreements.

**Figure 7 - Main Differences between the GATT (goods) and the GATS (services)**

<table>
<thead>
<tr>
<th></th>
<th>GATT was a set of rules, with an ad-hoc small provisional secretariat.</th>
<th>WTO is an intergovernmental organization, with its own secretariat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>From a legal point of view the GATT was only a provisional agreement.</td>
<td>The WTO and its agreements are legally mandatory and permanent (not provisional)</td>
</tr>
<tr>
<td>3</td>
<td>The GATT dealt only with trade in goods.</td>
<td>The WTO covers trade in services (under the General Agreement on Trade in Services - GATS, trade related aspects of intellectual property - TRIPS, and trade in goods through &quot;GATT 1994&quot;, an update of &quot;GATT 1947&quot;).</td>
</tr>
<tr>
<td>4</td>
<td>A large number of agreements adopted under the GATT were &quot;plurilateral&quot;, and therefore selective.</td>
<td>WTO agreements are multilateral, all member states are concerned.</td>
</tr>
<tr>
<td>5</td>
<td>The dispute settlement system was slower and less automatic than under the WTO. Rulings could be blocked.</td>
<td>The dispute settlement system is faster and more automatic. Unlike the old GATT system its rulings cannot be blocked.</td>
</tr>
</tbody>
</table>

Over 75% of the membership of the WTO is classified as ‘developing countries’. They are now transforming themselves from being silent participants, to pressing their concerns and interests. Until the late 1990s, rich developed countries overwhelmingly dominated the multilateral trade arena. From 1947 until recently, the so-called Quadrilateral (Quad)\(^{12}\) had been the power brokers in global trade negotiations. But much has now changed with the newly industrialised economies (NIEs) – China and India- and some emerging market economies (EMEs) – like Brazil - asserting themselves. Paul Martin, while the Finance Minister of Canada, suggested that the old Group-of-Seven (G-7) concept was outdated and becoming irrelevant (Das, 2007). He proposed a new Group-of-Twenty (G-20) that would better represent the interests and priorities of

\(^{12}\) US, EU, Japan, and Canada
the NIEs and EMEs. The interests of the small developing nations however, are still underrepresented because their economies are constrained by size and they lack the knowledge and human capital to address the complexities of the multilateral trade regime.

The agenda of the Uruguay Round\(^\text{13}\) was ambitious and comprehensive, but beset by difficult challenges and delays. In producing agreement on the WTO and its agreements, its negotiations have come to be regarded as historic; and they were undoubtedly the most momentous since the GATT. But this was also a first for many small developing nations inexperienced in participating in multilateral trade negotiations. It appears that much of what they had agreed to provided them with very little advantage, leading to suggestions that they made excessive commitments in the Uruguay Round (Levy, 2006).

In addition to the GATT, various bilateral and regional agreements had been negotiated within geographic regions and between traditional trading partners. Trade in financial services and transportation services have been a part of the international trade landscape for a very long time (International Trade Forum, 2006). Until the creation of the WTO, however, no international agreement had existed for trade in services. The inclusion of negotiations on services during the Uruguay Round had its genesis in the 1970s when the private sector in the US and the UK began lobbying their governments for some type of framework that would provide them greater access to foreign markets.

---

\(^{13}\)The **Uruguay Round** commenced in September 1986 and lasted through April 1994. The Round, based on the General Agreement on Tariffs and Trade (GATT) ministerial meeting in Geneva (1982), was launched in Punta del Este in Uruguay (hence the name). In all there were six stages of negotiations, culminating in the 20 agreements that were finally signed in Marrakesh. The Round transformed the GATT into the WTO.
The eventual outcome was the adoption of the GATS which covers all international trade in services.

According to the WTO, prior to the GATS many policy makers felt that services trade was either insignificant or automatically tied to developments in the trade in goods (WTO, 2005a). Over the past decade trade in services has expanded faster than trade in goods. Its importance in the global economy is expected to grow to rival merchandise trade. Nonetheless, commitments made in services during the Uruguay Round have not resulted in significant liberalisation (Das, 2007; p. 185). Liberalising trade in services through greater transparency and predictability is regarded as essential, if global aggregate trade in services is to be achieved. Whereas trade in goods involves the physical movement of the commodity across borders and restriction through the application of tariff is typical, that is not the case with trade in services. It is complex and typically is restricted by some sector-wide regulatory framework. Membership of the WTO is based on the principle of a ‘Single Undertaking’. Countries are therefore unable to choose which agreements they will adopt and which they will exclude. This principle is described by Finger and Schuler thus:

‘Single undertaking’ here means that each member was expected to take on all obligations, that the codes approach of the Tokyo Round, in which each member could opt to sign some codes and not sign others, was not available. John Croome, who served in the GATT/WTO Secretariat throughout the Tokyo and Uruguay Rounds, has pointed out in correspondence that ‘single undertaking’ initially referred to the members voting on all parts of the agreement as a whole, i.e., that the outcome of the tariff negotiations would not be put up for approval separately from the outcome of the subsidies negotiations. As the negotiations progressed, the meaning of ‘single undertaking’ expanded to include the ‘no country can opt out of any part’ meaning (Finger & Schuler, 2000).
Das argues that developing economies experience accelerated *social and economic* growth in instances where they liberalise but also put in place compensatory policy structures. Examining the global trade architecture, he supports the multilateral trade regime as follows:

There are meaningful welfare gains to be derived by achieving the benevolent goal of establishing a free-trade regime in the global economy, or something as close to it as feasible. The free-trade doctrine propounded by the classical economists of yore is a source of enormous economic synergy. Its welfare implications continue to be robust. Free trade, or even freer trade, is more than likely to lead the global economy and the members of the multilateral trade regime to a win-win set of circumstances. Several economies, including developing ones, testify to this probability. (Das, 2007)

For developing countries with limited capacity, the national risk of totally liberalising their economy and the risk of not being able to develop appropriate compensatory policy to protect their socially sensitive service industries, such as education, are high. This was underscored in Prof. Helleiner’s Prebisch Lecture at UNCTAD on 11 December 2000, in which he stated:

The challenge - both at the national and global levels - is, through conscious policy choices, to make the new globalized system (an undoubted fact) work for maximum human welfare…. In their proper context, with appropriate safeguards and institutions, markets and their incentives can do much good. It is also, of course, well-known that great harm can be done when governments try to replace or outdo markets in circumstances where they do not have the capacity effectively to do so (Helleiner, 2000).

Even where small economies allow markets to operate, they will always be at a disadvantage against rich developed countries unless they can group into effective regional organisations which can negotiate exceptional provisions to protect sensitive service sectors. Not all service sectors need such protection and protection need not last
indefinitely, even in such sectors as education. Yet, it is argued that a well-defined governance structure like the WTO is crucial to safeguard the interests of developing countries. Economists suggest that markets behave inefficiently in the absence of such a framework, because countries act in self-interest to the detriment of the entire global system (Stiglitz, 2006).

**The GATS – The WTO Services Agreement**

In principle, the GATS covers all services, with the exception of air transport and services provided under non-market conditions in the exercise of government authority. Many of the terms and concepts used in the GATS were drawn from the GATT which regulated goods trade for decades and established many precedents in the matter of dispute settlement. However, differing interpretations of what qualifies as ‘non-market’ and what is meant by ‘the exercise of government authority’ have added apprehension about the ability of developing countries to navigate the meaning and intent of the GATS. The resulting uncertainty and the experience of unforeseen outcomes, highlights the need for small developing economies to fully understand the possible impacts of the varying interpretations arising from their government’s commitments. Sauvé (2002) argues that notwithstanding concerns, the GATS is the most ‘development-friendly’ of all the modern international agreements.

The WTO believes that the link with development needs to be reinforced by explicit references to the special trade, economic, financial and development needs of developing countries (WTO, 2005a). However, GATS differs from other WTO agreements in that, substantively, each member country determines what service sectors
it will open to competition and what conditions it will apply to market access to specific sectors. This is termed a ‘positive list’ commitment. Had a ‘negative list’ approach been followed it would have resulted in an agreement in which the liberalisation of all sectors is assumed except where exclusions are specified. Other development-friendly aspects of the GATS exist, such as a member’s ability to limit market access to any service sector, or to maintain a measure that is inconsistent with GATS fundamental principles.

**Purpose and Form of the Agreement**

In *A Handbook on the GATS Agreement*, the basic purpose of the GATS is defined as follows:

…[It] is intended to contribute to trade expansion under conditions of transparency and progressive liberalisation and as a means of promoting the economic growth of all trading partners and the development of developing countries (WTO, 2005a; p.3).

The GATS governs only the supply of services from a provider or territory of a WTO member, to a consumer or territory of another member. Under the guidance of a General Council, the GATS is administered by the Council for Trade in Services (CTS), which meets several times a year and is open to all WTO members. Its more effective dispute mechanism, one of the hallmarks of the WTO, differentiates it from the GATT. WTO membership is only available to nation states, not corporations. Therefore, disputes arise when a member government believes an agreement or commitment has been violated by another member country. Consultation is the preferred process for dispute settlement and the way to deal with most problems. There is a prescribed process and timetable for handling such disputes as require a dispute panel. The process is described on the WTO website as follows:
Dispute settlement is the central pillar of the multilateral trading system, and the WTO’s unique contribution to the stability of the global economy. Without a means of settling disputes, the rules-based system would be less effective because the rules could not be enforced. The WTO’s procedure underscores the rule of law, and it makes the trading system more secure and predictable. The system is based on clearly-defined rules, with timetables for completing a case. First rulings are made by a panel and endorsed (or rejected) by the WTO’s full membership. Appeals based on points of law are possible. However, the point is not to pass judgement. The priority is to settle disputes, through consultations if possible. By July 2005, only about 130 of the nearly 332 cases had reached the full panel process. Most of the rest have either been notified as settled “out of court” or remain in a prolonged consultation phase — some since 1995 (WTO, 2008b).

The GATS is not concerned with national service systems except where they have a bearing on the provision of similar services from the territory or provider of another WTO member. Where this is determined to be the case, under the Dispute Settlement Understanding (DSU), the panel can instruct a country to change its domestic laws to bring them in line with GATS requirements. In this process a specific GATS commitment amounts to a limited surrender of sovereignty.

GATS is the first legally enforceable multilateral trade agreement covering trade in services. It is part of the WTO multilateral governance system the objective of which is to expand global wealth. However, there are noteworthy differences between trade in services and trade in goods, even though there are similarities of purpose and concepts shared by GATS and GATT. For example, unlike international trade in goods, both the service and the service supplier are covered by the GATS, and the provision of some services is only possible through the simultaneous physical presence of both producer (supplier) and consumer (recipient). GATS governs the cross-border supply of the service, the movement of the supplier of the service, the movement of the recipient of the service, and the establishment of a physical presence by the provider into the recipient’s
The GATS defines four ‘modes’ of supplying services that are detailed in Figure 8.

**Figure 8 - Modes of Supplying Services Under the GATS**

<table>
<thead>
<tr>
<th>Mode of Supply</th>
<th>Explanation</th>
<th>Examples in Higher Education</th>
<th>Size /Potential of market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cross Border Supply</td>
<td>-the provision of a service where the service crosses the border (does not require the physical movement of the consumer)</td>
<td>-distance education</td>
<td>- currently a relatively small market - seen to have great potential through the use of new ICTs and especially the Internet</td>
</tr>
<tr>
<td>2. Consumption Abroad</td>
<td>-provision of the service involving the movement of the consumer to the country of the supplier</td>
<td>-students who go to another country to study</td>
<td>- currently represents the largest share of the global market for education services</td>
</tr>
<tr>
<td>3. Commercial Presence</td>
<td>-the service provider establishes or has presence of commercial facilities in another country in order to render service</td>
<td>-local branch or satellite campuses - twinning partnerships - franchising arrangements with local institutions</td>
<td>- growing interest and strong potential for future growth - most controversial as it appears to set international rules on foreign investment</td>
</tr>
<tr>
<td>4. Presence of Natural Persons</td>
<td>- persons travelling to another country on a temporary basis to provide service</td>
<td>-professors, teachers, researchers working abroad</td>
<td>- potentially a strong market given the emphasis on mobility of professionals</td>
</tr>
</tbody>
</table>

Reference to the ‘development of developing countries’, included in the GATS statement of purpose, is intended to emphasise its development-friendly intent. It states:

*Wishing* to establish a multilateral framework of principles and rules for trade in services with a view to the expansion of such trade under conditions of transparency and progressive liberalization and as a means of promoting the economic growth of all trading partners and the development of developing countries; …

*Taking* particular account of the serious difficulty of the least-developed countries in view of their special economic situation and their development, trade and financial needs (WTO, 2008a).
Although this may be the case, an inherent condition of the GATS requires countries to ‘progressively’ liberalise all their service sectors. WTO members are committed to enter into further rounds of services negotiations pursuant to progressively achieving higher levels of liberalisation. Also there is a sunset clause applying to all current sector restrictions. It has been argued that these requirements will force countries into making commitments that are not in their national interest (Khor, 2006a). Given the enforceability of WTO agreements, it is feared that commitments already made, in future may not be reversible without risking penalties.

All WTO members are signatories to the GATS. This therefore makes it critical that developing country members acquire familiarity with, and understanding of, the implications of the GATS on their trade relationships and development, before further commitments are made. In relation to HE, there are questions regarding the substantive scope of the GATS, which some scholars believe constrains the ability of developing states to regulate the supply of services within their national borders (Knight, 2002; Wagner, 2004). This is one of the most significant issues in the debate on the purpose and implications of the GATS for small economies. The WTO insists, however, that such criticisms and fears are unfounded. It notes that scholars often confuse liberalisation with deregulation. It affirms that domestic regulations are not considered barriers to trade (WTO, 2005a), because GATS provides exemptions to market access, and developing nations are able to ignore their obligations under specified circumstances. The WTO acknowledges that the GATS is structurally complex but claims that in part, this is a precondition for effectiveness and flexibility.
However, the flip-side to the benefits of flexibility and complexity has been the suspicion and doubts for small developing countries not only emerging in their interactions with other WTO members but even with internal sector decision-making. Recognising the plight of developing states, without the necessary knowledge and skills to protect their interests, Pascal Lamy, Director General of the WTO, told the Development Committee of the World Bank on September 25, 2005, that developing countries need technical assistance to negotiate agreements, use dispute settlement, and implement commitments (WTO, 2005b). The concept of ‘special and differential treatment’ developed by Raul Prebisch and Hans Singer that found its way into GATT at its inception was carried over into WTO agreements in the form of exemptions and leeway in developing countries implementation of their provisions (Das, 2007).

In practice however, historically, the rich countries have been more concerned about their own interests, which they often advance at the expense of the same developing countries to whom they pledge assistance. According to the WTO, the GATS aim is to stimulate the expansion of global trade services through the reduction of market restrictions and competitive barriers (WTO, 2005a). That is its purpose. Unfortunately, pronouncements of interest in the plight of less developed countries, and calls of support for their development issues, have no real basis within the current structure of the WTO. Successful WTO challenges by developed countries on behalf of some of the world’s largest corporations, demonstrate where the priorities of developed countries lay. They illustrate the power and legal nature rather than the development-friendly nature of the WTO. Examples of this are:
1) The successful challenge by the US to the LOME IV agreement between the EU and ACP countries, intended to aid the development of these poor countries. The ruling was in favour of the US.

2) The challenge by the US to the general prohibition by Egypt, of the importation of apparel and made-up textile products and, the binding of tariffs - contrary to its Uruguay Round undertaking. Egypt eventually negotiated a settlement to the dispute.

**Structure and Scope of the GATS**

The GATS establishes a legally-binding rules-based framework for international trade in services, within which it sets out the obligations of WTO members. It applies to all measures taken by any level of government, whether central, regional, or local, or by any non-government body exercising delegated authority. In essence, the relevant actions within the scope of the GATS relates to any law, regulation, rule, procedure, decision, or administrative action that has legislative weight. The GATS describes twelve core service sectors\(^{14}\) for structuring commitments. These are further subdivided into some 160 sub-sectors. Measures and services associated with air traffic rights are excluded, subject to periodic review. Educational services are divided into five categories according to the United Nations Central Product Classification (UNCPC) - primary, secondary, higher, adult, and other. This thesis focuses on only one of the categories – ‘higher’ education (HE).

\(^{14}\) business services (including professional services and computer services); communication services; construction and related engineering services; distribution services; educational services; environmental services; financial services (including insurance and banking); health-related and social services; tourism and travel-related services; recreational, cultural, and sporting services; transport services; other services.
The GATS consists of three sections: a framework outlining the text of the Agreement (made up of a preamble and twenty nine articles); a schedule of commitments for each WTO member; and an annex relating to each member detailing specific conditions and limitations by mode of delivery for each sector committed. In the preamble the intentions of the Agreement are stated, as well as the right of members to regulate their domestic sectors to meet national objectives. The main body outlines the provisions that confer obligations on members and sets out the rules, procedures, and administrative requirements to govern trade in services.

There are provisions contained in the Agreement’s text that can bestow general or specific obligations on a member state. Some general provisions - ‘Most Favoured Nation (MFN) Treatment’, ‘Transparency’, and ‘Dispute Settlement’ - are ‘unconditional general obligations’ because they apply to all WTO members regardless of whether or not they have made specific commitments under GATS. The Agreement is regarded as being ‘top down’ with respect to unconditional obligations. A top-down convention is similar to the ‘negative list’ of other WTO agreements; meaning all services listed in the GATS classification are covered by unconditional obligations unless specifically exempt. On the other hand, a unique feature of the GATS is found in the specific provisions and the way the Schedule of Commitments for each WTO member operates. Specific provisions only apply where commitments have been made. In this regard, the GATS is a ‘bottom-up’ agreement since access to a country’s markets and the scope of that access are limited to the sectors listed in its schedule. Important specific provisions are ‘National Treatment’ and ‘Market Access’ where measures and sectors are considered free of restraint unless specific exemptions are indicated.
One fundamental difference between the GATS and other WTO agreements is that only the services specifically included in a country’s GATS Schedule of Commitments are covered. WTO member countries may elect to only include some categories falling under a UNCPC service classification and exclude others from the same classification. In the case of education, a country may commit HE and exclude elementary and/or secondary education, or not commit any part of the education sector at all. However, there is a provision for successive rounds of negotiations aimed at progressively increasing the level of commitments made by member states. This provision has drawn much criticism. It suggests that, regardless of whether a country intends for a sector to remain public and national, it is obliged to gradually liberalise until the sector is fully open to competitive market forces. GATS rules also specify ways of limiting market access for a given sector. These limitations are included as annexes to the country’s commitment, forming a third section of the agreement, and may not be relied on at a later date unless they are clearly specified when the commitment is made.

The principal challenge for developing countries is not to be found in the structure of the GATS, but rather, in the interpretation of its principles and in application of its provisions. Opponents of the GATS view the collapse of the DOHA Round\textsuperscript{15} as a window of opportunity for developing countries to withdraw earlier commitments that have been made, until they better understand the impact on their social and economic development, of their decisions. A schedule of commitments under GATS is relatively more complex and difficult than a schedule of tariffs under GATT. Under GATT a schedule may consist of one tariff rate per product. Under GATS a schedule may have as

\textsuperscript{15}The Doha Development Round (\textbf{Doha Round}) commenced at Doha, Qatar in November 2001 and is still continuing.
many as eight entries per product representing commitments for each of ‘national treatment’ and ‘market access’, in the four modes of supplying services. In principle, commitments are not expected to exceed ten years but, regarding education thus far, there does not appear to have been an attempt by any government to remove commitments made in 1995 when the GATS was launched.

**Provisions and Obligations**

One of the more important general provisions of the GATS, adopted from the GATT, is the MFN principle. It is common to all WTO agreements and requires member territories to accord equal treatment to all other member territories. Article II: (1) of the GATS reads as follows:

> With respect to any measure covered by this Agreement, each Member shall accord immediately and unconditionally to services and service suppliers of any other Member treatment no less favourable than that it accords to like services and service suppliers of any other country.

With such general provisions, any WTO member, even while not making a specific commitment under the GATS, can benefit from the commitments made by other members. Under this principle, the member allowing access would be constrained from preventing the entry of other WTO territories – unless it can invoke an allowable overriding objection such as ‘national security’. This principle is hailed as a cornerstone of the multilateral trading system. It is intended to remove distortions arising from unequal economic or political power found in bilateral arrangements (WTO, 2005a). Therefore, if a WTO member country allows another member to participate in any
service sector in its territory, it is obliged under the MFN principle, to accord the same treatment in that service sector, to all other WTO members.

The MFN principle is consistent with the general rule of transparency and progressive liberalisation that informs the spirit of the GATS. Progressive liberalisation is expected to lead to a gradual opening of a country’s market, and this principle ensures that any access, however caused, opens the door in similar fashion to all WTO members. The implications of MFN are serious for a WTO member country that has already allowed access to foreign HE services providers into its territory. If developing countries wanted to invite limited foreign investments in their HE sector but did not specify limitations on market access in their commitment, they might well find it difficult under GATS rules, to try to change course after the fact, citing the need to manage their institutional arrangements. The commitments in education filed by countries like the US and Australia, limit the application of the MFN principle, thereby allowing them the right to discriminate against other WTO members as long as the limitation remains in effect.

Article XVI and Article XVII of the GATS dealing with Market Access (MA) and National Treatment respectively, are two other provisions making the GATS fundamentally different from other WTO agreements. They are also specific provisions adopted from the GATT, but they differ in that their application in the GATS allow a WTO member to set out measures that affect the supply of services within its territory in a selective manner. They are applied on a sector-specific basis and allow a member to modify the conditions under which providers compete, thereby ensuring that they are operating measures inconsistent with full MA and NT principles. Members are free to designate the sectors to which they will apply limitations, but these must be listed in their
schedules of commitments. The measures are not regarded as discriminatory if they are applied consistently - to preserve the principle of predictability.

The market access provision of GATS is outlined in section 1, Article XVI, which states:

With respect to market access through the modes of supply identified in Article I, each Member shall accord services and service suppliers of any other Member treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule (WTO, 2005a).

A WTO member could, thereby, place specific terms, limitations and conditions on market access for each of the four modes of service delivery, applied in any or all of the following six types of limitations:

a. Limitations on the number of service suppliers
b. Limitations on the value of service transactions or assets
c. Limitations on the number of operations or quantity of output
d. Limitations on the number of natural persons supplying a service
e. Limitations on the type of legal entity or joint venture
f. Limitations on the participation of foreign capital

Developing countries needing the flexibility to tailor their commitments to suit their national policy objectives, can use this provision to limit market access in line with their policy strategy for the sector. From the suggestion that developing countries may have made excessive commitments, it appears that many missed this opportunity to protect their national interests when, at the conclusion of the Uruguay Round, they formulated their commitments (Levy, 2006). This highlights the problem of inadequate knowledge and expertise, and the need to understand clearly the desired policy outcomes and how to avoid possible inappropriate by-products. There must be a coherent policy strategy from the beginning so that it guides the negotiating process. If a small country’s
trade negotiators lack a clear understanding of their policy objectives, their deliberations become directionless. If they lack sufficient grasp of the negotiating framework, since they are confronted with better prepared counterparts of rich countries, their weakness is compounded.

Article XVII of the GATS, deals with the National Treatment (NT) provision. This allows each member country, in addition to specifying which segment of a particular service is to be included under the Agreement, also to qualify the extent of the commitment. Where commitments are made without limitation the NT rules require all providers to receive the best treatment afforded to similar domestic providers. Members may specify the time-frame when a commitment takes effect, which need not be from the date their GATS schedule comes into force. But if there is to be delay it must be specified from the outset. The US and Australia have retained the option to discriminate against foreign providers seeking to provide services. These two countries have been part of the multilateral trade landscape from the beginning; and they possess the knowledge and human capital necessary to participate effectively in this arena. In relation to Australia’s commitments in education, the Department of Foreign Affairs and Trade (DFAT) indicated that:

‘Australian commitments entered into during the Uruguay Round were structured so that we have the ability to discriminate between foreign and domestic private institutions (e.g. in relation to subsidies), should this ever be an issue’ (DFAT, 2003)

However, Ziguras, McBurney, and Reinke underscore the complexity of the WTO agreements and the challenges associated with understanding the interpretation of their provisions. These scholars contend that the NT provision does not support the view of DFAT (Ziguras, McBurnie, & Reinke, 2003). They speculate that Australia's
commitments under the GATS may require the government to extend some form of support to Australian students enrolling in foreign institutions for programs of study completed overseas, or through distance education in Australia. The government’s support, to national entities only, is deemed to create a distortion of trade resulting in a skewing of the competitive environment. Education researchers claim that the NT rule has been interpreted very broadly in the WTO (Schacter, 2002). For its part, the U.S. has made commitments in Adult Education and Other Educational Services, but has put in place NT limitations in respect of access to certain grants and scholarships. Australia highlights the dilemma faced by developing countries. If such a country, with the skills and knowledge capital that it enjoys, may have misunderstood the application of the GATS provisions, how much greater is the risk developing countries run.

Now foreign affiliated HE institutions in Jamaica are demanding equal access to government subsidies and supports for their institutions and their students - in accordance with their interpretation of the Government’s obligation under the NT provision. In the short term, it is only by reference to individual country schedules that one can know the degree to which WTO members have actually opened or limited access to their service sectors (AUCC, ACE, EUA , and CHEA, 2001). The obligation of members to progressive liberalisation, might, eventually, lead to a greater degree of uniformity of commitments among states as every sector becomes more open eventually. This would render much of the current debate irrelevant. Meanwhile, it may be left to the WTO dispute panel to resolve the different interpretations of these provisions.

GATS Article III imposes the obligation on all members to promptly publish all information, rules and regulations relevant to their agreement. They must also report
annually any material changes affecting the trade in any service sector that forms part of their commitment. Small poor economies traditionally lack the expertise, information and appropriate statistical infrastructure to be compliant on a timely basis.

Possibly one of the most contentious issues in the GATS debate relating to HE is the exemption under Article I:(3a), which the GATS Handbook (WTO, 2005a) cites thus:

For the purposes of this Agreement:

(a) "measures by Members" means measures taken by:
   (i) central, regional or local governments and authorities; and
   (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

In fulfilling its obligations and commitments under the Agreement, each Member shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory;

(b) "services" includes any service in any sector except services supplied in the exercise of governmental authority;

(c) "a service supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

Some scholars believe that the interpretation of Article I.3 is rather narrow (Ziguras, McBurnie, & Reinke, 2003). Although no authoritative interpretation has been issued thus far, it is felt that HE is unlikely to qualify for Article 1.3(c) exemption due to the presence of competing public and private suppliers in the sector, such as in Jamaica’s case. It is also felt that with the presence of tuition (user) fees and research contracts in the HE sector, it will be interpreted as ‘commercial’ in nature. Many other HE practices and institutional arrangements are also believed at risk of being construed as commercial in nature.
Article V of the GATS, relates to countries that are signatories to some ‘Economic Integration’ arrangement like CARICOM. This article provides a type of MFN exemption to WTO members that are party to a regional agreement. It specifically grants more favourable treatment to a regional bloc made up entirely of developing countries. Effectively this article allows the countries to discriminate against other countries that are not party to the regional agreement, but the caveat also exists that, between the countries within the regional arrangement, there must be no discrimination. No reference to the application of this article has been found in the literature to-date, but its relevance to this thesis is obvious because of CARICOM.

Article VI:(1), dealing with Domestic Regulation, seeks to ensure that a national framework is in place to administer market practices in an impartial, reasonable, and objective manner. In the second section of the article - 2a - service suppliers are required to have access to national tribunals or procedures in order to challenge any administrative decision that adversely affects their ability to trade (WTO, 2005a). This provision, together with the reporting requirements obligated by the principle of transparency, have proved onerous for small developing countries where often the basic structures to support compliance do not exist. Section 2b relieves them of this burden under specific circumstances involving the member’s constitutional arrangements and legal system. Section 4 refers to “measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute barriers to trade in services”. Concerns have been raised about the implications of this provision for the quality standards and accreditation process of HE (Knight, 2003).
Services are an important part of a modern economy. In recent years the growth in trade in services has been greater than in merchandise, and the trend is expected to continue in the foreseeable future. Developing economies are participating in this trend - primarily in the service industries of tourism and transport - making it important that in pursuing their growth and development needs, the governments recognise the implications of the global trading system (WTO, 2005a). The creation of the GATS recognises the growing significance of the trade in services for the expansion of global wealth. However, the legally binding nature of the WTO agreements is causing concerns regarding the potential impact of the GATS on national education systems around the world. Whether the effect of GATS will be generally positive or negative is not clear. Much of the opposition to GATS commitments in HE, centres on the perceived threat to the role of government. Particularly in small economies, questions arise as to government’s ability to implement policies to regulate and manage the sector in the national interest. It is therefore considered an imperative that these small states understand the policy implications of GATS for their education sector, even if they have already made commitments.
CHAPTER FOUR

Theoretical Bases and Related Literature

Introduction

Prior to the creation of the GATS the idea of education as a tradable commodity was a strange concept difficult for educators to accept. Even as Eastern Europe, the Soviet Union, and the Manley government in Jamaica embraced free market capitalism, educators remained oblivious to the trend that Samuelson describes as the “rediscovery of the market” (Samuelson, & Nordhaus, 1995). In part, this is due to economists’ view of education as a ‘public good’, central to a nation’s social and economic development, rather than only as an individual’s means of broadening her/his knowledge and skills and the means of ensuring a better income. The delivery of this public good is assured through government regulation and financial support. Once regarded and treated entirely as a private good, the significance of education to the creation of knowledge and skills leading to prosperity, gained recognition in the 18th century with Adam Smith. Governments have since come to rely on the sector as the means of developing the human capital necessary to achieve a more productive and civil society. Throughout the 20th century, therefore, responsibility for financing and delivery of education shifted more and more to the state. Now the goal is to provide mass HE. This is based on higher education’s role in meeting the human capital needs of nations.

In the 1960s, empirical econometric studies of the growth of wealth in rich nations failed to account for a large unexplained ‘residual’ when only land, capital goods, and such services as finance and transportation were taken into account. The concept of human capital seemed to provide the answer. When they added - to their models - the
capacity to produce, through education, a well-educated knowledgeable and skilled population, much of the ‘residual’ was accounted for. Summers believes there are difficulties in trying to empirically demonstrate the ‘public good’ properties of education. She concludes that it is society’s perception of education as a public good that in fact, makes it so (Summers, 1987). Nonetheless, its re-conceptualisation within the trade framework of GATS, challenges its treatment as primarily a public good.

In this chapter, sets of literature are reviewed as they apply to this thesis - the growth of trade in services generally, and trade in HE specifically; the economic principles, arguments, and assumptions used to explain this growth; the concerns of education scholars and sociologists regarding the inclusion of education in the global trade arena and the underlying causes of these concerns; and policy, politics and the existing export opportunities for HE and the possible risks and benefits for developing countries.

**Theoretical Concepts and Arguments Influencing HE Policy**

In order to examine the theories and concepts that underpin this thesis, we need to refer to concepts from the field of ‘political science’ as well as principles of ‘political economy’. These are useful in exploring the role of HE in the creation of knowledge and human capital formation, and their role in the development and growth in the wealth of nations. The previous chapter explained why the GATS was created and why, now, it seems to be the most contentious of the WTO agreements. Much of the attention is fuelled by the world’s rich economies that have transitioned from the industrial base of the late eighteenth, nineteenth and early twentieth centuries, to the knowledge societies of
the twentieth and first decade of the twenty first. More than 25% of the population aged 20 – 29, living in Organisation for Economic Co-operation and Development (OECD) countries, have pursued HE studies (Douglass, 2007). This compares with less than five percent in some developing countries (Larsen & Vincent-Lancrin, 2003). Based on the assertion that the human capital produced by HE studies is the foundation of social and economic development, poorer countries have an uphill task in transforming their societies to become prosperous.

Time and demographics are a major problem making skills development difficult for poor countries. It takes about 20 years of education – from elementary school to practice - to make a modern physician, research economist, sociologist or scientist. It takes even longer for surgeons and other allied health specialists. Teachers, social workers, librarians and nurses can be produced in less time but still require about 16 to 18 years. Moreover, scarcity of financial resources, inadequate infrastructure and lack of local expertise make foreign provision an important element in the HE systems of most of these countries. Now with the creation of the GATS to govern this cross-border provision, the potential that this lifeline may be adversely affected lies in the difficulty of reconciling its rules with their development goals, when negotiating in the international arena. The literature related to, and relevant for this thesis provides insight into why HE is considered so important to development, why it was necessary to create an agreement

---

16 The Organisation for Economic Co-operation and Development (OECD) is an organisation of thirty countries, committed to the principles of democracy and a market economy. It formed in 1947, to administer American and Canadian aid under the Marshall Plan for the reconstruction of Europe after World War II. Its members are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States.
for international trade in services, and how effective it is as a basis for a nation’s (in this case Jamaica) HE policy.

The first theoretical platform, ‘political science’, deals with governance and the allocation and use of power, with political governmental systems, the practice of politics, and the study of international systems of governance. Political scientists have been analysing public policy decision processes for centuries, and in the most recent, devising approaches to predict the choices of governments (Brennan, 1996). This body of knowledge has looked at issues related to multilateralism, developing countries, and the WTO (Odell, 2006; Beck, Sznaider, and Winter, 2003; Wilkinson, 2001). Its analytic constructs best describe policy impacts.

‘Political economy’ on the other hand, offers the theoretical platform that best explains the economic rationality driving the trade liberalisation process - including Jamaica’s decision to make the HE commitment under GATS. Economists, for the most part, view their field as explaining the influence of economic systems on the distribution and exercise of political power (Mitchell & Mitchell, 2003). To enquire into the nature and growth of wealth, it is necessary to draw on a range of subjects - economics, political science, and sociology. ‘Political economy’ may therefore be described as applying approaches of various social science disciplines to the study of economic behaviour. It explores how any society may become prosperous. Policy development seeks to balance governments’ power to ‘decide’, across the sectors of the economy.
Human Capital Theory

One of the most influential economic concepts shaping education policy strategies of nations today is ‘human capital theory’. For the most part, economic growth models engage the ‘business of education’ from this perspective. Education is a sector of the national economy in its own right, but it is also the sector which fuels all other sectors of the economy by the provision of the manpower, the ‘human capital’, they need to function. In the 1960s, human capital theory gained prominence as economists enquired into the relationship between education, particularly HE, and economic growth. Seminal works by economists such as Schultz, Mincer, Becker, and Denison, established linkages between the sector and economic performance. They variously demonstrated how education affects the productivity and earnings of workers and the wealth of nations. Higher levels of education were shown to improve an individual’s ability to acquire new skills, absorb information, and create knowledge (Saxton, 2000). In turn, such individuals had better prospects for employment, were more socially mobile and productive, had higher earnings, accumulated capital, enjoyed better standards of living, better health and longer lives. Since the 1960s therefore, this theory has set the framework for explaining many government policies and actions. Much of the theoretical argument for HE policy initiatives relies on this economics-based foundation, which regards expenditure in HE as a public and private investment for future gain. Therefore, generally, participation is not free but is subsidised with public funds.

The best-known initial application of human capital theory arose in the work of Gary Becker, the 1992 Nobel Prize winner in economics. He demonstrated that, unlike physical capital, which is transferable, human capital is not. It owes its unique
characteristic to the role played by knowledge in its formation (Becker, 1994). Becker’s 
enquiry into the contribution of knowledge in national development arose from the 
realisation that physical and financial capital accounted for only part of the growth in the 
income and wealth of most rich countries. The search for explanations led to improved 
measures of physical capital, as well as investigation into intangible other forms of 
capital. Allowing for difficulties associated with the fact that investment in human 
capital extends over a long and variable period, Becker, nevertheless, was able to 
calculate the steeper age-earnings profiles of more skilled and educated persons by the 
relatively simple mechanism of discounting the lifetime earnings of different types of 
labour used in the economy. Becker concluded that when human capital is included as 
one of the ‘means of production’, additional investment yields greater additional output.

Human capital theory, therefore, was added in the neoclassical analysis which 
links education, economic development, and labour markets. However, the idea behind 
the search for the economic benefits of educational attainment is not new. It originated 
with Adam Smith. In the 18th century, he sowed the seeds for human capital theory 
when he wrote:

“The acquisition of such talents, by the maintenance of the acquirer during 
his education, study, or apprenticeship, always costs a real expense, which 
is a capital fixed and realized, as it were, in his person. Those talents, as 
they make a part of his fortune, so do they likewise of that of the society to 
which he belongs. The improved dexterity of a workman may be 
considered in the same light as a machine or instrument of trade which 
facilitates and abridges labour, and which, though it costs a certain 
expense, repays that expense with a profit.” *WN* (II.i.17) Smith, A. (1776) 
*An Inquiry Into the Nature and Causes of the Wealth of Nation*

Adam Smith, like Becker centuries later, was enquiring into the factors that make 
nations wealthy. Though cognisant of reasons individuals make investments in education
for their own personal gain, he surmised that their acquisition of knowledge and skill bestowed economic benefits to society as a whole, if they were gainfully employed. This led him to conclude that education contributes to economic growth through the creation, diffusion, and transmission and application of knowledge (Saxton, 2000). Becker later was able to measure and demonstrate this empirically. He determined that the increased productivity of an individual through the acquisition of knowledge generally correlates positively to national development and explains much of the economic growth of rich countries. This thinking has been part of the stimulus for the dominant position of governments in the financing, regulation, and provision of education at all levels (Gradstein, Moshe, and Meier, 2004).

However, research findings criticising the theory and challenging the benefits of public investments in HE were used to justify policy shifts that took place in many developing countries in recent decades, away from public support for the HE sector in favour of basic, primary, and secondary education (Hansen & Weisbrod, 1969; Heyneman, 1995; Mora, 1997). This portrayal followed on the poor economic performances of countries worldwide, and lead to cutbacks in education spending (Quiggin, 1999). World Bank economists applied rate-of-return analysis to the different levels of education, and found that the highest public rates of return were from basic education, with the lowest returns from HE. But, according to Ramphele (2003), there were weaknesses in their approach which did not acknowledge the complexity of the problem. She showed that the higher rates of return at lower educational levels are the result of lower investments and more substantial productivity differentials. While the
calculated returns for HE appear to be lower in absolute terms, they are higher on a discounted percentage of investments basis.

Nonetheless, during the 1980s and 1990s, World Bank policies relied on their economists’ thinking to preclude investments in HE as part of the ‘structural adjustment programs’ approved for developing countries who sought World bank loans. Very recently, some of that thinking has changed. The World Bank has become a leading supporter of policy research geared towards calibrating the effects of developing the HE systems of the developing world. It also finances many projects aimed at expanding the HE capacity of these countries.

Economists have been asking; ‘who really benefits’ from public investment in HE? Does the ‘marginal rate of return’ really justify the ‘social opportunity cost’? For industrialised societies, for example, it is claimed that the learning abilities of the labour force far exceeds the capacity to engage them in meaningful appropriate work thereafter (Livingstone, 1999). Some of the public investment results in a low yield because many educated people don’t find jobs that repay well, the time and cost invested in training. They may be overly educated for their jobs or their salaries are lower than expected. They, therefore, repay the public purse less in taxes and (jobs creating) investment than anticipated. Livingstone claims the issue is a ‘gap’ between formal educational attainment, and the real requirements of society and the workplace. However, Becker suggests that workers participating in HE are more ‘able’ than those who do not, and they also tend to be more confident and enterprising. He concludes that whereas economists have generally found difficulty demonstrating individual social returns to investments in education, they can empirically show the positive aggregate net gain to society over time
Denison conducted a landmark study, to measure economic growth in the United States between 1909 and 1957. He found that both in terms of the improvement of the labour force and the ‘advance of knowledge’, education explained forty three percent of the nation’s growth (Denison, 1962). There were undeniable economic benefits in terms of greater productivity and income. Political scientists and sociologists have since agreed that the benefits of an individual’s education to her/himself, which can readily be calculated, does not tell the whole story, as benefit also accrues to society at large, and has a direct impact on the economic and social development of the country (Behrman, & Stacey, 1997; Gutman, 1999). These studies were of the US economy and its labour force, where there is no central planning and no direction of labour. The ‘market’ steers choices in HE through demand for different kinds of workers and the price of obtaining the credentials and skills.

However, that does not answer the question of “how much” and whether the public dollar would not have been better spent on some social policy investment - like law and order, or more social workers. It raises the further question: Has the notion of human capital and public benefit from investment in its development been oversold? Recently, the importance of HE in an increasingly knowledge-dependent world has again been trumpeted by scholars, as well as by organisations like UNESCO and the World Bank. The economist Alfred Marshall wrote, “The most valuable of all capital is that invested in human beings” (Marshall, 1920: p. 469).
UNESCO and the World Bank see the expansion of their education systems as a prime policy priority for developing countries. They must build the human capital, skills and knowledge necessary to meet their development needs (UNESCO, 2002a, 2004a; World Bank, 2000, , 2003b). Some believe however, that the WTO presents a risk to this objective. They maintain that the GATS services agreement constrains poor countries from building a quality HE system, and claim that education does not belong in an economic market-determined arrangement like the WTO. In 2004, Per Nyborg, who headed the follow-up group of the Bologna Secretariat, stated that public responsibility is a pre-condition to building a national higher education system; that developing states must endeavour to provide the framework to support the increase of their pool of human capital (Nyborg, 2004). One of the challenges they must face is how, in light of their increasing fiscal pressures, to achieve the financial investments needed for their HE system and, then, how to gainfully employ its outputs.

Becker observed that few, if any, countries have achieved sustained development without substantial investments in their human capital. Unemployment, for instance, is generally found to be strongly inversely correlated to educational attainment. He also notes that unequal distribution of income is positively correlated to inequalities in education and training (Becker, 1994), and that income disparities between the lowest and highest wage earners is much greater in underdeveloped economies than developed ones. It is clear that, in managing the heterogeneity that exists in the HE systems, governments play a strategic role. Since this is the case it is necessary to improve, rather than limit, the capacity of developing states in the provision of HE programs - in visioning, planning and the quality of policy, as well as in programs, funding and
institutional capacity. Empirical analysis indicates that even though the involvement of
the State has grown considerably since the early twentieth century, so also has private
investment in education (West, 1995; Williams, 1982). However, the State is still the
primary provider, particularly in small developing economies. But increasingly, cross-
border provision of HE is becoming more pervasive among them, and it does not come
without a price - part of which is foregone national HE development.

It is within this context that the implications of GATS have emerged as the
increasingly important consideration in higher education policy strategies and
institutional arrangements. Laswell regards policy choice in HE as a distributive function
centering on the facilitation of socially valued objectives, where public demand for access
is measured against competing priorities and the values of the policy actors (Laswell,
1950). Opponents would rather see policy choice in HE focused on facilitating
economically defined objectives.

Political scientists and education sociologists argue for public involvement in
higher education provision from a human rights and egalitarian perspective. While
human capital theory provides political and economic justification for public attitudes
and the subsidy and regulation of HE, from a social policy standpoint this does not go far
enough. This has caused something of a value-clash in the discourse of the development
literature. Samuelson cautions - applying economic solutions will not resolve market
imperfections when dealing with social problems (Samuelson & Nordhaus, 1995).
**Higher Education as a ‘Public Good versus Private Good’**

The widely held view of economists, that investments in HE produce greater financial yields for all of society than similar investments in physical capital, has been pivotal to public support for the sector (Becker, 1994). Governments around the globe see education as an important *social service* and, at least to the secondary level, regard its provision as a public responsibility. Many consider, however, that investment decisions regarding participation in HE, are undertaken by individuals in anticipation of private returns. People who can bear the costs are prepared to make personal (themselves and their family) investments of financial resources and time. But there is disagreement on the extent, or whether, higher education services should, be heavily supported from the public purse. The argument is that a ‘private good’ should be paid for by private investments. Opponents of public support for HE contend that participation in the sector favours the more affluent of society, and the beneficiaries should pay the costs since they benefit from the service (Quiggin, 1999).

On the other hand, it is argued that public support is necessary to provide greater access to many other groups in society and that everyone benefits in the long run when the nation becomes more productive and achieves sustainable economic growth (Nyborg, 2004). For governments with limited financial resources, the key policy decisions become what education services should be provided relative to demand, and at what cost. In the context of the relative decline of public money to the HE sector and the increased participation of private cross-border providers, these are important considerations for developing countries seeking to develop their human capital.
**Concepts and Arguments in the Debate**

Who, and under what conditions, should decide whether HE is a *public good* or a *private good*? The claim that HE is a public good to be provided from public resources has been challenged on the grounds that it is impossible to accurately measure the public benefits (Quiggin, 1999). In calling for the re-allocation of public resources away from HE, critics argue that, in any event, investment in elementary and secondary schooling provides benefits to a wider cross section of society, whereas HE acts to perpetuate existing social inequities (Fagerlind & Saha, 1983). They believe public support for the HE sector represents a ‘social imbalance’; it is nothing more than a subsidy to the rich by the poor. Supporters of public investment in higher education, while acknowledging the criticisms, contend that those who are better-off are always able to afford to invest in HE, therefore public support is crucial to secure access for the poor. It has been empirically demonstrated by many studies that educational attainment is positively correlated to the education of the parents (Carneiro, Meghir, & Parey, 2007; Lochner, 2008; Miles, 2003). The progeny of those who have attained higher levels of education are more likely to participate in HE, due to what economists refer to as ‘inter-generational externalities’.

Vogel claims that without public support to ensure mass access, HE is nothing more than a social class privilege for the children of the more affluent (Vogel, 2005). Hill, Hoffman, and Rex (2005), also highlight the societal benefits to be derived from a workforce with higher educational attainments and skills. They assert that public investments should support improvements in the skills of all classes of persons on the grounds that it leads to greater productivity, creativity, and growth within the economy.
Public investment also supports social mobility, particularly important for socially disadvantaged groups. The claim is also made that investment in youth skill training is effective in combating youthful delinquency, provided the recipients, thereafter, are gainfully employed using their new skills. Where the poor are unable to access tertiary level education, these authors believe, it leads to the marginalisation of an underclass, discontent, and social dysfunction.

Both sides of the public/private argument agree, however, that HE provides exceptional social returns - reduced crime rates, greater civic participation, higher consumption and savings rates, and enhanced probability of advanced educational attainment by future generations (Hill, Hoffman, and Rex, 2005; Quiggin, 1999). Therefore, it may be necessary, within the context of HE, to refocus the discussion about what is a public and what is a private good. As Buchanan pointed out, the economic notion of ‘public good’ does not necessarily mean ‘provided by the public’ (Buchanan, 1999). A public good may be provided and financed by the private sector, just as a private good may be provided and financed by the public sector. Public goods are determined by characteristics of non-rivalry, non-excludability, and externalities, but few truly public goods exist (Samuelson & Nordhaus, 1995). In principle a public good is difficult to provide on a profitable basis and, therefore, is generally provided by the state, - as is increasingly the case with elementary and secondary schooling but, even so, the experience is not the same for all students, since achievement is influenced by family, community and other personal and social variables.

According to Samuelson, national defence is one of the few pure public goods that exist. Non-rivalry means that the consumption of a specific good by one individual
does not prevent its consumption by another. This principle underlies the concept that public goods are there for the enjoyment (benefit) of all members of the society. A public good can be accessible to increasing numbers of individuals without additional marginal cost. Therefore, for HE to qualify as a public good, would require that participation by one student does not in any way diminish participation by another student, and benefits are accessible to everyone, although not necessarily to the same extent and not with the same level of participation.

The principle of non-excludability is the second characteristic of a public good. It signifies that no one can be excluded from consuming the service. This principle is violated with the imposition of a ‘right to access’, such as highway tolls or an education user fee. It is this principle, more than others, which makes it difficult to produce public goods profitably since it is not possible to exclude someone from benefiting from, or from defraying the costs associated with, the service. But it is also impossible for anyone to willingly exclude themselves from the responsibility of participating. National defence and lighthouses are examples cited by economists as possessing this characteristic.

Based on this principle, HE services are not regarded as public goods. Matriculation requirements, the imposition of fees, and demographic, technological and geographic barriers to participation make HE an excludable service, but with public provision the exclusion can be mitigated. The Robert Lucas economic growth model links education to the economic growth process, using a subjective conception of knowledge in which it is acquired by individuals to produce human capital. He regards knowledge as a rival good because its use by one individual excludes others from using it. Therefore education and human capital formation are rival and exclusive in the way
they are incorporated in individuals (Lucas, 1988). This cannot be eliminated by public investment because differences in the cognitive abilities of individuals mean they do not process and use information the same way.

The third characteristic of a public good - externalities - reflects the loss or benefit to society as a whole from the consumption of a good by an individual. Externalities involve interdependencies related to choices and payoffs and impose costs or benefits on others (Buchanan, 1999). For example, strategic decisions’ regarding the supply and consumption of higher education services are affected by such externalities as labour market conditions and social status. A regulatory framework that lowers the transaction cost of HE, or provides subsidies to boost participation, are examples of government intervention to address market failures and are intended to create positive externalities (Samuelson & Nordhaus, 1995). Lucas analysed the effectiveness of the workforce based on the accumulation of human capital through education. He identified positive externalities where the knowledge and skills of one individual enhance the productivity and collective skills of others, through the exchange of ideas and practices (Lucas, 1988). Azariadis and Drazen proposed an economic growth model that introduced generational externalities in human capital formation. This is where the heritage of human capital is bequeathed to descendants of previous generations with high levels of educational attainment (Azariadis & Drazen, 1990).

Private goods are the opposite of public goods - they demonstrate characteristics of rivalry and excludability. Generally speaking, a private good benefits the individual, whilst a public good benefits society as a whole. HE is a good example of a service that displays both public good and private good characteristics. Previously, the service was
regarded entirely as a private good, accessible almost exclusively by the bourgeoisie, the
gentry and the aristocracy. Now however, with the State as the main provider in many
countries, HE is treated as a public good. Society’s view of its importance to economic
growth and social development has shifted. Arguments by some scholars that HE is a
public good ignore the basis of this economically-derived label. Its treatment is founded
in the acknowledgement by governments, scholars and economists, of the benefits from
providing support to the sector in order to achieve economic development and
international competitiveness. Per Nyborg, notes that it is not entirely possible to
separate the private characteristics of HE from the societal dimensions and individual
components associated with providing the service (Nyborg, 2004). He suggests that the
expression by governments of HE as a public good is a powerful political message that
underlines the need for public responsibility for the sector. Nyborg’s point is that it is
time to re-focus the discussion away from “private good versus public good”, towards
“private participation supporting and being facilitated by public responsibility”, accepting
that HE confers individual benefits for the greater benefit of the whole society.

The shift in the treatment of services from public good to private good, and vice
versa, is not without precedent, nor is it confined to education. Rail transport and
telecommunications historically were viewed as natural monopolies of significant
infrastructure significance, and entirely the domain of government ownership and control
(WTO, 2005a). However, limited public resources made it increasingly difficult for
governments to pursue certain policy strategies in these areas, in the national interest.
The importance of these services to economic growth, and the challenge of trying to
obtain public resources sufficient to fund their necessary expansion, resulted in changed
attitudes. We now find examples of private ownership and control of rail stock and telecommunications infrastructure, and even a return to some private toll roads. This value-shift has extended beyond national borders to include foreign participation, and is now an accepted feature of rail transport and telecommunications services development and provision. More complex and multidimensional, attitudes to HE seem to be making a similar transition. The contentious issues regarding the need for trade agreements dealing with HE now arise from the nature of the service and the ways in which it is now being viewed.

UNESCO and other civil society groups support the public provision of higher education services, from a social and legal humanitarian perspective rather than from a purely economic standpoint (UNESCO, 2000; Gutman, 1999). This follows from a United Nations (UN) declaration of December 10, 1948, adopted and proclaimed by General Assembly resolution 217 A (III) in Article 26 that:

(1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit. (United Nations Development Programme, 2006)

The Declaration sought to commit governments to provide the means by which individual members of society could achieve prosperity and social equity, regardless of their antecedents. This is based on the premise that everyone has a fundamental right to improve him/herself financially and socially through access to increasing levels of educational opportunity. The economic growth models and human capital theory, in a general sense, support the premise of the Declaration. Economic theory also suggests that liberalisation and trade are necessary to increase aggregate global demand for
education since it is beneficial for development as well as the welfare of society.

However, Education International (EI) stresses that governments, as far as possible, should be empowered to ensure free quality education for their citizens. The organisation sees the cross-border provision of education and the role of the GATS, as antithetic to the enjoyment of this right, which is affirmed by its Declaration of 2006 that:

In the global economy where neo-liberal values of privatization and market competition are dominant, it is crucial for those committed to public education to reaffirm the principle that education, including higher, technical, and professional education, is a right and not merchandise (Education International, 2006).

Samuelson regards the political and the socio-ethical dimension of education, as the basis for market imperfections that can only be addressed through public policy. He explains that economic instruments do not adequately account for the social elements and do not provide solutions for complex social problems (Samuelson, 1995). West believes that the empirical evidence to support the social benefits of educational attainment makes the ‘public vs. private’ debate a corruption of the diligence of public HE, and makes it more difficult for the private system to develop (West, 1995).

**The Concept of ‘Comparative Advantage’**

Similar arguments used in the past to advocate the liberalisation of trade in goods, are now being used to justify the need for the liberalisation of trade in services. One most notable argument was that trade liberalisation is the most efficient way to allocate the benefits of comparative advantage between nations. The case for liberalisation and ‘free trade’ draws from countries theoretically having different absolute advantages, resulting from diverse labour costs, culture, climatic conditions, geography, etc. However, when
David Ricardo\textsuperscript{17} spelled out the theory of comparative advantage in 1817, he explained that the concept of national specialisation is predicated on ‘opportunity cost’, where the cost of taking an opportunity to do something is the benefit foregone in being unable to do something else. Taking the difficult opportunity may sometimes have non-monetary benefits which outweigh the additional obvious costs. Where a country might lack absolute advantage in any given area, it can still derive benefit by specialising in the service where it has the lowest production cost. To provide a rather rudimentary example, let us assume the following:

Country A can train 50 teachers and 20 doctors in any given year while country B can produce 20 teachers and 18 doctors. Country A has an absolute advantage over country B in training both doctors and teachers. Both countries need a total of 90 teachers and 32 doctors to meet their needs. If country A spends half its resources training doctors and half training teachers, it would graduate 50 teachers and 20 doctors at the end of the year. Likewise, country B would train 20 teachers and 18 doctors. The net result would be a shortage of teachers for both countries. If country A only trained teachers however, and country B only doctors, there would be 100 teachers and 36 doctors trained at the end of the year, and through trade they could both meet their needs. It may therefore prove advantageous for both countries, A and B, to collectively produce 30 additional teachers and 2 fewer doctors, thereby producing a surplus of teachers and doctors resulting in the ability to export their services to other countries. Economists claim that developing countries without much comparative advantage will benefit from the ‘trickle down’ effect. This is an economic principle where a diffusion of wealth from richer nations to poorer nations is likely to occur from expansion in the overall global economy (Owyong, 2000). The role played by liberalisation in the push to expand HE systems and create increased educational opportunities, can be linked to the theory of comparative advantage.

New Zealand provides an example of how the liberalisation of the higher education sector may be based on the principle of comparative advantage. The country

\footnote{Comparative advantage was first described by Robert Torrens in 1815 when he concluded it was to England’s advantage to trade with Poland in return for grain, though England could produce grain more cheaply. The theory was attributed to David Ricardo when he explained it clearly in his 1817 book titled “On the Principles of Political Economy and Taxation.”}
has a population of 4.1 million people, a per capita GDP of $26,000.00, social and political stability, well-planned infrastructure, and a low crime rate. Much that can be learned about its current higher education policies, and the way the sector is positioned towards national development, can be traced to its 1989 Education Act. This legislation provided a framework for the country’s forays into Asia to attract foreign students in order to generate export earnings and offset cutbacks in education spending (Ministry of Education, 2006). These full fee-paying international students also contribute to the national economy through renting housing, and buying transportation and other domestic services.

By far the largest blocs of students come from China, South Korea, and Japan. They are seeking the high quality, internationally recognised, English-language credentials offered by New Zealand’s HE system. By 2000, the number of international students in HE institutions exceeded 11,500, up from 1,100 in 1980. The 20 years of phenomenal growth in the country’s HE system has continued. Between 2002 through 2004, the sector generated, on average, $1.5 billion in annual earnings, (Education New Zealand). When other programs are included, total earnings from international education exceed $2 billion. Robert Stevens, Chief Executive of Education New Zealand, is reported as saying that the foreign exchange earnings for 2004 were $2.18 billion, just under the $2.211 billion record set the year before (Dye, 2005). He noted that this confirms the importance of international education as an important contributor of foreign exchange to the New Zealand economy.

Reforms to the sector for the period 2002-2007 are designed to support excellence, access, and international competitiveness, as well as help New Zealand
achieve its HE priority goals (Ministry of Education, 2006). In light of a projected $7 billion in annual earnings by 2025, New Zealand Trade and Enterprise has committed to supporting the country’s international education initiatives to maximise potential economic benefits. The Asian countries which form the principal student market for New Zealand do not intend to be confined to their current import status. With the return of their graduates, they are positioning themselves to leverage the knowledge imported from the world-class HE system of New Zealand, and use their growing pool of human capital to expand and develop the competitiveness of their own HE institutions.

By any measure, New Zealand’s earnings from its higher education trade policy is significant. Its approach is similar to that of Australia which is also leveraging its comparative advantage throughout the region to strengthen its own economic development through the export of HE services. Together with the US and Australia, New Zealand is pushing the liberalisation agenda of the GATS and seeks to benefit from any opportunity presented by the Agreement. The advantage is captured by public and private educational entrepreneurs who could exploit their nation’s HE capacity. It has captured the essence of what developing countries are struggling to find – the ability to identify and leverage their comparative advantage. In the Business Week special report, Aaron Bernstein notes that notwithstanding the criticisms of liberation, since the 1800s when David Ricardo spelled out the theory of comparative advantage, economists and political scientists have concluded that trade between nations creates a positive net gain for everybody (Bernstein, 2004).
Was There Need for a Trade Agreement for Higher Education?

Free trade, or freer trade, is recommended by economists as the basis for meaningful welfare gains in the global economy. Das reasons that it is likely to lead to a win-win set of circumstances for members of the multilateral trade regime, who need to take a pragmatic, open-minded approach to trade liberalisation (Das, 2007). For a long time, developed countries have demanded that developing countries embrace negotiations aimed at the liberalisation of world trade (Glover & Tussie, 1993). Yet, developing countries have been unable to derive meaningful benefit from the global trading system, as more powerful nations advance their interests at the expense of weaker states. Since the GATT, developing economies have increased their percentage share of world trade, and have more and more engaged with, and become visible participants in, the international arena (Das, 2007). At the same time, increasingly, many economies in the world have been transitioning from an industrial base to a knowledge base. Small economies participating in this trend have also had to confront changed geo-political dynamics, and the challenge of being able to compete with the world’s increase in knowledge and human capital.

The creation of the World Trade Organization (WTO) promised a new environment of greater equity in world trade, through a more effective dispute resolution mechanism and acknowledgement of the need for ‘policy space’ for developing economies. However, one of its agreements, the GATS, has raised concerns regarding its role in the development of HE in developing countries. The underlying issue is the perception that the Agreement limits the capacity of governments of poor small nations to provide the types of HE programs which will produce the knowledge that fulfills their
development needs (Hao, 2004; Knight, 2002). Foreign providers are more likely to provide programs that are easy and relatively inexpensive to mount - like ‘business programs’. However, it must also be conceded that, in many cases, the receiving country seems unable to state precisely what programs it desires, for what specific segments of their economy, and at a given price. Countries have more experience and success in negotiating over what commodities and at what price they wish to import and export, rather than what knowledge and skills they think they need to acquire. Many education scholars, therefore, question the inclusion of HE in the GATS trade policy framework and whether, in fact, this agreement is needed. They see the push for liberalisation of the sector as being harmful to the developing countries ability to nurture their own human capital. However, it should be noted that the local education establishment also has a conflict of interest in avoiding competition.

During the period covered by GATT, rich countries have grown steadily richer, while poor countries, with few exceptions, have been caught in the situation political economists refer to as the ‘underdevelopment trap’. When the WTO was created, it promised a smooth and predictable flow of freer trade and promotion of the welfare of the population of member countries (WTO, 2005c). This augured well for poor countries with their limited education systems, needing to increase access to HE to provide the skills which would help close the competitive gap with rich countries that have a comparative advantage in education capacity. These countries have the internationally recognised programs and the professionals to deliver their programs.

Trade liberalisation is intended to facilitate cross-border provision of HE services, which could benefit many developing countries that do not have the HE programs they
would like, to develop the knowledge and skills they need. The output in graduates from such programs is intended to confer long term benefit in terms of economic and social development. However, this justification for GATS and the perceived advantages of a global system of governance for trade in HE services do not find favour with critics who insist that education has many objectives beyond the purely economic ones. Critics of GATS fear that national regulatory systems will be constrained by the technical requirements of the Agreement and inequities will continue. Historically, the trade system has favoured the lobbying power of large, for-profit investors. Examples like LOME IV indicate that the good intentions of the WTO framers are susceptible to distortion through the legal provisions of the regime.

Examination of the need for a trade agreement in HE begins with inquiry into the need for an agreement for services in general. Catherine Mann, of the Peterson Institute for International Economics (Washington D.C.), believes that the key to faster global growth is the comprehensive liberalisation of trade in services. She sees the inclusion of services in the multilateral governance framework as having had a significant impact on the overall importance of global trade. She concludes that, as national economies grow and mature, services tend to increase as a percentage of GDP (Mann, 1999). The services sector accounts for almost 70% of production in industrialised economies. The value of global trade in commercial services in 2005 reached US$2.4 trillion (Das, 2007). In 2000, the US exports in services amounted to about 40% of commodities exports, and the trend for some years has shown annual increase in the proportion of services exports to total exports (Irwin, 2003).
Therefore, it is now unmistakably clear. Services account for the lion’s share of
global output; they represent the fastest growing segment of world trade. The attention
now being given to the GATS is because the relative expansion in trade in services is of
increasing importance to economic growth. As service trade-flows continue to shift away
from the previously dominant commodities sector, the Canadian government’s export
services web site reports:

Services now account for approximately two-thirds of the world's
economic activity, with trade in services contributing over 20% of world
trade and over US$1.3 trillion annually. Over half of the world's
workforce is employed by service firms, which also create most of the
new jobs. The contribution of services to GDP in the majority of countries
is well over 50% and in some cases, as high as 70%... Trade in services is
expected to represent half of all world trade by 2020 (Team Canada Inc,
2005).

This increase in services to global production explains why a trade agreement was
necessary to govern the global trade. On the other hand, the way society views some
services and their inclusion within a trade structure makes for a value-clash between
perceptions of public responsibility and of private control. The value-clash arises from
different views of the nature and role of HE institutions and the increasing importance of
knowledge to economic and social development. Knowledge is the basis on which
accumulation in human capital occurs and is passed on to others. The acquisition of
knowledge is as important as its application. It is a cliché but, “knowledge begets
knowledge” and learning becomes habitual and lifelong. This makes the HE institution
and program a critical tool in the pursuit of economic and social development, and
accounts for the treatment of HE as a public good. It explains the role of governments in
the provision and allocation of public support for HE. The conflicts associated with the
GATS, therefore, is a clash of values, responsibilities and control.
Trade in educational services represents a fast growing subset of the international trade in services. Exports are conservatively estimated to have exceeded US$50 billion in 2000 (Findlay & Warren, 2000). Yet the discourse dealing with the trade-related expansion of HE services is more multifaceted than would have pertained if trade in rail transport or telecommunications were being discussed. This has been influenced by characteristics of HE which resemble a private good while being regarded as a public good - not only from an economic viewpoint, but also from an egalitarian, social, as well as a humanitarian perspective. Human capital theory and the importance of making education services non-excludable have played key roles in the HE trade discourse. These have highlighted serious implications for resource allocation and public policy development.

The justifications for liberalising global trade in HE make policy development for HE subject to the influence from external international power centres. Meagan Sylvester takes issue with the arguments used to justify trade liberalisation. She dismisses them and the benefits being lauded as intellectually flawed. In her opinion:

> Whereas at the national level, there is an understanding that the polity is in existence to provide societal responsibility, equity and a sense of the common good, within globalisation there is no corresponding supranational authority which is vested with the accountability for effecting rectitude amongst participating states in the international economic system. Instead, what obtains at the international level is a system of open unequal competition, where the mighty is endorsed over the incapacitated. (Sylvester, 2002)

She cites the less than stellar results of the Caribbean states overall market-oriented policy reforms over the past 20 years as indicative of the fallacy of trade liberalisation. While he does not disagree with Sylvester’s position, Paulo Renato Souza, the former Brazilian Minister of Education, points out that regulatory and policy
mechanisms form the basis for protecting national interests, and suggests that developing countries need to be cognisant of the potentially beneficial nature of trade liberalisation in educational services, even while being cautious of the protectionist and predatory practices used by developed countries (Souza, 2002). The Council on Higher Education of Jamaica warns that, in trying to understand the need for a policy framework, policy makers must take account of the regulatory role of the state in governing the institutional arrangements and practice of HE (Council on Higher Education, 2000).

Roger Dale points out that within a liberalised trade regime, intersections between national boundaries reflect the process of integration of societal values and historical acculturations. This frequently makes the expectations of policy for education contradictory. How HE is organised - although subject to external influences – is, in fact, shaped by domestic traditions and cultural norms, peculiar to a nation’s history and directed towards particular social ends (Dale, 1989). O’Rourke maintains that this is understandable [even inevitable], since education systems are vehicles through which political and cultural identity are preserved to serve political and ideological objectives (O’ Rourke, 1998). At the heart of the debate is the question of whether or not market forces can ensure the maintenance and enhancement of an accessible, quality HE system for small, poor nations (Education International, 2006). From a political perspective, Wagner sees the WTO as precisely the type of globalisation mechanism that would undermine the efforts of developing countries to pursue social returns from investment in HE. He argues that the WTO limits their ability to steer and manage their economic development to support the socio-cultural values of their societies (Wagner, 2004).
At an OECD/US forum on 'Trade in Educational Services', held in May 2002, Pierre Sauvé of the OECD Trade Directorate suggested that growth in cross-border investment activity in HE is fuelled by the rising worldwide demand for HE and specialised training. The Apollo Group, the largest for-profit US higher education provider, reported 2004 revenues of U$1.8B, an increase of 34% over the previous year (Apollo Group, 2004). A publicly traded company, its income is largely from within the US but its cross-border activity, particularly through the online University of Phoenix, is growing. Another publicly traded for-profit higher education provider, DevRy Inc., reported income of about U$800M for the same year (DevRy Inc, 2004). The US has the largest consumer market for HE of any country globally. Its for-profit HE sector exists alongside a large public sector and prestigious non-profit, wealthy private system.

It must also be pointed out that much of the recent process of internationalisation in HE and the growth in cross-border activities have occurred outside of the trade environment. GATS has emerged to regulate what was already a fast developing and profitable market, and in response to the need for some international governance framework for the HE sector. The Agreement has simply focused attention on the market-oriented aspects of trade and investment in these services (Sauvé, 2002a). HE may, in fact, prove to be a small part of the concerns associated with the GATS, but its inclusion has been the catalyst for much contentious debate. Unlike the shift from public to private, in the treatment of rail and telecommunications services, critics perceive a threat to HE’s role in society not only in the privatisation process but also in what they see as the intrusion of foreign providers. They believe this diminishes the scope of the authority and responsibility of government. This value-clash makes the shift to
liberalisation in the sector controversial. It has roused the sensibilities of civil society to the growth in the for-profit cross-border HE programs and caused the re-examination of the nature of a ‘public good’. Tensions in relation to GATS, have heightened as a result.

While some researchers suggest that trade liberalisation and export markets present opportunities for developing countries to meet their HE objectives, others argue that, all too often, the same arrangements undermine the very objectives being pursued (Wagner, 2004). Wagner, for example, contends that, in order for developing countries to take advantage of market opportunities, high knowledge capacity is required and this such countries lack, even as they seek to develop their human capital. In addition, the interpretations associated with GATS - various requirements, restrictions, and conditions - give rise to differing, or mixed, views about the long term effects of the Agreement for HE services. With the provisions of the GATS framework still being negotiated, this makes for a fluid landscape, but could present the opportunity for developing countries to influence arrangements so that potential threats are averted, or at least mitigated. Martin Khor, the Director of Third World Network, views the suspension of the DOHA Round of GATS negotiations at the end of July 2006, as a time for review, rethinking, and revision of the negotiations along different lines (Khor, 2006a). He argues that the current impasse provides a window of opportunity for developing countries to review their positions from the perspective of their development needs and safeguards. There may now be the opportunity to re-examine GATS twelve core services to determine whether there is advantage in continuing to include HE among them, and re-negotiate what conditions and constraints are needed to recognise its special status.
The GATS and Global Trade in Higher Education

The notion of trade in HE services, indeed all trade, is an economic concept that explains the exchange of goods and services for mutual benefit and for profit. While trade is reciprocal it is never entirely ‘equal’, and that conjures up images not normally associated with HE. Owing to the longstanding involvement of religious institutions (and later of nation states) in educating their population, education is not seen in the same light as other services. At the April 2002 Porto Alegre Declaration, between Iberian and Latin American associations and public universities, there was strong opposition to the notion of regarding these activities as ‘international trade’ (UNESCO, 2005). Representatives to the summit, feared that liberalisation would not only lead to a breakdown in the types of legal, political and fiscal quality controls that are necessary to enhance competitiveness, but would also lead to an increase in the social inequality which is already high in these countries.

Still, as Gradstein argues, the economic organisation of HE already depends both on political power and market mechanisms (Gradstein, Moshe, and Meier, 2004). Political leaders in developing countries which are poor, therefore, struggle to make policy decisions that will bridge the competing political, economic, and social imperatives they face. The multilateral minefield presented by the WTO compounds their difficulties. Williamson suggests that their dilemma arise in large measure from a lack of consensus between countries about the effects of the global trade environment for HE. Their ignorance, about the negotiation environment which will ensure success and the political conditions and policy processes necessary to achieve sustainable economic reform and growth, simply adds to their problems (Williamson, & Haggard, 1995).
Joseph Stiglitz, a former Chief Economist with the World Bank noted, that - unlike developed countries - the capacity of small developing countries to benefit from the multilateral trade agenda is, indeed, very small (Stiglitz & Charlton, 2006).

The suggestion by Souza (2002) that developing countries, while exercising caution, should recognise the benefits of trade liberalisation in educational services, might have been the approach taken by some of these countries making GATS commitments in education. Cross-border provision of HE presents the possibility of overcoming the financial and human capital constraints that hinder acquisition of the knowledge and skills these countries lack, in order to also participate effectively in the global environment and maximise the opportunities presented. The Joint Declaration on Higher Education and the GATS of 2001 was endorsed by four American, Canadian and European higher education associations. It called for a freeze on WTO trade negotiations on educational services (AUCC, ACE, EUA, and CHEA, 2001). The signatories to the Declaration saw no need for a trade agreement for HE, particularly one that could potentially constrain the authority of governments to regulate and support it. The irony is that these associations represent universities in countries with the largest internal HE systems which enjoy the least amounts of public control, even while they enjoy the greatest amounts of public funds. They felt that the Agreement would negatively impact quality and accessibility. However, it must be remembered that they represent the status quo with huge vested interests that, at present, define and control global access and quality standards. Student bodies have also expressed opposition to the international trade in HE, which they see as a threat to public funding, offering a greater role for private providers and leading to the erosion of intellectual freedom. This is a reversal of
the traditional HE opposition to political intervention in their affairs. The students demand the withdrawal of GATS commitments that have been made thus far (Bellanfante, 2004; Green-Evans, 2004). To highlight their demand, McGill University’s Post Graduate Students’ Society organised a protest march on October 31, 2002, that garnered over 7,000 marchers.

The positions of these key stakeholder groups reflect contentious values and contradictory goals. They have evoked the current public policy debate on HE’s societal dimensions and continue to fuel the GATS debate (Czinkota, 2005). International trade in educational services, as defined in the GATS, can be traced to the philosophical communities of the mid-eleventh century, when a small band of scholars travelled across the European continent, occasionally setting up ‘school’ and gathering a small group of students around them. Such schools were deemed ‘itinerant’, and the patterns of student mobility, depended entirely on the chance arrival and appeal of the scholar (Spade, 2004). Although by the fifteenth century, European universities had emerged as fixed and regionalised structures, students continued to travel to foreign institutions to pursue programs of study, and some scholars continued to traverse the globe imparting knowledge. The centuries-old itinerant practices are analogous to “consumption abroad” and “movement of natural persons”… two modes of supplying education services that are defined in the GATS (see Figure 8, page 86), as trade between supplier and consumer.

In a competitive market, economic principles hold that pricing is the mechanism through which levels of demand and supply are determined and managed. In HE, the prestige of institutions, reputation of their scholars, geography, demographics, and a host of other social factors, are important parameters controlling access - as well as price.
Scholars have difficulty accepting that HE (which provides credentialed learning), is a commodity. They argue that from a historical perspective, it is incongruous to treat international student mobility or the movement of scholars as trade (Larsen & Vincent-Lancrin, 2003). However, trade does occur when there is a benefit exchange and knowledge is transferred from one person to others at a price. Depending upon the mutual benefit, which relies on the use of the knowledge, the trade may or may not be seen as beneficial – the benefit may be mixed or entirely personal to the person(s) involved.

Robertson describes the changes in the political economy of national education systems as a ‘rolling back’ from the framework of a protectionist and demand-managed economy, to a liberalised form involving the freer movement of capital and a withdrawal by the state (Robertson, 2007). She characterises this period of change as a transformation in the structures of control in the education sector, with a shift to ‘commoditisation’ and ‘trade liberalisation’. This evolution causes her concern, since many developing countries lack the capacity and policy mechanisms to safeguard their interests in this new competitive paradigm (but surely the vulnerability arises not because it is a developing country but rather one that is both poor and small. In international trade in HE, for example, China is not vulnerable). There is a risk small poor nations will be unable to deliver on their fundamental objective to provide environments that guarantee greater access to quality higher education. The International Trade Commission (ITC) stresses the importance of policy reform and transparency, as ways to ensure the type of regulatory framework that will facilitate developing countries in deriving benefit from trade liberalisation. They must seek to create opportunities through market niches.
The leading exporters of educational services today are the rich developed countries, with the United States accounting for the lion’s share of the market. Among the OECD countries, the value of higher education exports is estimated to be approximately three percent of the total value of their services exports (Larsen, Morris, & Martin, 2001). The U.S. Department of Commerce estimates higher education exports - including tuition paid by international students - at US $14.2 billion for 2005. This was estimated to be an increase of US$480 million over the earnings in 2004 (Chute, 2006). In the UK, estimates of higher education exports for 2003/2004, amounted to US$6.8 billion (Kelly, McLellan, & McNicoll, 2006). Though economically smaller than the US, and without the lustre of centuries-old traditions in HE found in the UK and parts of Europe, Australia currently ranks as the fifth largest exporter of education services. The country achieved that distinction by positioning itself strategically to make trade in educational services a major contributor to its GDP and economic development. Data released by the Australian Bureau of Statistics (ABS) in the 2005/2006 Balance of Payments show that education exports contributed over US$6.0 billion. Today the country is reaping the benefits of its deliberate HE export policy strategy. It ranks among the leading nations positioned to derive continued economic advantage from the environment being shaped by the WTO/GATS.

However, the historically unequal relationship between rich and poor countries in the international arena coupled with the lack of clarity of the GATS, are feeding the anxieties and concerns relating to the treatment of HE in a global trade environment. Economists challenge these fears arguing that education continues to enjoy a special place in society in that it is inextricably bound up in the nation’s culture as well as its
economic development. Its provision is influenced by the economic benefits it confers on individuals, and the social benefits that accrue to the society as a whole (Williams, 1982). The OECD and World Bank, therefore, point to the necessity to focus our attention on the role of higher education exports in increasing the available pool of human capital (World Bank, 2002).

Public Policy Development in HE

Since HE is linked to knowledge creation and the development and accumulation of human capital, it is assumed to be a worthwhile social investment and a ‘public good’. Though the total effects of trade liberalisation are thought to be positive, it is likely to create dislocations if the policy framework of developing countries is not attuned to how and where this may occur (Reimer, 2002). The role of policy in HE is to decide how much investment should be undertaken and in what kinds of knowledge, as well as where, under what conditions, and what value to society is expected to accrue as a result (Williams, 1982). Political economists advocate the economic rationality of private as well as public investments in the system, as the most efficient way to allocate resources and achieve the sought-after outcomes. How to make this judgement, in light of emotive issues regarding the commoditisation of the sector under the WTO, is the policy dilemma nations currently face. Governments and individuals, in deciding the extent of their investment in education in both time and resources, are influenced by the expected returns (Williams, 1982). This is the essence of human capital theory.

Whatever the policy landscape and considerations for committing their HE sector in the GATS, developing countries are aware that they cannot afford to ignore the
contribution the sector makes to their social and economic welfare. They should not lose
sight of the academic traditions that were spawned by the provision of knowledge
through the cross-border forays of scholars and students since the Middle Ages, although
the sector’s economic importance at the time was limited. The world-class higher
education systems of Europe and their overseas offspring, developed over time in
conditions of relative independence and freedom of inquiry that produced creativity,
invention and fundamental new knowledge, still have much to offer the world. The
major difference for contemporary society is that the formal arrangements which
emerged to govern HE practices do not necessarily fit the linkages between knowledge
and economic growth. Success is not automatic and is not linear. It depends on the type
and use of the knowledge and the capacity of the economy to effectively absorb and use
new knowledge in the creation of jobs.

With international trade in HE having been a longstanding matter of
disagreement, some see the making of the GATS as a major achievement. It has
accelerated and expanded the global search for knowledge that now links with a
competitive global labour market. UNESCO cautions however, that the creation of a
formal structure in the WTO presents an entirely different context from the informal
practices and other arrangements that have existed for centuries (UNESCO - Education
Today, 2002). In today’s environment, market principles and economic rationales have a
much greater influence on HE policy decisions. UNESCO sees itself as also playing a
role in providing support for development of policy research which improves the capacity
building of developing countries. This is part of its broader concern with realising
sustainable human development, in which economic growth is also expected to serve
social development (Sadlak & Hufner, 2002). Through its research and lending practices, the World Bank is regarded as a trend-setting organization, providing policy advice and technical assistance to developing countries. This institution, through the IMF mandated structural adjustment programme, at one time was linked to the ascendancy of the liberalisation framework in HE. Previously the World Bank regarded the treatment of investments in HE as economically inefficient, but this has changed (Quiggin, 1999).

Bray & Packer see the central policy issue, faced by developing countries in the trade liberalisation debate, as determining what HE services are desirable and practical to develop and offer nationally, and what should be bought or contracted externally. This requires an analysis of (1) the demand, (2) the available resources, and (3) the desired outcomes, all within reform of the current HE system, so that it will become responsive to the needs of a world economy in the 21st century (Bray & Packer, 1993). The World Bank report of the ‘Task Force on Higher Education and Society’ (2000) stressed that a holistic approach to policy development is required, if the advantages from investing in a country’s human capital are to be realised. Such an approach is critical to ensure that policies take into account the distribution of benefits at a local level, and do not surrender local values and objectives (Reimer, 2002). These values are captured in the way society perceives HE, and the treatment of the sector as a public good. Newman et al, expresses these as follows:

Higher education has been accorded a special place in society, separate from and above the marketplace throng. Today, however, the growing influence of the market in higher education means that the search for truth is rivalled by a search for revenues. As the gap between higher education’s rhetoric about its public purposes and the reality of its current performance grows, the special place of higher education—a place supported by the public because of the benefits it receives in return—is imperilled… The
first critical question, then, is whether new state policies can create a market structure for the complex and expanding array of institutions that will serve the public purpose (Newman et al., 2004).

It is this generally accepted belief about higher education’s special place in society which forms the foundation for the intervention of states and the public support for the service (NCE, 2003). For developing countries, where governments act as the primary providers and regulators of HE, a contradiction exists. For the most part, they view HE as a public good that should remain entirely within public control, yet they acknowledge the inadequacy of their limited resources and the need for private participation in the sector. Moreover, academics are accused of not engaging actively in the world of public affairs and analysing, studying and predicting the consequences of public decision-making (Dye, 2007). This lack of engagement is blamed for the persistent gaps that exist between the creation of HE policy, the academicians, and the political and trade cadres of practitioners.

Brennan (1996) explains that public policy decisions, such as the GATS commitments of small developing countries, need to be understood as the outcomes of the political process. An account of policy development that ignores the political dimension is grossly inadequate. According to Dale, this understanding is particularly important because the location of the State in the construction of HE policy is insufficiently precise (Dale, 1992). Therefore, shifts in the mode of political rationality, by itself, are insufficient to explain policy outcomes. As an example Australia concentrated power in the Commonwealth government, shifting HE influence away from the States where responsibility over the education system has traditionally resided. In contrast, New Zealand moved in the opposite direction to decentralise its traditionally
highly centralised system. Yet, both countries employed similar policy strategies by liberalising their higher education systems to become major contributors to their GDP.

**Political and Policy Considerations**

While the geo-political contexts of developing countries vary widely they do face common issues and challenges with their higher education systems. Much of this is driven by growing demand for knowledge and specialist skills. According to Daniel, half the world’s HE students currently live in developing countries with countless more unable to participate (Daniel, 2007). Striving for expansion of the sector is a national priority for many states, but they cannot afford the necessary investments to meet the growing demand for access (Education International, 2006; UNCHR, 1966; UNESCO, 2002a). Increasingly, the expansion in HE access is also being pursued as a political instrument to influence social order as much as to achieve economic development (Wotherspoon, 1987).

Cross-border providers could play a greater role in addressing this resource problem. Their current service contribution to these countries is quite negligible (Daniel, 2007). In striving for increased earnings through exports of education services, the rich countries could assist in meeting the social and economic objectives of poor countries. While addressing the UN General Assembly on September 25, 2007, US President George W. Bush made reference to UN Resolution 26, which protects the right of every person to a quality education. He pledged his government’s commitment to work towards increasing educational opportunities for all citizens everywhere, and emphasised that to unleash the human capital of a single individual benefits the entire world. He called on rich nations to find the political and moral will to support the development of
the human capital of poor developing countries. He did not say what the poor countries must do to ensure that the foreign investment is beneficial and meets the agreed objectives.

Some countries have made great strides in increasing their population’s access to HE. China is reported to have doubled enrolment between 2000 and 2003, and by the end of 2005 had overtaken the US as having the world’s largest HE system. Malaysia plans to increase enrolment by 166% by 2010 (Daniel, 2007). Worldwide enrolment in HE over the past two decades exceeded even the most optimistic forecasts. Daniel notes, however, that many developing countries are struggling to transform their higher education from an elitist to a mass system. But the way to compare provision and the issue of access to HE is not in absolute numbers but participation rates. The unmet demand for access, even in China, is immense. Unlike developed countries where participation rates are generally around 50%, in many developing countries it is below 10%. Daniel calculates that to achieve a participation rate of 35% in the world’s poorest countries, would more than double the global total.

Yet a joint study between UNESCO and Commonwealth of Learning determined that foreign providers tend to focus on countries at a relatively high level of development, and their programs are mainly geared towards business and technology (Daniel, Kanwar, and Uvalić-Trumbić, 2005). This raises political and commercial issues and leads to discussions of how small developing countries can protect themselves against exploitation while attracting the investments they need. There are also policy concerns about the implications of the WTO’s goal of greater trade liberalisation. Therefore, expanding access to HE is seen as exacerbating challenge for small developing countries
in general, and for those below the middle-income group in particular (Kanwar, 2007). Still, Kanwar believes that the participation of foreign providers may ultimately be the most viable solution for developing countries’ many challenges trying to expand their higher education systems.

**Dilemma of International Mobility**

Global migration is primarily driven by private economic goals. However, the international mobility of HE graduates generates serious political and policy concerns for the small poor countries - since it directly impacts their efforts in human capital accumulation. Recently, a UK White Paper on International Development pointed to the need for developed countries to be more sensitive to the impact that large outflows of skilled labour are having on developing nations (Secretary of State for International Development, 2000).

In collaboration with the ILO, a DFID commissioned research paper concluded that there are policy options that could result in such emigration flows outweighing their initial negative national impact (Lowell & Findlay, 2002). It reported that some skilled emigration from developing countries could be advantageous in stimulating economic growth from the proceeds of remittances from abroad. Benefits of migration are also said to include ‘skills exchange’ where emigrant workers return with acquired technologies and experience, resulting in a productivity boost. However, where significant outflows occur, there are concerns about a ‘brain drain’ which is multi-faceted, and includes loss of scarce local professionals, executives, academics, consultants, and researchers. While embracing the benefits of public support in building their knowledge capital, developing countries today are mindful of the risk of losing this knowledge capital to more lucrative
labour markets. Therefore, the migration issue raises political and policy challenges regarding optimal levels of access and balanced migration and how to engage an appropriate global exchange of skills.

Education stakeholders are particularly concerned about the quality risk to students in this environment. In spite of the suggestion of Sadlak (1998) - that quality is actually enhanced as a result of new cooperative arrangements that enrich content - an OECD study of 2004 found that national frameworks for accreditation, quality assurance, and the recognition of qualifications are not geared to deal with the increased complexity arising from new forms of cross-border provision (OECD, 2004). A disturbing spectre is the proliferation of ‘diploma mills’ that have sprouted up across the globe, offering programs primarily through distance education. The risk to students is that after investing in HE, they have neither acquired a recognised certification nor the expected knowledge and skill from their programs of study. Individuals are not the only ones suffering loss from fraudulent practices. In testimony to the US House of Representatives, Robert Cramer, Managing Director of the US General Accounting Office, reported that diploma mills are easy to create and some of those issuing bogus degrees were paid by the US government (Cramer, 2004).

The International Association of Universities believes that cross-border activity can make an important contribution to enhancing the world’s HE - if it is developed and delivered responsibly and effectively. The Association urges that cross-border HE be required to meet the same high standards of academic and organisational quality as obtains in the providing country’s institutions, irrespective of the mode of delivery (International Association of Universities, 2004). Jane Knight contends, however, that
the language of GATS Article VI:(4) (see page 98), which deals with quality standards and licensing, is purposefully vague and troubling. This lack of clarity raises questions about governments’ role in the regulation of professionals and ensuring quality assurance in higher education (Knight, 2003).

Although no ‘a priori’ set of principles will guarantee success for a liberalisation strategy (or given set of national policies), it should be possible to achieve the desired outcomes. For success the developing countries must have a clear vision of the role of higher education in their particular society, as well as a plan by which they create the foundations which ensure continuing support for their priorities and objectives. In the end, outcomes depend on a well-defined strategy that takes account of existing political reality, socio-economic factors, and the nation’s historical and cultural antecedents. Gould (1972) observed that the questions for developing countries are – why, how, and to what degree, governments should influence the higher education process. Their underlying objective should be to steer their HE systems so that they become more competitive, increase per capita GDP, reduce crime levels, and retain the human knowledge capital on which their economic fortunes depend (Dahlman & Utz, 2005; World Bank, 2003a). However, there are economic, technological, and social forces challenging the traditions and values in HE, and Boyd (2002) argues that unless countries respond effectively to the demands of the global environment, the benefits and development objectives of expanding HE may prove elusive. A 1994 OECD study found that whether national policies aimed at preserving quality and equity in HE have desirable effects, or negative consequences, depends on the policy design and the management process by which it is implemented.
CHAPTER FIVE: METHODOLOGY

Research Strategy

The research for this thesis was an exploratory ‘case study’ on Jamaica and its decision to include higher education in its GATS Schedule of Commitments. It provides a detailed account of what Jamaica’s commitment in HE entails, how its representatives view and defend the decision and implications of the Agreement’s constraints on the country’s competitiveness and economic and social development. Identifying the most appropriate research strategy for the study took into consideration - 1) the research questions; 2) the level of control (a doctoral student has) over the behavioural aspects of the research; and 3) whether the focus should be based on contemporary or historical phenomena (Yin, 2003). The choice of one particular research strategy has both advantages and disadvantages. When the researcher has little control over events, and when the focus of the study is some contemporary phenomena within a real-life context and poses questions of ‘how’ or ‘why’, Yin suggests that a case study is the preferred methodology but he criticises the “frequently encountered definitions of a case study”, such as that by Schram:

The essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result. (Schramm, 1971).

Yin’s preferred definition is “…an empirical inquiry that investigates a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003). In this study, the contextual conditions of the WTO, Jamaica’s higher education policy environment, and the country’s historical antecedents are pertinent to implications of the effects of
Jamaica’s GATS HE commitment, but the boundaries between the variables of several important factors are not clear – for example, the relationships between vested interests, authorities’ intentions, decision effects, effective and timely information and knowledge, and the nation’s social and economic policies.

Maylone believes that whatever its conceptual frame and methodology, the goal of research is to realise understanding through a process of discovery (Maylone, 1999). This study proposes, therefore, to reveal and account for possible rival explanations underpinning Jamaica’s GATS commitment in HE. It relies on various economic concepts and theories to provide insights and understanding regarding the rationale and impact of the decision. They include ‘human capital theory’, ‘comparative advantage theory’, and the notion of ‘public good’. These theories and concepts attempt to satisfy the need for rationality by providing explanations that will meet that need.

The adequacy of such explanation is tested not only by their appeal, their cogency, and their aesthetic quality, but by the extent to which they can be used to help us anticipate, if not control, future events (Eisner, 1993: p. vii).

In combining economic concepts with political science, this study provides an empirical analysis of whether Jamaican negotiators based the GATS commitment on a coherent higher education policy framework and an understanding of the role of the sector in social and economic development. Marshall and Rossman (1999) believe that the theories and concepts selected for research, may initially have been intuitive based on the researchers epistemology and perception of the research problem but the rational nature of the choice of topic quickly unfolds.
Case study research is criticised because it focuses on a single bounded phenomenon, and its dependence on a limited selection renders it inappropriate to provide generalisations. In light of this, there are four broad issues that need to be considered when undertaking a case study:

- **Access**: is there a documentary ‘paper trail’ available; are there primary source informants willing to participate in the study – usually by interview?
- **Rigour**: can a thorough and appropriate approach be applied to the documentary and personal research methods necessary for the study?
- **Credibility**: can the findings be analysed and presented with reasonable objectivity?
- **Relevance**: how important is this topic under scrutiny and how relevant are the findings?

Some critics view the notion of rigour as irrelevant since a case study is microscopic rather than macroscopic (Robson, 1993). The accumulation and analysis of the research data, progresses from description to explanation, to providing detailed evidence to answer the specific research questions. General applicability for all contexts is not sought, but applicability is found from the qualities of the case and the rigor with which the particular case is constructed. Yin argues that in this way, even a single phenomenon used as a case study is acceptable and can provide valuable general insight (Yin & Campbell, 2003).

However, although the quality of this type of research is now acceptable in the social sciences, questions revolve around whether and how validity of the findings can be demonstrated. Research design and patterns of convergence from different sources and participants are used to develop or corroborate an overall interpretation. It is argued that this is not a genuine validity test because it operates on the basis that any weaknesses in one area is offset by strengths in another. Miles and Huberman suggest, however, that
the test should be whether another researcher employing the same design and processes, would arrive at similar findings and conclusions. Data convergence is then better seen as ensuring comprehensiveness rather than as a pure validity test (Miles & Huberman, 1994). However, a meticulous case study is unique and acceptable as such, although in some cases (as this) some limited generalisation is claimed. Jamaica is the largest of the English-speaking Caribbean islands which were formerly British colonies, not too dissimilar from the others. All are tropical. Their populations are predominantly of African origin; brought to the Caribbean as slave labour for the plantation economies. These islands historically, have been involved in international trade. So in many ways Jamaica and its development problems are typical of the whole area.

**Qualitative Methods and Policy Research**

This research is an investigation into Jamaica’s public policy as it involves trade in the services sector, its effects on public policy in HE and its own higher education system. Parsons describes policy analysis as an approach that aims to contextualise research with a policy orientation (Parsons, 1995). It reviews and analyses causes and trends; and the nature, successes and failures of public policy. Some education policy analysis (sometimes referred to as ‘education policy sociology’), specifically focuses on the role of the State in making education policy (Dale, 1992; Ozga, 1987). Ozga describes this genre as drawing on qualitative technique and being informed by it.

Case studies rely on multiple data sources. Their strength is the ability to employ any combination of documents, artifacts, interviews and observations, and both quantitative and qualitative evidence (Yin, 2003). They are useful in identifying and
describing the complexities of social, economic, or political behaviour and phenomena, and the unanticipated outcomes of policies (Marshall & Rossman, 1999). Marshall (1985) maintains that qualitative methodology has unique value where the research delves into complexities and processes; seeks to explore where policy and practice might be at odds; and where informal linkages and processes are being investigated.

For this type of research, a qualitative methodology is appropriate because it places emphasis on meaning and context, bringing to the fore the values and emotions of the policy actors and their perspectives. It can access the complexity of the power relationships inherent in the process, and unpack the interactional nuances that reveal the tensions and contradictory intentions framing the policy decisions. It can give meaning to the decision processes of policy makers of different ilk when they are considered within the context in which they occur (McGrath & Johnson, 2003).

However, qualitative research, particularly when assessing policy decisions, is neither context free nor value free, and it risks being obviously biased. One of its biggest challenges derives from the researcher being the instrument of the study. Therefore, when using this methodology, the researcher must be sensitive to her/his personal interest and ensure that this is excluded as far as possible from the study (Merriam, 1988; Marshall & Rossman, 1999; Yin, 2003). For this study interviews and document analysis were the primary data sources, supplemented by public commentary and secondary sources. Merriam describes three essential considerations for good qualitative research as: tolerance for ambiguity, sensitivity, and good communication skills (Merriam, 1988). Communication during all types of research is largely based on ethical considerations - openness and trust, the ability to strike rapport with participants, listen effectively,
respect their confidentiality and privacy, and report honestly and accurately their accounts as disclosed in reply to interview questions. Dealing with conflicting accounts and ambiguity is essentially a matter of the researcher exercising judgement and balance.

**Principal Individual Stakeholders Participating in the Research**

The stakeholders identified as potential participants for this study were chosen for the ability (provided by their office) to have an impact on Jamaica’s trade policy decisions and HE policy. Either individually or collectively, they are persons capable of influencing national decisions and actions in the HE sector, specifically as they related to external negotiations. These individuals represented the following groups:

- politicians (Government and Opposition)
- bureaucrats within the trade and education arena
- researchers and educators of trade and higher education institutions
- higher education examining and accreditation bodies
- higher education students organizations
- representatives of regional and international organisations

Members of each stakeholder group were either formally interviewed or participated informally, or provided access to documents reflective of their perspectives, and otherwise provided data useful for the thesis. In selecting participants and gaining their support, I relied on my ‘insider’ knowledge from having worked in the Jamaican public service. In addition, the officers of the Canadian International Development Agency (CIDA) in Jamaica provided guidance in identifying key stakeholders. Since individuals are not identified in the thesis, a simple coding system was used when presenting their views or those of their ministry, institution or organisation. For the
purposes of analysis they have been categorised in Figure 9 as ‘education’, ‘trade’, and ‘political’. They include the following:

**Figure 9 – Categories of Participants in the Thesis Research**

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>TRADE</th>
<th>POLITICAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureaucrats</td>
<td>Bureaucrats</td>
<td>Bureaucrats</td>
</tr>
<tr>
<td>Institutions</td>
<td>Researchers</td>
<td>Government</td>
</tr>
<tr>
<td>Researchers</td>
<td>Educators</td>
<td>Opposition</td>
</tr>
<tr>
<td>Educators</td>
<td>Associations</td>
<td></td>
</tr>
<tr>
<td>Students Groups</td>
<td>Organisations</td>
<td></td>
</tr>
</tbody>
</table>

‘Bureaucrats’ refers to public-sector employees in education, trade or reporting to Cabinet. ‘Educators’ under the trade category refers to economists and trade officials who are educators.

**Research Activity**

For this research, semi-structured interviews were conducted with twenty stakeholders and policy actors from different areas of Jamaican society. Their voices had not previously been heard in studies dealing with the GATS and HE in the Caribbean or Latin America (Austin. & Chapman, 2002; Carty, 1999; Katz & Hilbert, 2003). There were no studies of a like nature analysing the English-speaking Caribbean island nations.

A copy of the key interview questions (see Appendix II) was sent to each participant ahead of our meeting and asked about:

- the higher education policy process, and the role of the sector within Jamaican society
- the assumptions and understandings of research participants regarding the GATS and Jamaica’s higher education commitment
- the perceived opportunities and threats relating to the participation of foreign providers
The way in which each interview unfolded determined how the subsequent question was actually framed, so that a relaxed informative discussion ensued. Since participants had earlier been informed of the questions to be answered (discussed), all who were interviewed were cooperative. Meetings were held in their offices at convenient times during or towards the end of the day. A few were held elsewhere at their convenience - in one case at home. Interviews lasted about 45 minutes and were tape-recorded. Written notes were also taken, to record impressions and other items of importance, which augmented the process. The interviews were transcribed, analysed and categorised for analysis. Participants were assured confidentiality but in most instances, indicated that their views are on record except for off-the-record comments. Participants who expressed concern were only mindful of possible misrepresentation. To allay such fears, each participant was given a copy of the interview transcript and asked to review, and amend or comment and return. I also explained that the University’s ethical position is that all such interview material should be represented anonymously in such fashion as to protect the anonymity of the interviewee. Identification of a general nature like “member of the Government, member of the Opposition, university academic” is acceptable. There are specific references to individuals whose comments – reported in this thesis - arise from Parliamentary deliberations or are otherwise widely broadcast in the media.

In interviews of this type, comments of a speculative and subjective nature as well as documentary data are obtained. Information received included material concerning government policies on the social and economic aspects of higher education. Data sources that were accessed through participants include the archives of Jamaican media,
the Ministry of Finance, the Statistical Institute of Jamaica, and the National Council on Education. They also included enrolment statistics, participation rates in HE, labour market statistics, financial statistics, and those on public funding for the sector. By the time the interviews were underway in June, 2005; a heated public debate had begun on Jamaica’s GATS commitments in HE, which dominated the airwaves, newspaper commentary and even entered Parliamentary proceedings. The heightened sensitivity thus provoked, perhaps led to some participant caution but also ensured thoughtful responses.

In addition to the twenty interviews, about the same number of informal discussions was held. Such discussants were deliberately chosen to try to ensure that no bias entered this study, by obtaining viewpoints from as broad a cross section of Jamaican society as possible. Questions being raised in Parliament and in the media, served to highlight the key individuals relevant to the research. Some of those closest to the Uruguay Round discussions, were already distancing themselves from the mounting public outcry that had emerged. One such individual was the former Minister of Trade whose signature appeared on the commitment document. But I felt all voices - official or critical - should be heard. Distinction is made in reporting the information gathered by formal and informal interview by referring to the first set of participants as “participants”, the other set as “discussants”. One interesting insight revealed by this study, is the potential for vague policies and regulatory ambiguity, resulting from poor monitoring and record-keeping processes, taken-for-granted practices, and significant knowledge gaps among policy actors.
Media documents provided a source for much of the commentary and questions being raised within civil society, as well as responses by Government officials. Policy documents, statistics and other information were accessed from: the Ministry of Finance, Ministry of Education, University Council of Jamaica, Planning Institute of Jamaica, Statistical Institute of Jamaica, Private Sector Organisation of Jamaica and Jamaica Council on Education.

**Thesis Limitations and Possible Bias**

This case study suffers the usual limitations of such studies, which have already been discussed. However, my objectivity as a researcher could have been influenced by the fact that I was born and grew up in Jamaica. I worked within the Jamaican public service and policy arena, and such connections, while they are very useful in the interpretation of the data, also affect my interests and beliefs and influence my judgements. One such is my belief, to be proven, that Jamaica’s policy makers lacked the knowledge capacity to craft a GATS HE commitment in accordance with some vision of the goals of a strategic policy. Another weakness of the case development is that I was unable to interview an appropriate person at the WTO and the incumbent Minister of Trade before Jamaica tabled its commitments. Jamaican officials, themselves, have been unable to obtain sought-after responses from the WTO, and Jamaican commentators have been unable to obtain sought-after responses from the former Minister of Trade. As previously mentioned, this may have been due to the heat of the public debate on the implications of the commitment, but the failure to record the ‘story’ of two key players is undoubtedly a limitation of this thesis.
CHAPTER SIX

Research Perspectives and Findings Arising From the Interviews

Introduction

This Chapter describes the interviews that were conducted in Jamaica with politicians; economic and trade policy actors; and higher education stakeholders drawn from the universities, private sector, and public sector (refer to ‘Principal Individual Stakeholders…’ on page 148). It starts by recapping some of the background to the public discussions, as well as provides an insight to the policy environment that existed at the time of the Uruguay Round negotiations. Where appropriate, it highlights differences in perspectives between the stakeholder groups. In this chapter, an attempt is made to interpret how the viewpoints of individual respondents might have been shaped by their epistemology and interests, as well as being members of their particular group. Attention is given to the economic aspects of Jamaica’s higher education system and its location as an export commodity.

This Chapter also explains how Jamaican policy actors understand the role of higher education in society and what priorities they think guide or ought to guide policy. The data are expected to reveal the extent to which stakeholders believe the governance of the WTO has an impact on the policy process, and whether they regard the legally binding WTO/GATS framework as an opportunity or a threat to Jamaica’s development. This research not only enquired into the context that informed the country’s GATS HE commitment, but also considered the views and understanding, now existing, about acquired obligations under the Agreement.
Organisation of Research Responses

Respondents in this study represent a cross-section of the principal actors influencing Jamaica’s higher education policy agenda. They were chosen for the interview sample because of their involvement in the decision-making and policy development process. I assumed they could provide information and insight about the country’s GATS commitment in the HE sector. Participants whose interviews are quoted or referred to are shown, by code in Figure 10.

Figure 10 – Participants

<table>
<thead>
<tr>
<th>POLITICAL</th>
<th>EDUCATION</th>
<th>TRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1G</td>
<td>E1S</td>
<td>T1M</td>
</tr>
<tr>
<td>P2G</td>
<td>E2M</td>
<td>T2M</td>
</tr>
<tr>
<td>P3G</td>
<td>E3M</td>
<td>T3M</td>
</tr>
<tr>
<td>P4O</td>
<td>E4S</td>
<td>T4S</td>
</tr>
<tr>
<td>P5O</td>
<td>E5S</td>
<td>T5M</td>
</tr>
<tr>
<td>P6G</td>
<td>E6M</td>
<td></td>
</tr>
<tr>
<td>P7M</td>
<td>E7M</td>
<td>E8S</td>
</tr>
</tbody>
</table>

The letter (P, E or T) designation is obvious, the number merely denotes the chronological sequence of the interviews, the letters S or M indicate a participant with considerable broad discretionary power (Senior) or one with more narrowly restricted influence on policy decisions (Moderate). For political participants only, another code is used to indicate a member of the Government (G) or Opposition (O). The interview material is reported, examination of the arguments and suggestions explored, under four themes, the first two in this Chapter, the others in the next. Both chapters include explanations and commentary with illustrative quotations. The themes are:
1) considerations and policy mechanisms that influenced the GATS commitment in higher education

2) stakeholders views of the role of higher education in society, and the participation of foreign cross-border providers in the system

3) perceived opportunities and threats for higher education, of Jamaica’s GATS commitment

4) Jamaica’s higher education policy framework

In organising these chapters care is taken to capture and balance the views of protagonists who support the intent and creation of the GATS, and the views of those opposed to the Agreement.

Considerations and Policy Process Underpinning Jamaica’s Commitment

On March 9, 1995, when Jamaica officially gained ascension (membership) into the WTO, its GATS Schedule of Commitments dated April 15, 1994 took effect. Thereafter, the context of the country’s trade-related public policy decision-making changed. A published report by the OECD pointed to the growing attention being paid to cross-border higher education as more and more students choose to study abroad, enrol in foreign programmes within their home country, or register in distant education and online programmes (Kagia & Ischinger, 2007). While there are beneficial aspects to much of the activities, there are also risks that could potentially negate the benefits. Nonetheless, every participant in this study insisted that the potential, for Jamaica’s GATS HE Commitment of 1994, to prove inconsistent with its long-term development objectives for HE, was not recognised at that time. Higher education’s ‘taken-for-granted’ position as a public good, subject to government provision and control, made it difficult for them to grasp the possible risks represented by its inclusion within the trade policy environment of the WTO (Knight, 2003).
Higher education contributes to capacity building at the national as well as international level, through knowledge and skills training in all areas of political, social and economic importance (Vincent-Lancrin, 2007). In Jamaica, the sector has evolved over the last twenty-five years into a comprehensive array of institutions and programs in response to the increasing demand for knowledge and the imperative to bolster the nation’s international competitiveness. Technological advances both support and drive this quest for knowledge. In response, the development of the country’s human capital has been recognized as the foundation for national development and economic growth. This is the common view of the education personnel who were interviewed, and was shared by most of the politicians, for example:

Jamaica has all sorts of problems and needs to develop its talent pool because that’s the only way to dig ourselves out of the hole that we are in with rising crime, negative growth and declining [per capita] GDP. So we need to educate and train more people and the public institutions can’t cope with the numbers of people who want to qualify themselves. The liberalization of higher education is a positive force not a negative one, and what is happening is that there is increased access to higher education in all disciplines with greater competition from local and overseas institutions. That can only bode well for the growth and development of higher education as offered by local public institutions as well. It really provides this energy and the positive impact on the growth of higher education. The reality is that Jamaica would benefit, we would benefit, and Jamaican local tertiary institutions would benefit. (E7M)

An educated society is more productive and that has a bearing on employment and crime. Individuals with high levels of education are generally able to find reasonable employment and display more civic responsibility. (P2G)

According to this position, greater focus on improving the general education of society and having more persons participate in HE will have the greatest impact on improving Jamaica’s economic and social conditions. Providing an HE policy framework that facilitates the creation of knowledge is, therefore, influenced,
conceptually, by the relationship of human capital theory to political, economic and social theories of national development, and linked to historical and emergent structures and institutions as the key response for managing new patterns of social interaction in a complex and changing environment. Cross-border provision of HE has been part of the sectors tradition dating back centuries and has long been part of countries’ capacity building process. It is not a ‘silver bullet’ to meet all social and economic objectives, and presents challenges within the context of emerging world dynamics.

Boyd writes, that the attention being focussed on the GATS, now creates an opportunity for developing countries to re-examine the values that underlie their knowledge-creation systems, in order to adapt them to the changing environment (Boyd, 2002). Since the creation of the WTO, scant regard has been paid in Jamaica to its potential implications for public HE. The sector has been primarily developed, owned and managed by government, free from external intervention. However, on September 14, 2003, the newspaper JAMAICA OBSERVER provoked a public debate when it reported that foreign cross-border HE providers were voicing their entitlement to the same government subsidies that were provided for local public institutions and their students. This, they claimed, was in accordance with the country’s GATS commitment. This report had readers speculating on the potential implications of the WTO/GATS Commitment, and the issue leapt unto the public agenda. The report claimed that the chief executive of one of the country’s foreign-affiliated providers had asserted that Jamaica’s GATS obligations were incontrovertible. It challenged the government to confront the issue and respond.
The ensuing public debate was a contentious affair that pitted government officials, in particular the Ministry of Trade – regarded as being responsible for the Commitment - and several of its officers, against commentators within Jamaican civil society. It was even suggested that the Government might well have been railroaded by the US during the Uruguay Round – the normal, easy and too frequent ‘blame the US’ syndrome found in many places. This position was not supported by any interviewed participant in this study although interviewee T1 was not prepared to rule out entirely that dominant US interests were involved. His view was echoed by one HE participant thus:

I don’t know [if the US was involved]. I have heard them [Jamaican officials] try to explain but it is confusing and doesn’t seem as if they know themselves as they did not put any thought into it. What I hear makes me think they were told to do it or just following what others had done. (Interviewee E4S)

However, the view shared by many participants in this study, was that Jamaica had been ‘caught napping’; its negotiators insufficiently prepared, did not fully grasp the implications of their decisions when the commitment was framed. Examples of participants’ views are as follows:

The Jamaican Trade Adjustment Team is fairly new in that it was only set up a little over a year ago by Cabinet. It is intended to strengthen the trade negotiating process and provide general direction on trade matters. That is what was lacking [during the Uruguay Round] and the Commitment appears to have suffered as a result because there was no forum … that brought the technical sector experts into the trade discussions. (T2M)

I would like to think so [that we understood the implications], but nothing that I have seen or heard and certainly no detailed analysis or defence of that action has been forthcoming. It therefore leaves me to believe that it was anything other than a lapse on our part. (P2G)

I do not think it [the implications] was given sufficient thought and the persons who signed it [the Commitment] on the country’s behalf were not in education and had no indication of what was happening in that sector. (E1S)
Nobody had any experience in multilateral trade negotiations and could not foresee at the time the need to negotiate for certain things or to restrict certain things. People at the trade ministry were used to making decisions and probably didn’t see the need to have a broader discussion because the implications were different or more serious. (T1M)

One of the things that I sense as well is that our level of awareness and our knowledge of the implications of what we were signing were not very clear. When I look at some of the things that we agreed to and how we had approached the process, it is clear that Caribbean governments like ours, and I broaden it to say Third World governments, tended to lack the capacity to negotiate. First of all, I don’t think that they even knew what they wanted. (E3M)

Possibly the most contentious issue during the public dialogue was the possibility of Government support for cross-border institutions and their students. To clarify its position, the Government issued the reassuring statement that public resources would only be available to public institutions and their students. However, this merely raised further concerns about whether government officials had adequately grasped the meaning and possible interpretations of the GATS provisions. During this public discourse in the media, the policy actors from the HE sector did not actively participate much. They appeared initially to have been caught off-guard by the issue. However, when their voices were heard, even they were not able to speak with authority or provide a clear vision for the role of HE in the economic and social development of the society. For example, an interview participant who is a senior policy-maker in HE had this to say:

We need to do a kind of ‘needs assessment’ of the types of skills required in the country. There is no formal body to do this. We just train and our training strategy depends on keeping our eyes and ears open and watching the market where there may be an influx of students into programs...We are now developing a strategic plan for tertiary education, which is in its infancy. Because we realise that there are issues to be enunciated and things that need to be straightened out [within HE]. So our priorities are to get a fairly reasonable number of the population to have access to higher education, at least to the first degree. (Interviewee E4S)
This seeming lack of direction came as a surprise to some commentators. It seems counter to the proposition that a clearly defined regulatory framework and policy development mechanisms are essential to protecting national interests (Souza, 2002; UNESCO, 2002b; World-Bank, 2000). Why then did Jamaica commit HE in its GATS Schedule of Commitments? What considerations influenced this decision?

Answers to these questions depend in large measure on the outcomes that were envisaged by Jamaica’s policy makers, and the capacity of the country’s representatives at the Uruguay Round negotiations, to craft a commitment that would reflect the sought-after outcomes without permitting unexpected by-products or policy challenges. According to suggestions in the literature, the strategic vision of policy makers and the negotiating capacity of the Jamaican delegation would clearly have been important variables to successful negotiation in the multilateral interactions of the Uruguay Round (Laswell, 1950; Reimer, 2002; OECD, 2003). In other words, one cannot ensure that one’s forethought is perfect, but good prior research as to policy effects and alternatives, minimises unforeseen risk.

With the creation of GATS, and the resulting increased awareness of cross-border flows of HE programs, the spotlight has now shone on traditional concepts of national sovereignty, and the need for economic simulation models to illustrate possible choices in public policy. Countries like Australia and New Zealand have deliberately crafted education policy strategies aimed at deriving social and economic returns from the global quest for knowledge. They have a comparative advantage in the provision of HE within their region, a commodity they produce in abundance to a higher quality. Therefore, these countries are advocates for the liberalisation agenda of the WTO, and support its
governance of cross-border provision of educational services. Their policies are not necessarily predatory; they assure that benefit will flow to both exporting and importing nations. But the policies are predicated on economic rationales that include expansion of HE through market access into other countries (Marginson & Considine, 2000; Ziguras, 2003). A participant, who was a senior Jamaican official at an education conference, described the difference between the strategic approaches of HE exporting countries supporting efforts at greater liberalisation and poor developing countries striving to bridge the knowledge gap. S/he suggested that tension related to cross-border education is not new or unique to Jamaica; it dates back to 1999.

[As a senior Jamaican representative to the conference] …in 1999, it was clear to me that there was a ‘services divide’ much like the ‘digital divide’. Australia, New Zealand and the U.K. were very much on the side of opening up trade in educational services. South Africa and the rest of us [developing countries], were on the side of finding a way to develop our own capacity rather than simply allowing those who already had the capacity, to just come in, occupy our space, and profit from it. There was even an argument put forward by South Africa, that programs of a lower quality were being offered more cheaply by foreign providers into that country, and students would choose these programs rather than the more expensive higher quality programs of South African universities and colleges. So there was that clear divide. (Interviewee P2G)

It may be that the prevailing culture of support for liberalisation and free trade, existing within the Ministry of Trade, played a major role in Jamaica’s GATS commitment. For their part, Ministry officials contend that the Commitment went beyond merely a belief in the benefits of liberalisation or a free market ideology. They insist they would have been mindful of national development objectives and their understanding of the imperatives for any trade sector. A senior figure (P1G) defended the Commitment because s/he feels that it presents an opportunity to respond to the nation’s thirst for knowledge, high level technical and business skills, and the
development of its human capital that has made some countries rich and powerful. This participant felt, therefore, that GATS presented the potential to achieve these goals.

    We saw an opportunity to participate in the global economy and to build the knowledge capacity of the country. We wanted to ensure greater access to [higher] education by the citizens of this country. (Interviewee P1G)

But significant Jamaican contributors to the Uruguay Round process no longer work in the public sector, and there is no documentary evidence to recapture the deliberations and decision processes which led them to sign the WTO protocols. One of those involved, who signed the Agreement, acknowledged that official signatures must be understood as mere formality because the technocrats would, earlier, have hammered out the negotiated details. When Jamaica’s UNCTAD representative sought assistance from the WTO in obtaining answers about some of the circumstances leading to Jamaica’s Commitment, senior officials report that the Secretariat was unhelpful. Nonetheless, there is adequate information available, from participants’ comments, to conclude that they were woefully unprepared for the complexities of multilateral negotiation. They were not equipped to estimate the future long-term effects and the implications of the Commitment.

**Responses from Political Participants**

Much of the Jamaican government’s official position was transmitted through media statements made by the Minister of Trade in which he argued that the public higher education system simply is not meeting local demand for access. Among other considerations, it has failed to take into account the demographic trends which indicate the potential for even greater unmet demand than is already evident. He maintains that
the increased access that can be facilitated by the GATS is not understood; that it is desirable and should be embraced. Nonetheless, he also contends that the Agreement really has had no impact thus far on current HE provision (Henry, 2005).

The Minister bases this assessment on the last twenty five years, which saw the sector in Jamaica and throughout the Caribbean expand into a complex array of different types of institutions – it is estimated that there are over 150 institutions throughout the region (Allen, 2006). Of these, approximately 60% are entirely public, 30% private and 10% receive some form of public support (Williams, 2004). According to the Minister, these estimates do not take account of the foreign-affiliated and foreign-owned institutions operating in Jamaica. For example, there are more than 40 private institutions, eight registered foreign providers, and many local institutions with foreign affiliation or partnering arrangements. This does not include potential foreign providers said to be awaiting accreditation of their programs. In other words, the Minister of Trade had a reassuring message – we already have considerable foreign participation in HE and still there is unmet demand. Rapid expansion of our system is not feasible. The Agreement simply provides a more extensive solution to meet the need.

The interview responses of the politicians were divided about the GATS Commitment, but interestingly, their views are not split along party lines. Support for, as well as opposition to, the commitment, were expressed by representatives on both sides. This is not indicative of Jamaica’s typically polarised partisan political landscape. For example, four responses of Government and Opposition politicians are provided below to demonstrate differences of opinion within each group.
We did not have the requisite technical expertise when we made the GATS commitment in higher education and we ought not to have done so. Government has a crucial responsibility regarding its public duty, to ensure that no matter how poor people may be, they can be facilitated to achieve higher education. (Interviewee P7M)

In terms of the GATS commitment and how it affects foreign institutions operating here, it is something that we would have to explore a bit more because I do not think that we have borne that in mind. With regards to the WTO, our aim is to stay out of their scrutiny and do things that keep us away from them … and try to be in a position where they leave us alone. However, [members] could bring a case against us and mount challenges, which is what we are afraid of with higher education included in our commitment. (Interviewee P6G)

We support the GATS commitments and welcome the Agreement because we believe our future is in services. The transformation that has already taken place in the Jamaican economy has seen a dramatic move towards services and less in the production of goods. Therefore liberalisation of [all] services across the globe will benefit Jamaica in the long run. The outsourcing of services like software development provides an opportunity for Jamaica to benefit and our concern is that some of the countries that are opposed to the WTO are taking a backward position regarding activities like outsourcing. So we are very much open for business in this regard. Jamaica has been very involved in trade in services for a long time and our approach must be to be as open as possible to foreign services and providers. (Interviewee P3G)

To the extent that there are some 40+ institutions currently registered by the University Council of Jamaica (UCJ) to provide higher education programs, and much of this accreditation occurred before the GATS, I am unaware that the agreement was a factor in their coming. Access to foreign services is the major advantage of the GATS, and it permits us to also provide these services into other states and to foreign students who might require it. …The point is that we have never had a problem with foreign providers offering their services here in the first place, nor do we think there is anyone who would have a problem with us in this regard. (Interviewee P4O)

It seems that Jamaican politicians tend to agree that HE imports and foreign programs and providers have, on a whole, been satisfactory and of acceptable quality, but that they have been driven by demand, not by the GATS. They accept that foreign providers have been supplementing and augmenting the public system, resulting in an
expansion of the total provision and also ensuring greater accessibility. The Minister of Trade, in defending the Commitment to Parliament on July 26, 2005, attributed the demand for HE to the quest for knowledge and the energy of human endeavour, not to some plan either of the government or the WTO. This view is not original or unexpected. Alan Greenspan, the former chairman of the US Federal Reserve, notes in his autobiography that an innate condition of the human spirit is to work toward better lives for themselves and their families. He concluded that the ‘Enlightenment’ unleashes billions of people around the globe to pursue the imperatives of their nature (Greenspan, 2007). The desire of Jamaicans to achieve better material outcomes for themselves is also a basis of the demand for access to HE and the resulting response of foreign providers to fill the demand (Bellafante, 2004). The Minister argues, therefore, that there is no reason for the public fears and a negative reaction linking the growth of foreign programs and providers to the country’s GATS commitment. He told parliament that:

If we had not made a commitment they could have come in. The commitment simply reflected the status quo at the time and has not opened any doors. The door always existed and the Commitment neither opened it further nor closed it (Minister of Trade, 2005 – in address to Parliament).

The trade officials on the whole agreed; foreign-affiliated institutions were operating long before the GATS came into being, the Agreement merely supports and facilitates their entry, and it does not initiate or precipitate it. They support the official position that HE has not been harmed by the commitment, and in fact, it facilitates new policy options. What has changed, in their opinion, is the acceleration in enrolments since 2000, which is an indicator of a demand that was being denied. This was described by a participant as follows:
Over the last 10 years, the percentage of the relevant age cohort actually engaging in higher education has just about doubled. One gets a strong sense that it is not tapering off as more and more people are seeking access to higher education. It is not just a first degree or college anymore. As people go on and on, the demand continues to grow. One would have to question whether the national institutions can meet the demand that exists. If we can have the local institutions together with all these offshore providers, and still our institutions are turning away students, then I think that we have to be open to what genuine benefits may be derived from opening up the sector. (Interviewee P2G)

This participant nevertheless, took issue with the faith being exhibited about the potential benefits of the commitment. S/he expressed concern whether, in the long run, it is constructed to serve the best interests of Jamaica. S/he found the whole process under which the Agreement was signed, “lacking in planning and devoid of coordination” (P2G). While agreeing that there was a need to provide additional opportunities for participation in the sector, s/he is not convinced that the current form of the commitment is without risk. The Leader of the Opposition publicly voiced similar concerns, mindful of industry experts and university scholars who voice different interpretations of GATS provisions and their effect (Education International, 2006; Knight, 2002; Sauvé, 2002b; Schacter, 2002; Wagner, 2004). It must be noted that both of the major political parties contributed to the Uruguay Round process leading up to the creation of the WTO, as both Seaga and Manley led the government at some point during the negotiations. However, across the board, the participants in this research did not link the GATS commitment with the pivotal phases in Jamaica’s political maturation under Seaga and Manley. For example, participants did not ascribe blame in their responses.

Every country is sovereign and we are an active member state of the WTO with professionals representing us in our missions and there is no need for any condemnation. I think it is a genuine case of misunderstanding and the articles of the GATS are particularly complex in practice and even in terms of litigation it is still uncharted waters. (Interviewee T4S)
In terms of having a sense of the considerations that were involved with the commitments, I don’t think anybody knows. The problem is not so much why it was made, but what happens now. If there are concerns then how do we address them? (Interviewee T2M)

It’s not clear to me why we would have made a commitment in higher education when we were not compelled to do so and were not sure about what the consequences making it [the commitment]. However, it is lack of experience rather than negligence or incompetence. (Interviewee E8S)

In 1986, it was under Seaga’s leadership, that Jamaica entered the Uruguay Round negotiations. At the time he was the Caribbean’s principal advocate of private-sector-led growth and trade liberalisation. In 1989, Manley returned to form the government, and when he retired in 1992, the administration he left behind concluded the negotiations and ratified the WTO agreements. Manley’s return signalled an ideological convergence regarding Jamaica’s trade policies, which ensured the nation’s continuing support of trade liberalisation and shaped the free-market culture that seems to have developed within the establishment of the Ministry of Trade. Interviewee T1M suggests that the Manley administration which eventually signed the commitment may have inherited a policy framework that left it little flexibility to pursue an entirely different course of action.

It takes a bit of understanding and a bit of empathy. The JLP [current Opposition] was the government at the commencement of the Uruguay Round of GATT Negotiations that launched the WTO. Nobody had any experience in multilateral trade negotiations and could not foresee at the time the need to negotiate for certain things or to restrict certain things. People at the trade ministry were used to making decisions to liberalise the economy and probably didn’t see the need to have a broader discussion because the implications were different or more serious. We have now inherited this situation and will have to work around it. (T1M)

The research participants from all three categories were generally split in their support for, apathy about, or opposition to, the Commitment. The supporters of liberalisation proved to be mostly representatives of the political directorate and the trade
sector. These participants suggested that trade in HE, presents opportunities for the
development of the country’s human capital, important for overcoming social and
economic deficiencies. They maintain that trade helps Jamaica satisfy the growing
demand for access to HE (Interviewees T1-T4; P1-P3; P6) – as the following examples show:

At least now, foreign providers might be more willing to come in and set up because everyone understands how things will have to be treated. We cannot provide for everyone who wants to get a university education so maybe this is an opportunity. (Interviewee T1M)

I think that to open the higher education sector to universities overseas and to a broader constituency of learners that would not otherwise get into our public institutions, GATS has brought this matter forward and it presents an opportunity. Clearly, we have to measure it, because in opening up the sector we want to ensure that we maintain a certain level and quality of education generally. So we have to be careful and build that into whatever negotiating outcomes we pursue. To some extent, I think that is captured in the way we have negotiated in the past. I would therefore see it [the Commitment] more as offering an opportunity. (Interviewee T4S)

Opponents of liberalisation voiced concern that the legally binding WTO framework sustains the inequities of the multilateral arena, since its authority binds the economically weaker states more effectively than the richer ones in pursuing their national priorities. They are not only critical of the details of the Commitment; they question the probity of including HE within an economic trade structure. This view is similar to that of scholars who fear a reduction in quality, arising from the participation of foreign providers who have no stake in the country’s long-term development. Mostly representative of the education sector, they argue that HE is a public good, and the asymmetry of global trade undermines their country’s ability to govern the sector in its best interests (E1-E2; E4; E8-E9; P5). For example:
I had read the GATS Agreement and it was clear to me that we had signed off on something that was certainly threatening to public higher education entities. It has some serious implications and I have actually been speaking about it and trying to warn people about it. I am not saying it is going to happen because there are remedies that can be applied and there are exceptions and things that can be done to mitigate the impact. The reality is that no other country in the world would have agreed to such a commitment. That is my opinion. (Interviewee E3M)

I am not prepared to accept that we can treat higher education in the same way that we treat engineering services or financial services, because education is not a commercial enterprise. It simply is not. The country would not cease to function tomorrow if every quantity surveying firm were shut down. However, it would cease to function if every school, college and university were shut down. A country can get by without quantity surveyors but it cannot get by without education. Therefore I fail to see how it can be put on the same sort of scale as any other commercial enterprise. (Interviewee P5O)

Policy Processes Driving the Commitment

Jamaican policy actors agree that public policy process in Jamaica has not changed much since the Uruguay Round negotiations. Respondents described it as lacking in expertise and financial resources. This constrains the country’s capacity to be effective in the international arena. A paucity of human capital results in too many responsibilities being shouldered by too few individuals. One suggestion is that this is one consequence of the ‘brain drain’, the loss of high-level skills through emigration. World Bank and IMF studies conclude this loss is not offset by remittance flows (Jamaica Gleaner Commentary, 2005). In addition, the lack of financial resources not only prevents the inclusion of subject matter experts in many trade missions, but also hinders the establishment of a permanent presence at influential institutions like the WTO.

During conversation with a trade bureaucrat (T4S), who recalled how Jamaica’s economic fortunes have changed since independence from Britain, and more recently
with the collapse of the Soviet Union, the point was made strongly – Jamaica simply
cannot afford to be adequately represented abroad. The expansion of multipolar global
competition and the end of the Cold War exposed and destabilized the economies of
many non-industrial countries that previously enjoyed some protection through their
former colonial masters, or from powerful countries for which they had strategic
significance. Small size with limited resources also mitigates developing the appropriate
knowledge base required of a modern economy. Self-interest on the part of powerful
countries adds to the difficulties.

While creation of the WTO floated the promise of a new environment that would
protect weaker states against unilateral action by stronger states (and the intention may
remain), the developing countries still find themselves at a disadvantage when trying to
navigate agreements primarily designed by self-serving richer nations. This was recently
demonstrated in the Doha negotiations when these countries tried to shift the focus more
towards a ‘market access’ track (Khor, 2006b). Large developing countries, like China,
Brazil and India, possess the resources, and are better positioned than other developing
countries, to operate at the multilateral table. They possess the human and financial
resources to be more effective than their smaller counterparts, as Jagdish Bhagwati
observed during the September 13, 2007 WTO online forum. However, Sheila Page
believes that, although the role of the powerful players will remain central, the small
developing countries can become competitive at international forums. She suggests that
the weaker countries need to find an effective way to coordinate their national policies
and develop the type of subject matter expertise necessary for the negotiations (Page,
2002).
In citing their experiences of two trade meetings, participants E3M and E6M highlighted the impact of scarce human and financial resources on Jamaica’s ability to participate equitably in the international arena. The foreign negotiators arrive with superior subject matter information and specific well thought out objectives. Throughout the proceedings, their negotiating and industry teams consult with each other before making any firm decisions or concessions. Interviewee E3M remarked that it felt overwhelming, being there with no clear directives. S/he described the experience thus:

I had the experience of being one of the Jamaican representatives attending the recent Summit of the Americas Business Forum. It was clear to me that the business sector from the US and Brazil were working in tandem with their political groups at the summit, and would say to them “this is what they are proposing and this is what we want or don’t want”. I was in a meeting on ‘market access’ and the Brazilian negotiators were constantly on the telephone. They were trying to get the business groups on the same wavelength as their political groups, so any promise made by one group was in alignment with any commitment made by the other group. We had no such organisation and we felt overwhelmed. Every evening we met to try to strategize for the next day. I don’t think we understood what we were getting into. The capacity to negotiate is something that many of our Caribbean governments lack. (E3M)

Both E3M and E6M believe that Jamaica likely entered into the Uruguay Round negotiations in a similar fashion, with no clarity about the outcomes being sought and no representative from the HE sector to support, inform and advise the negotiators. That being the case, negotiators might have felt obliged to make decisions without the benefit of a well thought strategic plan. E6M reported that s/he felt pressured to agree with the recommendations of the other delegations.

I was the only delegate from Jamaica and many of these countries had large teams of negotiators and sector experts. You couldn’t imagine how lonely it felt. Barbados also had one representative so we got together and joined forces. When time came to vote we felt compelled to go along with the majority decision. (Interviewee E6M)
These participants believe that, even now, Jamaica lacks the mechanisms, processes and knowledge to be as prepared and effective as their highly developed counterparts. The consensus is that, in the absence of an integrated, coherent policy framework, countries like Jamaica will always be at a disadvantage during multilateral negotiations, unable to craft the desired strategic outcomes.

Scholars suggest that constructive engagement among the HE practitioners and trade policy actors - administrators, researchers and technocrats - is fundamental to success. They must be able to analyse contexts, demonstrate the opportunities, risks and policy alternatives emanating from any trade agreement - particularly one such as the GATS involving complex sectors like HE, which are central to the economic and social health of the nation (Knight, 2002b; Souza, 2002). A clear mandate from the HE sector might have prevented capitulation to other more powerful interests in education-related negotiations (Page, 2002). Nevertheless, research participants agree, that the most effective strategy is to overcome the human and knowledge resource deficit that exists when Jamaica participates in international negotiations.

The belief that there was a lack of a policy direction during the Uruguay Round was confirmed in interviews with HE stakeholders. Those close to the situation at the time (who would have been aware of any consultation taking place) reported that there was no policy framework for HE and, more importantly, no discussions took place between the trade negotiators and the HE policy actors. A former senior official recalled that the matter of the Commitment was unknown among top education civil servants until it started to attract public attention. In such a situation mistakes are inevitable. S/he explained:
I don’t think there is any rhyme or reason [for the Commitment] because the consultation was lacking. If you haven’t consulted with people in education then on what basis would you be able to decide whether or how, to make the commitment? (Interviewee E2M)

Sending negotiators and sector experts to international meetings - operating like China, India and Brazil - is not an option for small and financially constrained countries like Jamaica. Therefore, in the absence of larger more functional delegations, it becomes more critical for such small nations, to develop a platform to facilitate greater engagement at home between sector experts, when the negotiators have to face more knowledgeable and better supported counterparts. Another participant, recalling the time when the Commitment was signed, concurs - no mechanism or process existed for such desirable collaboration.

… I was totally unaware of the negotiations until much later, after the agreement was signed, and so clearly I was not involved and neither [were my colleagues]. If by process, I am to understand that there was some mechanism for collaboration and dialogue, then there was no process in place back then. (Interviewee P2G)

It must be noted that since the public discussions in Jamaica, there now is a closer relationship between trade officials and education officials.

Jamaica’s Policy Development Framework

Even now, the policy development apparatus in Jamaica is described as being somewhat informal and ad-hoc. According to one participant, there is no clearly defined structure or process that one can point to as the “operational policy framework”.

As far as a process is concerned there is no set process or guidelines. The considerations however, would have been the same for any negotiation of this sort, which is as far as possible to protect the interests of the country and the particular sector from whatever sort of erosion of preferences that might ensue from too broad a commitment. (Interviewee T4)
Trade officials point out that it is mainly through ad-hoc meetings and committees that policies take shape and decisions are made. This sometimes results in the original priorities and directives being modified, which sometimes may be considered a good thing. However, the complete absence of a generally understood process is blamed, to a large extent, for an atmosphere that does not prompt cooperation and coordination among stakeholder groups. In the words of participants:

I don’t think there is anyone driving the policy process for education. The Ministry of Education has not taken the lead and the people at the trade Ministry do their own thing. Everybody is talking about education but nobody is taking charge of the process. There was a task force set up that looked at education and made some recommendations. I don’t know where it is now. (Interviewee E2M)

Sometimes you are not given clear directives and have to make decisions based on your best judgement. It is difficult to second-guess what might have transpired then [during the Uruguay Round] and as I have said before I believe some consultation would have taken place with the education folk. In any event, things are certainly more collaborative now. We have filed a technical clarification with the WTO to try to minimise the country’s exposure and to appease the concerns. (Interviewee T4S)

Several informants explained that the Cabinet Office customarily issues broad directives to individual ministries, outlining the Government’s priorities and providing high-level direction. Ministries then develop their detailed policies and programs through ad-hoc deliberations and various working committees. If there are no clear Cabinet guidelines, suggestions or constraints, each ministry pursues its own priorities based on its interpretation of the general directives and their own portfolio responsibilities. Their designed programs and policies then filter back up the line to the Cabinet through their minister and may ultimately be adopted and influence the Government’s agenda.
The diagrammatic representation of the policy process shown below is illustrative of why the HE sector might have been excluded from the trade negotiating team for the Uruguay Round deliberations.

**Figure 11 - A sketch of government’s policy development framework**

![Diagram](image)

Much of the outcome is determined by the culture and mindset of the particular ministry - usually developed by the civil servants through their experience over years of implementing government policy. If, as suggested, no strategic direction was received from Cabinet regarding Jamaica’s GATS HE commitment - and no evidence seems to indicate otherwise - the resulting difficulty for the negotiators, operating without knowing the desired strategic outcome, would necessarily be guided by their particular ideological framework. In the words of respondents:
The Minister of Education and Cabinet determines policy but we act as advisors and subject matter experts… I am not sure what discussions took place at the political level but as far as discussions at a professional level were concerned, we were not involved in those discussions and we were never advised about us [Jamaica] making any [GATS] commitment in education. (Interviewee E4S)

I don’t recall hearing anything about any specific objective or what we were expected to do. You have to understand that many times these things unfold and we have a pretty good idea what works for different sectors and in the country’s best interests. We are experienced professionals so no-one has to always say do this or do that or our hands may be tied in making split-second decisions. (Interviewee T5M)

According to Page, the problem of developing countries – in not having a coherent higher education strategy, like Jamaica going into the Uruguay Round process - is that negotiators are unable to clarify, understand and strongly present a unified position. This makes it impossible to make sound strategic decisions (Page, 2002). Such strategies and considerations involve them identifying their own HE priorities, and their strengths and weaknesses in international negotiations. Only then can they determine the risks and benefits of making the Commitment.

The overwhelming view of interviewees was that the Foreign Service Officers involved in crafting the Commitment were creatures of the country’s history and free-market ideology, who might have felt empowered to proceed without involving the relevant industry sector, in this case the HE industry (E1S, E2M, T2M, P4O). This suggestion confounded respondents from the Ministry of Trade, because they know that consultations did, in fact, take place with the representatives of other service sectors. However, one trade official (T4S) did note that if there was failure to consult, it would not be surprising if it had been due to lack of human resources, which acts as a constraint at all levels of the negotiation process.
It is also a resource question because ideally we would like to have broad consultations even leading up to the Hong Kong Ministerial Summit. We try to have subcommittees just to get a sense from the broad sectors involved or affected and not just delegation members, but even managing that process is difficult because of capacity constraints. So I recognize that there are gaps and because trade now touches on a very broad spectrum of services topics, we will need much greater consultation with all the sectors, ministries, and agencies, including education. (Interviewee T4S)

Whatever the explanation, respondents agree that negotiators failed to realise the potential for problems for a Government encumbered by a commitment such as the one they helped put together. Interviewee E3M commented that the implication of this oversight, in the absence of Jamaica having bargaining power on the international stage, was that it had been even more imperative that they had “gotten it right”.

What is interesting is that the U.S. has not signed a similar commitment because the higher education sector is a significant income earner for them and so they have shied away from that kind of commitment. On the face of it therefore, I found our position to be worrisome and potentially untenable. To think that we could agree to something that ties our hands when big countries like the US have not gone as far is puzzling. Given our size and lack of power on the world stage, it was all the more reason why we should have gotten it right. (Interviewee E3M)

In any event, it was unlikely that the HE stakeholders would have been able to offer much direction to their trade colleagues, unless they had been equipped to confront the dynamics of disparate policy actors and power structures co-existing within the HE system – a task for which none might have been prepared. The complexity of this task was identified by one participant who commented:

Now that we have a wider array of tertiary institutions, we find that we have to be talking about a tertiary education policy. That is what we are in the process of developing, and what we have discovered is that every type of institution has its own rules. There are some matters that are peculiar to teachers colleges where no rule exists, so people have just borrowed a rule from the community colleges, and so on. We are now trying to see if we can arrive at a composite policy framework. (Interviewee P6G)
In hindsight, respondents agreed that the notion of trade in HE is a new concept to everyone, different from trade in other services, and one which they do not really understand. This is consistent with research findings that education systems as a whole have been late in coming to grips with the potential effects of trade agreements on the sector (Knight, 2003; Hackl, 2002). Unlike trade in goods, and trade in services such as finance and tourism - with known economic impacts that have been tracked and quantified for years - education had no such history (T1, T5). Some respondents, therefore, believe that - like society in general - negotiators might have viewed education as a ‘public good’, which is the domain of the State, and hence they did not perceive any potential threats.

The problem is that we have done this thing and now we are trying to understand what that means. Maybe when they were making this commitment they didn’t anticipate that there were repercussions. People still believe that education is government’s responsibility so maybe they didn’t understand what this agreement was all about. (Interviewee E4S)

I don’t think all this is necessary because everyone knows that education is the bedrock of every country and the intention of this agreement is not to take away government’s ability to educate the people. This is not like bananas or sugar where someone gets up and says stop producing because it is uneconomical. (Interviewee T5M)

I don’t believe that government should be involved in an enterprise where it is competing with the private sector on an unfair basis for example if the government is going to run a petrol filling operation …, then all the rules that apply to the private sector should apply to them in terms of safety standards, in terms of paying taxes etc…However, I draw a distinction between operating a petrol filling operation and higher education. I do not treat them the same and education is not something that I am prepared to leave to the market. (Interviewee P5O)

For all these reasons, educators, as well as trade officials, might not have had the Uruguay Round negotiations on their radar screen as posing any threat. Their lack of concern from the outset might well prove to initiate serious problems. Working in a trade
policy environment is relatively new for the education sector, as Jane Knight (2003) has pointed out. However, Jamaica’s dilemma appears to have been exacerbated by the absence of a structured policy framework within the education sector itself. As a senior trade policy advisor commented:

This is what happens when trade begins to touch on everything. So you really need to have a machinery working that does not only develop policy but determines what the implications for policy are in the external sphere. (T4S)

However, as another trade interviewee observed, the unique characteristics of HE and its importance to national development should have sounded alarm bells considering Jamaica’s experience with the LOME IV challenge. The manner in which the WTO struck down the LOME IV agreement, which had been negotiated as the cornerstone of an ‘aid and trade’ framework between Europe and its former colonies, should have alerted the negotiating team. It should have acted as a call to action to ensure that the HE sector was not similarly exposed in the GATS Commitment. As Page reminded us, developing countries need to be mindful that longstanding agreements may have to be re-negotiated, and they must effectively analyse their development needs in order to craft the right strategies (Page, 2002). Several interviewees echoed this sentiment but noted that nothing seems to have been learnt, because discussions about the GATS and the implications for HE, have been ongoing for years - at least since 2003 - with no real engagement on the Jamaican policy scene.

Now we have a situation where this matter has been in the news all over the world after Seattle [riots] and here we had an initial buzz two years ago [in 2003]. Why has it taken so long before we really start looking at it seriously? It seems that we are now struggling to come to grips with something that was out there for a long time. It’s a similar thing like LOME IV and we waited until the decision went against us before starting to restructure the industry. Not having a higher education strategy is about vision, which is really knowledge and regulatory framework. (T3M)
Let us start generally with the things we know. We have had foreign universities here for decades, long before the WTO. Where was all the discussion then? We had Peter Argyle, the Deputy US Trade Representative, at lunch one day, and an eminent gentleman who is a businessman and an ex-professor of the University of the West Indies, protested strongly to him that the United States was dumping education services into Jamaica, which of course is a fallacious and erroneous statement. When the foreign offshore universities (like New Orleans, Florida International University, Western), started coming down, recruiting people, and running a lot of masters and MBA programmes nationally, the UWI started bleating about this happening. They wanted to know why we opened the education sector fully to all these foreign institutions. We point back that in fact when you look at the response in Grenada, they allowed foreign providers to come in and set up what is probably the best university in the Caribbean, the medical university. I have toured it and it is highly high-tech and a beautiful setting. It accounts for over 60% of their GDP in earnings which is very significant for an island like Grenada. That shows you one response, which of course we have used to say to the UWI that it must compete. After all these years they are now tripping over themselves to analyse the GATS commitment (T1M)

Still, with the perceived threat of the WTO trade regime to national sovereignty over the higher education sector, Jamaica and other developing countries are now re-examining their ability to pursue their national policies in this new trade regime.

Finkelstein (1995) noted that the notion of ‘global governance’ encompasses an intention to reflect the purposeful systems of control that frame pre-existing processes among and within sovereign states.

The interview material provides evidence that education policy makers do not yet understand how to move forward. This presents a conundrum. It calls for scholars to collaborate in order to furnish an informed policy strategy (Page, 2002; Parsons, 1995; Souza, 2002). The governance framework of the GATS as a ‘work-in-progress’ demands that the HE sector work more closely with trade officials so that both become better informed about issues and implications important for future policy direction. However,
Knight cautions about the risk of overstating the influence of the GATS (Knight, 2002b). The sector was ‘alive and well’ prior to the creation of trade agreements and has traditionally shown the ability to survive unwelcome interventions which threaten its interests.

**Stakeholders Views of the Role of Higher Education**

The second theme of my research concerns the role of HE in Jamaican society and how stakeholders understand this role. To report this evidence, public statements, publications and interviewees’ comments are used. Higher Education’s shift from what Newman *et al* (2002) describe as its “special position as a public good, exempt from economic principles”, is most apparent in complex HE systems, and seems to be a significant factor influencing our understanding of, and sustaining interest in, the GATS debate. In just fifteen years from the mid-1980s through to 2000, education has become the fifth largest contributor to total exports of services in the US, and the third largest value-added services export in Australia. Currently, the five largest education exporters are the US, UK, France, Germany, and Australia. Collectively they account for almost 75% of the HE students studying abroad.

When the value and importance of the HE industry is examined, it exposes the basis for the growth of different forms of providing cross-border HE and the rationale for much of the GATS debate. Inclusion of the sector in the GATS, raised concerns about the capacity of nations’ HE systems - particularly in developing countries - to effectively serve a pivotal role in their social and economic evolution. This commercialisation of education, which is treated as a public good, also highlights the expanding role played by
foreign providers in domestic HE systems and defines the context for expansion into this cross-border provision.

Based on GATS modes of supplying higher education services, by far the largest and best tracked segment is Mode 2 – consumption abroad. Altbach notes that, “… the demand for foreign study remains high, with about two million students studying outside of their home countries [in 2004], and likely to grow to eight million by 2025” (Altbach, 2004). Sauvé believes that agreements like GATS, are nothing more than a necessary response to the economic significance of cross-border forms of investments in higher education (Sauvé, 2002b).

In its submission to the Australian Senate Foreign Affairs Committee, the Association for Public Universities (APU) advised that although GATS does not appear to have had any major impact on the sector since coming into being, the potential exists for this to change in the future (Ziguras, 2003; p 2). Citing seeming restrictions imposed by the Agreement on the regulation of domestic systems, the submission noted the lack of clarity regarding interpretations of its provisions. The Committee was advised to use the DOHA Round of negotiations to address the concerns of importing nations, and to promote benefits that are consistent with GATS principles. These importing nations form the market for Australian educational services exports. It, therefore, is in Australia’s best interests to create a model that enables it to better exercise comparative advantage in its import markets.

In spite of the inequities of the international arena, some developing countries engage the process of global trade of HE services, as a way to acquire the knowledge necessary to achieve general economic development and growth. Challenges that may
necessitate this strategy include the insufficiency of their local infrastructure, inadequate knowledge capital, and lack of financial resources. It is felt that the internationalisation process eases and overcomes these barriers to development. In the case of Jamaica, the interviews suggest that the justification for the Commitment has been linked to its potential for supporting the expansion of access to higher education services. However, participating in a multilateral environment that has not historically operated in the best interests of small developing countries raises questions about the vision of the policy makers. A senior official stated that he has a fundamental difficulty with the concept of the commercialisation of HE services. He believes that the sector has a pivotal role in national development and the Government ought not to have made the commitment - especially when other countries have chosen not to make similar commitments.

Let us step back a bit. The WTO agreement in so far as it relates to services, has sought to commercialize education services. We have a fundamental difficulty with that. That’s the first thing. At the time of the WTO negotiations when the WTO was agreed on during the Uruguay Round, we were not fully prepared and did not pick up things like that when we went into the discussions. That is something that we should have raised and on which we should have stated our position. When the GATS came about, the government signed this commitment in relation to higher educational services. We are one of only 26 countries that did so. A number of other countries looked at it and decided against making that commitment. (Interviewee P50)

From the perspective of some participants, however, there are economic and social benefits to be derived from an expansion of access to the sector. With issues related to high rates of violent crime, unemployment, and low levels of civic engagement, the National Council on Education (NCE) reports that HE has a considerable role to play in Jamaica’s social development. The report links equality of opportunity, a key democratic principle, to the concept of human rights, and highlights the important
correlation between higher education and persons’ social and economic opportunities and prospects (Ministry of Education and Science, 2003). This view is supported by research findings showing that investments in HE produce exceptional social returns (Hill, Hoffman, and Rex, 2005; Quiggin, 1999). Many participants see a national strategy for HE as contingent on an appreciation for the unique Jamaican context in which it is pursued. For example:

Our environment is different from any other ...Notwithstanding our less than desirable results; our education system produces people who make the grade not only here, but elsewhere. So we have the basis for building a world-class quality system, understanding that it will be different from others, because of our own problems and to meet our own needs. You can therefore expand the base and even the types of institutions. (P2G)

Certainly the one that seems to me to be the best opportunity is the Australian model that we discussed earlier, because Jamaica seems almost uniquely placed in this region to take advantage of that. If you look at the success of what the Americans call the ‘overseas medical schools’, it provides an example of the type of opportunity that really exists. And why should it be confined to just medicine? In fact it would seem to me that the opportunity is actually greater outside of medicine because the question of accreditations doesn’t arise in the same way when dealing with other disciplines. So that presents a huge opportunity for Jamaica. Of course, the reputation of Jamaica with our crime problem presents a short term obstacle but not necessarily a long term obstacle. One can easily envision a virtuous circle where increasing access to higher education and falling crime support each other. Now the other initiative (model) I would say is the Costa Rican example of just putting a large amount of resources into technological facilities. That is more difficult to embark upon but obviously more beneficial. It is more difficult to embark on in the near term simply because of the fiscal situation that the country [Jamaica] is in at the moment. That model takes a lot of resources to get it going and because of the large debt-servicing requirement; the government is really strapped for discretionary cash and wouldn’t be able to give that the kick start that it needs, although I think that some inroads can be made. Some movements in that direction can be started but it seems to me not as easy an option to pick as the other one. The bottom line is that we have to find our own solution because our circumstances are different, but we can look at other examples to guide us. (T4M)
I think they have looked at the Australian example because it always gets mentioned. Whether or not they are using that example to do anything to improve education in Jamaica, I really do not know. But you have to realize Australia is not Jamaica, they don’t have the same problems of crime etc. to deal with. Plus they have a market on their doorstep of people who can afford to go there and pay for their education. Here, they [government] do not give enough money to education which is perhaps not such a bad thing in many ways as the tertiary institutions have had to become more entrepreneurial to supplement what they get from school fees and the government in order to bring their output to the standard they require. (E1S)

Interviewee E8S views the HE sector as existing in the broader context of societal inequities. S/he argues that initiatives aimed at dealing with the expansion of access should first acknowledge this reality, and recognize the disparities existing between the various constituencies of learners. Such disparities lead to the current inequities in the HE system, which include socio-economic family circumstances, gender, and geographic location (urban or rural).

Many persons cannot just move to where the universities are, for all sorts of reasons. So that must be taken into consideration. When we criticise foreign institutions we must remember that many stay-at-home moms [parents] would not have gotten their degrees if they only had to rely on the public system. They might not be able to get in [matriculate], in the first place, and if they could, class times are geared to young persons in school, not persons with a family or in a full-time job. So we have to look at the system as a whole and who it is intended to serve. (E8S)

S/he argues for special attention to be given to the *causative* factors of imbalance within the system, which should extend beyond the academic programs, to economic opportunities allied to the labour market. In other words, this participant believes that one of the roles of HE is to deliberately design its programming to transform Jamaicans working life and opportunities -whoever provides the service. This, of course, implies that foreign providers entry into Jamaica is ‘free’ but controlled as to program, nature and intention, and must be congruent with the government’s development policy – assuming
it accords with the provider’s views. Interviewee E8 stresses that a successful development strategy is contingent on a review of the role of Jamaica’s local HE sector in national development, as well as the role of foreign providers.

Participants also expressed their views of the need for analysis of the economic impact of trade-related HE activities in Jamaica, as one of the prerequisites to deciding on policy direction. For example, several trade policy actors suggest that Jamaica should look to New Zealand and Grenada to understand ways of rethinking the role of HE in development (T2M, T3M, T4S). The statement of one of the trade interviewees provides a good example of the reasons which were advanced to explain why, in spite of Jamaica’s history for bold leadership and visionary thinking, such an approach has not previously emerged.

… one of the challenges that I think exists with public administration in Jamaica, and this is actually without exaggerating, there is too much technical incompetence. This is because most public administration offices don’t have a technical cadre of individuals that are highly trained, that are professional, that are well paid, and that will make it a career or job. So, therefore, a lot of the areas of public policy are not very well thought out and don’t even follow the easy examples that experiencing the rest of the world provides. This is not very different from saying there is a lack of ideas. Yet the examples are there to learn from and follow. I don’t think it requires out of the box visionary thinking, to be able to bring those ideas on board. It just requires knowledge of the experience of the rest of the world and I see it in the same way as the regulatory framework. It really is just a matter of having the knowledge and technical skill to put in place what needs to be put in place. I think there was more respect in the past for technical skill and technical ability throughout the civil [public] service... Not having a higher education strategy is about vision, which really comes down to knowledge and the regulatory framework. There is also a timidity that pervades government. So I think political will is itself an issue, although not traditionally one that I would want to say is a problem with Jamaicans. Jamaicans have had courageous leaders that were always willing to make bold decisions throughout its history, but certainly within the current administration it seems that there is a timidity that keeps it rooted to its inherited positions and an inertia that is debilitating. (T3M)
Interviewee P5O also echoes those views, that failure to grasp the role of the HE sector in national development has more to do with the lack and availability of appropriate knowledge and effective human capital necessary to create a strategic policy vision. A focussed concern on what s/he regards as the re-conceptualisation of the treatment of HE as a commodity, and the ability of policy makers to develop the appropriate regulatory system to preserve its role in society.

We now have this situation where education is like any other commodity and we are being told that government cannot act in a way that recognises its social responsibility. (P5O)

In general comments on the role of higher education in society, respondents had no difficulty supporting the participation of foreign providers per se, but they think their participation needs to be regulated and managed. They do not believe that in analysing the HE sector’s contribution to national development, the focus should be on ‘foreign’ versus ‘local’ or ‘public’ versus ‘private’; the underlying ethos should be to ensure that everyone can participate, in order to strengthen the sector. The dominant view of participants on creating a vision of the role of HE was explained by one participant as:

You have to start with what you have, what is the vision of where you can go, look at the experiences of other places and what is your environment. Our environment is different from any other but there are things we share with others and therefore let us see what we can do. In our environment, crime is a deterrent to certain types of investments and activities and is a negative that we have to factor in. Generally speaking, crime is not associated with educational institutions and educational ventures. (P2G)

Parsons suggests that creating a policy vision for higher education requires the harnessing of the collective intelligence of all stakeholders through the cross-fertilisation of ideas and knowledge (Parsons, 1995). Respondents believe this was lacking when the Commitment was being formulated, but they see greater collaboration as critical in the
future. Some expressed hope that a policy roadmap might soon be developed. One noted that a panel had recently been ‘set up’, including both trade and HE policy makers, to start the collaborative process. The panel’s deliberations, led to preparing the technical amendment that was filed with the WTO Secretariat. The Opposition is also calling for the creation of a joint select committee of Parliament to review all international treaty deliberations in the future, with the ability to engage sector experts as appropriate (P4O). This would allow them to examine subsequent negotiations, and in the case of HE, ensure consistency with the strategic vision of the role of the sector.

Nonetheless, some participants took a retrospective look at the considerations which led to the Commitment and saw these new developments potentially being hampered by a culture of exclusivity among higher education stakeholders. They held that this is the real reason preventing many stakeholders from seeing the role of HE more broadly. This was best expressed by interviewee E3M thus:

> It is the case that there is a kind of elitism among local higher education institutions in all parts of the world in that they never trust what originates from outside their system, especially if it’s from overseas. Until this culture changes the policy landscape will remain challenging.

Participants appeared mindful of a requirement to support the participation of diverse higher education providers within the country’s borders. They acknowledged that there are risks, but generally see the opportunities as worthwhile to pursue. The seeming dissonance in views regarding the role of HE in Jamaican society and the implications of the GATS commitment, might be reflective of the differences in perspectives between education, trade and political stakeholders.
CHAPTER SEVEN

Policy Issues Arising From the Commitment as Seen by Participants

Perceived Opportunities and Threats to Higher Education

With the growth and increasing value of the higher education market and the emerging dynamics of cross-border provision, new problems are emerging for existing national systems. A clear understanding of the roles of higher education, and the institutional infrastructure necessary to support these roles, is needed to ensure that opportunities are seized and risks are avoided (Souza, 2002). For many small economies, cross-border providers of all types of services exist outside of the public realm - partly due to an inadequate regulatory framework. The literature argues that, in such an environment, small developing countries like Jamaica risk being unable to safeguard from exploitation, the integrity and relevance of their HE systems. The third theme of this study focused on the opportunities and threats the participants of this research believe will result from Jamaica’s GATS commitment.

Although a broad cross section of participants reported that they regard cross-border providers as increasing access and ensuring greater equity in HE, nevertheless, they expressed concern about their possible effects on public support for HE. This was viewed as the most serious threat arising from Jamaica’s GATS commitment. The country might be required to offer public support (subsidies) to foreign providers similar to that being given to local institutions and their students. That is not acceptable. Under the National Treatment provision of GATS, it is argued - where unconditional commitments exist - any type of subsidy or grant to public institutions must be equally
provided to foreign providers. This prompted the students association, JUTS\textsuperscript{18}, to call on the Jamaican Government to withdraw the Commitment (Green-Evans, 2004).

JUTS’ call is in line with renewed interest around the globe about the crucial role of student loan schemes which provide support to students’ families in need. This is seen as having two possible adverse risks – governments might establish the necessary ‘equal treatment’ by shifting the costs of HE away from the state (Woodall, 2001), or they might transfer part of the public subsidy to foreign providers and programs (e.g., on a student per-capita basis). Neither option is likely to be politically popular or acceptable to local HE institutions. The International Institute for Education Planning notes that while student loan programs can improve equity, they need to be well-designed and efficiently administered (Woodall, 2001). One of the participants sees the issue as - ‘plain old economics’ and one of the biggest equity challenges for poor countries seeking to expand HE access (T3M). The student loan program is a revolving loan scheme and recoverability is a significant problem. Several remakes of the program have been attempted in trying to find an arrangement that results in fewer delinquencies.

Seaga introduced the Student Loan Fund (SLF) to provide financial support to students in need. Under Manley’s government, the country moved to entirely financing Jamaican students up to and including the end of a first degree program. Since the retreat from this position in the 1980s, the increasing trend has been to user fees. This intensifies the pressures on low-income families, making the SLF invaluable for many seeking to access HE. When there are insufficient funds to support all eligible students, the equity chasm widens. A senior education policy maker shares similar concerns.

\textsuperscript{18} Jamaica Union of Tertiary Students
My unit for example provides some support… However, it is not enough… We try to make sure that the very poorest benefit but at the same time they have to qualify academically… that is the crunch of the matter. If we have so little resources to do these things then I do not know how we could share it with others, so that is our biggest concern (E4S).

A study by the IMF links the problem of designing a workable arrangement to ensure an adequate pool of student loan funds to two traditional fiscal problems (1) the country’s limited capacity to collect income tax to enlarge Government’s revenues, and (2) to a large informal business sector which operates outside of the tax framework (IMF, 2005). P5O agrees that these are challenges, but accuses the Government of under-funding the SLF and thinks there are creative ways to ensure adequate funding, including floating a bond issue.

My own view is that no student should be left behind. I believe that we ought to provide adequate loan funds for any student, which is tailored to meet peoples’ affordability. I think there are creative ways in which it can be done. You need a bigger pool of funds, and as far as I am concerned [Government should] be prepared to go to the market with a bond issue to raise the funds and put those funds into the Student Loan Fund to ensure that every student can access an adequate level of funding. A big problem of course is with the recovery arrangements, but there are things that can be done to tighten recoverability - in terms of bonding, in terms of legislation etc. - but I think things like that can be done to provide access. (P5O)

There is also discontent from students outside the public system, with the current policy of only supporting students of public institutions. At least one foreign-affiliated provider has publicly condemned the loan policy, arguing that the financing of higher education affects all households and students should not be discriminated against merely because they fall outside the public system. The students in foreign programs outside the public system might not have met the requirements of the public institutions, or had scheduling constraints, or were unable to relocate. The contention is that it is inequitable to deny financial support to these students (E7M).
Some participants agreed with the argument but thought relenting on this matter would provide leverage to demands for support to all HE institutions. Participant E3M explained that the student loan program was intended to address the financing of higher education, but only for students in the public system.

The resource issues are therefore very real. In Barbados, the government provides full tuition for every Barbadian child up to the end of the first degree. Jamaica has settled on the 80% formula but it is only 80% of tuition for students at certain public institutions and does not include all their other costs. Many of the students simply cannot afford it. It is unfair to deny financial support to a student in a foreign program who might otherwise not have been admitted to UWI but there simply is not enough money to do otherwise. You can’t even say you will make exceptions for any institution because my understanding is that you would be required to also do it for others. (E3M)

The government has consistently resisted requests from institutions outside the public system for similar student support treatment. All indications point to no change in this position. In other words, according to participant P5O:

… The government is taking the position that although they have made this commitment, it does not endanger or constrain their liability to subsidize the publicly owned tertiary institutions. The Minister of Foreign Affairs reasserted this position last week. That is arguable, but I am not going to get into that argument… The fact of the matter is that we could never commit ourselves to a situation where, if we are to subsidize the public institutions of UTECH and UWI, we would also have to provide similar subsidies to private institutions. I have no problem with private institutions operating on a commercial basis and recovering their economic costs from students, because that is how the market operates. Government however, has a crucial responsibility regarding its public duty, to ensure that no matter how poor people may be, they can be facilitated to achieve higher education. That is a duty that it cannot shirk and no international agreement can in any way encumber the government in that role. That is something that has to be preserved. (P5O)

Liberalisation trends in higher education, while it may be beneficial, must be accompanied by regulatory mechanisms that balance the interests of individuals and the motives of institutions, with national objectives.
As noted earlier in the thesis, Australia and the US included exemptions in their commitments that allow them to discriminate against foreign providers. Scholars report different interpretations and claim that the NT provision does not support the position taken by these countries (Ziguras, McBurnie, & Reinke, 2003). Most respondents agreed with the sentiments expressed by Ziguras et al that based on Article 1.3 and the NT provision, government support for the public system must be extended to foreign providers. They are somewhat apprehensive about the effect on Jamaica’s HE:

“… when people interpret the Agreement, they are saying that under WTO rules, there should be no preferential treatment and it should be a level playing field. So if foreign institutions are coming in and it requires that subsidies be given to these institutions, then we may be liable for compensation [if they are denied]…” (E2M)

“We do provide some amount of subsidy [to students] through the Student Loan Bureau and there are scholarships… If we have so little resources to do these things, then I do not know how we could share it with others, so that is a big concern.” (E4S)

“The spirit of all the WTO agreements is that you must not favour domestic producers of any commodity or service over foreign providers. Certainly in principle, it is not clear why that should not apply to higher education as much as to anything else.” (T4S)

“My own view is that no student should be left behind. I believe that we ought to provide adequate loan funds for any student, which is tailored to meet peoples’ affordability. I think there are creative ways in which it can be done.” (P5O)

Interviewee P1G believes much of the hype is misguided. He noted that GATS is a creation of all WTO members and any position can be posited, but the arguments that government is constrained to extend financial support to foreign providers are flawed. The Government’s position is based on the preponderance of arguments at Geneva and within the international community. Government is under no greater obligation to foreign providers than before making the Commitment. S/he explained:
Jamaica's existing commitments on tertiary education services, do not affect the government's ability to establish, maintain, or support public tertiary education institutions, in accordance with national policy objectives… The Government of Jamaica is also under no obligation to provide any form of support programme to foreign tertiary institutions established or operating in Jamaica. (P1G)

In response to fears voiced by the Jamaica Union of Tertiary Students (JUTS) that GATS will herald an increase in fees, thereby making it more difficult for those financially unable to attend HE, interviewee P1G is dismissive. S/he argues that, in any event, it is incumbent on the Ministry of Education to ensure an appropriate regulatory framework for HE to address the matter. JUTS apparently found this response unsatisfactory. It suggests that, at the very least, the government should provide reassurance that it will continue to guarantee support for students who are on the fringe financially.

Responding to a call from the Governor of Maine for the US also to withdraw its commitment in HE, Rob Portman, the US Trade Representative (USTR), stated that although the GATS has provisions that allow for withdrawal, this would entitle other WTO members also to withdraw their commitment unless some agreeable offsetting solution is found. He suggested that contemplating such action is not a credible way to pursue local objectives. It would be ill-advised and should be avoided (Portman, 2006). In a letter to the Governor dated May 25, 2006, he wrote that the HE commitment of the US does not preclude government authority over the sector and there is no evidence to support opposing claims.

At a luncheon address to a group of Jamaican trade representatives and education policy actors, Portman defended the presence of US cross-border providers in Jamaica (T1M). Their presence would help meet the growing demand for a quality product.
However, participants in this study take little comfort from this reassurance. They regard the realities of the global trading system as counterintuitive to suggestions GATS is development-friendly. In the interview participants were of the view that, whether or not a decision to withdraw has merit, it is difficult to make an adequate assessment in light of the lack of clarity and the uncertainty about the scope of the commitment.

We have enough problems with DOHA right now, which we can’t even get through so how would we possibly deal with what might be required to withdraw. For one thing, we don’t even know if it is possible and then how to do it. So this is not a battle that we would readily take on right now. (T1M)

The government says that it has filed a technical amendment to change the things we agreed to in our commitment. I am still not sure we understand enough about GATS to do this, whether they can do that and whether there is a penalty attached. Are we making another mistake? We don’t even know if they have done what they are saying. The truth is that we have just realised that we messed up but we still don’t understand enough about it, so how do you fix it? (E1S)

With the mounting public criticism, officials at the Ministry of Trade concede there were shortcomings. This led the Government to lodge a technical amendment of the Commitment with the WTO Secretariat - with the hope that this amendment will not be challenged. In private discussions comments were made that the Ministry of Trade is reviewing alternatives to the amendment as a precaution. This was confirmed by interview participants as follows:

The technical clarification is to ensure that our interpretation accords with the interpretation in Geneva. If the technical clarification is challenged, then there are other avenues available to us such as technical rectification and then there is the reopening of the process, which leads to a modification of the commitment. (P1G)

We don’t expect any problems with the clarification but there are things we can do if it fails. Ultimately we can withdraw our Commitment but that would be a last resort. It can be done but there might be penalties if we decide to do that. (T5M)
Regardless of T5M’s opinion, interviewee P1G claimed that withdrawal might not be a straightforward option – which may not be simply a politic answer. Quite apart, it concurs with Portman’s uncertainty regarding the implications associated with such intent. P1G noted that consistent with Article 1.3, subsidies to public institutions and students in those institutions is in furtherance of government policy and supplied in the exercise of government authority.

It refers to non-commercial and non-competitive and it is in furtherance of public policy that we provide subsidies and government support [to public institutions and their students]. Jamaica’s position is not unique and… [awaits] with anxiety to hear any country say that they are prepared to give the same type of support to the commercial institutions that they give to their traditional public educational institutions. (P1G)

Still, concern persists in Jamaica that the Government could be required to commit to supporting activities over which it has no control; it exercises no control over foreign providers operations, programs, fees or procedures. On that basis, it is inconceivable that any Jamaican government would bind itself to providing subsidies and other financial support to the providers and students. While it may be desirable to support students in private institutions, one participant discounted suggestions that non-support of foreign institutions would contravene GATS provisions. S/he believes foreign providers should be free to enter Jamaica, but feels government ought not to be restricted in its social responsibility to offer HE opportunities to society.

It is the government’s duty at that point, to offer higher education opportunities on terms that it considers necessary from a social policy perspective. The government has a duty and I feel very strongly about this. In fact, why stop at tertiary. Why not extend the same arguments to secondary and primary. It is because they [WTO] recognize that you cannot put a country in a situation where you are creating a population that can neither read nor write. However, what they are saying is that if you want a population that is equipped to the tertiary level that then becomes commercial. I cannot accept that. International agreements ought to
recognise the social responsibility of its members and respect their ability to regulate their domestic environment. (P5O)

The stalled DOHA Round negotiations may present an opportunity for Jamaica to address the issue. Stakeholders however, think the evolving developments of this Round will continue the state of flux that prevents the country from fully grasping the potential opportunities or ably safeguarding against threats.

The Organisation of Eastern Caribbean States (OECS) mentions the problems getting through with the WTO and says ‘this is a difficulty that may only be surmounted through full representation by member states in Geneva with resident Caribbean Regional Negotiating Machinery (CRNM) technical support’. Even though the DOHA Round has stalled and gives us a little time to sort things out, you still need resources to deal with what’s happening and stay on top of things. The CRNM has only one representative in Geneva at this time and the OECS has recently set up their representation in Geneva, together with countries like Jamaica, Trinidad and Barbados. There is just not enough capacity and where missions exist even for the more advanced countries in the region like Jamaica or Barbados, they are understaffed. (T1M)

Our position is that the government entered into this agreement without guidance and discussion and we are not convinced that they have fully grasped the implications for the country. The DOHA Round is going on now and we are working with our representative at UNCTAD so hopefully things will be better this time around. But you know, these things are complex, and you need experienced people and [we need to] provide them with the necessary support. (P5O)

I don’t know how the agreement came to be. There appears to have been a lack of understanding and due diligence. Most of what I could say would be based on what I gather from the media and the reports from Parliament. What I can say, is that our approach now is more informed but inadequate because we don’t have the resources and things seem more complicated. So are we any better off… I couldn’t say. (T3M)

**Quality Standards in Cross-border Higher Education Programs**

The desire to increase access to HE was regarded by many participants as justifying Jamaica’s commitment in the Uruguay Round. Now, in retrospect, Jamaica’s
education stakeholders see ‘quality’ as the biggest threat arising from this decision. Some researchers however, believe developing countries do not have the academic traditions, sufficient human capital and the resources to attract and retain the necessary talent to ensure high quality education programs (World Bank, 2002). Cross-border provision of higher education is suggested as a partial answer. Asha Kanwar notes that increasing access through the participation of foreign cross-border providers is of dubious value, if the knowledge and skill acquired are not of acceptable quality. She, therefore, stressed the importance of ensuring that the certification earned is accredited and recognised (Kanwar, 2007). The rise of cross-border forms of provision, however, increased the difficulties associated with the process. This does not concern Jamaica alone. According to Cramer, from the inadequacies of national accreditation and quality assurance systems, to the complexities associated with regulating ‘diploma mills’, ensuring quality has become the principal policy concern of education policy makers globally (Cramer, 2004; OECD, 2004). During this study, education respondents clearly were concerned that Jamaican students might be exposed to fraudulent practices.

Speaking at UNESCO’s General Conference in October 2003, Jamaica’s Minister of Education, stressed that where foreign cross-border providers participate locally, the terms of their engagement must be clearly defined to ensure that the content of their programs meet appropriate standard levels (UNESCO - Education Today, 2004). She emphasised that ensuring quality equivalencies of higher education outputs are a priority of the Jamaican government. In the interviews, the view was voiced repeatedly that there are challenges with developing policies to ensure that the emergent institutional regulatory framework is comparable to world-class HE elsewhere (E1S, E4S, P6G). The
University Council of Jamaica (UCJ) officials insist that their procedures and accreditation process are effective and will ensure a high quality of programs delivery, but education stakeholders were sceptical. They believe that foreign programs are culturally irrelevant and of a lesser academic quality, although they were also quick to point out that the UCJ has done, and continues to do a great job.

From my understanding the accreditation process is one of the main issues, and course content in terms of national and cultural heritage is important. It is not just about the topic but where does it fit and does it represent Jamaica. We need to make sure that … we have the necessary mechanisms for all courses including online courses. (E2M)

Thirdly, would be ensuring that there is something called the ‘Jamaicanness’ of the programs, where the issues that preoccupy us as Jamaicans are part of the problem-solving that is being engaged in. It has to do with content as well as presentation so that we are beginning to look at how we solve some of our own problems. (P6G)

They [UCJ] ensure that the programs meet international standards. In fact the UCJ is recognized internationally. If the certification is not familiar to an overseas institution, they typically write to the UCJ to enquire. The UCJ is a part of a worldwide accreditation body and its Executive Director serves on the executive. (E1S)

Jamaica has reputable American, British, and Canadian universities that are … recognized in their own countries and the programs that they bring here that [UCJ] monitors and supervises, are well done. They have their problems and their challenge because one of the things that UCJ looks for is ‘how do they bridge the cultural gap?’ Because UCJ does not like canned programs coming here … it looks at how they bridge that cultural gap. UCJ finds that many of them have been using very creative ways to achieve this. For instance, they have had to change some of the programs and they have to bring in more Caribbean material, more Caribbean case studies, and make them more relevant. So when [a foreign program is accredited], the question of relevance, the question of the cultural gap, and the question of student support services come in. UCJ needs to know what kinds of support are provided to the students here. (E5S)

But, it is the additional complexities of the changing conditions and the fact that UCJ’s mandate and scope have remained the same since its creation, which cause concern. Participants worry that Jamaican students, may be put at a disadvantage to their
foreign counterparts, through a dilution of standards or perpetration of fraud. Currently, there is no barrier to entry by foreign institutions and registration with the UCJ is entirely voluntary.

We also need a few tightening mechanisms, even for our own institutions. We find that even for local institutions right now, they can just set up, open their doors, and begin offering programs and it is only after a time that they would need to come to us to be registered as this is the first step before you can be accredited. They do not necessarily have to come to us before they begin to operate because the whole process is voluntary. What the government has to do and what we are trying to do is to make registration, the process before accreditation, mandatory while we may still leave accreditation as voluntary. (E5S)

In earlier years, higher education institutions were non profit institutions and operated with a different attitude, but now we have a lot of institutions that are only in operation for the profits. I therefore think students are being short changed. One suggestion is that foreign providers should not be allowed to just come in and set up on their own but rather should have to register with UCJ and affiliate with a local institution. They [the local institution] can provide some of the lecturers so that there is interaction and a cultural exchange where the local culture is embedded in the program. I do not k now what is being done about this suggestion but it is very important for me that the system develops a structure. (E1S)

The Minister of Education has made similar observations. Respondents refer to needed ‘tightening-up mechanisms’ so that the accreditation process is improved and registration of foreign providers becomes mandatory and ensures ‘world-class comparability’, ‘cultural adaptation of the content’, and ‘relevance to the needs of the society’. Any new quality monitoring regime must ensure that the potential threats are subverted. Some respondents suggested that foreign providers only be permitted to provide programs which meet the outstanding training needs of the society. They also suggest a more rigorous process to ensure the ongoing relevance of such programs (E2M, E4S).

I think in that light [a more rigorous process] we can set our objectives and we can say to whoever is coming in that ‘this is what we want and if you...
are coming in then the training you provide has to be consistent with the policy direction of the country”. I am not sure that we would have a problem with that, and to maintain the standards. Of course we have to put mechanisms in place to make sure that standards are upheld. (E4S)

We need to have a system in place that regulates and monitors all tertiary institutions whether local or foreign, public or private. Their programs must meet the training needs of Jamaica. We need to be sure that our students graduate with a world class standard of education and therefore we need to ensure that anything coming in through a foreign provider is not only necessary but of an international standard. (E1S)

Foreign providers are regarded as less interested in providing a liberal arts education to students because it is less profitable than professional programs – but this may no longer be true. Interviewee E5S pointed out that recent experience has seen foreign institutions offering a more broad-based range of programs. In any case, there is no official support for any attempt to dictate the programs any HE institution may offer. The Minister of Education stated that, even if one concurs that the GATS is potentially injurious to the quality of national higher education systems, this can be addressed through policy action that does not shackle cross-border providers.

“I do not believe in hamstringing higher education institutions. It is not for government to determine content, and neither is it for government to even determine some of the matters relating to matriculation. What we want to ensure is that they are as cutting-edge and as facilitating as comparable institutions anywhere else in the world and that there is quality learning from these institutions.” (Minister of Education – 2005)

She indicated that she would be having discussions with the UCJ on the need to re-position the organisation to cope with developments in the HE sector and the potential ramifications from the new liberalised environment of the GATS. But, she stressed, this does not mean that the agency’s mandate should change, rather its capability, and that processes be modernised. Her concern is to avoid the proliferation of ‘degree mills’ and
to ensure that practical measures are implemented to mitigate risks to students. This concern transcends Jamaica.

Although essential for developing countries to assist in stimulating economic growth, quality assurance is an important part of any capacity-building strategy (Hopper, 2007). Existing accreditation conventions concluded under the aegis of UNESCO were pursued in the interest of ‘non-profit internationalisation’ (Knight, 2002). That being so, many national accreditation systems today do not adequately capture the economic efficiency and market determined liberalisation objectives of the GATS. The United States federal government itself was caught in a diploma mill scam - which serves to underline the difficulties faced by quality control systems today (Cramer, 2004). Academic interests therefore, are calling for a global accreditation mechanism, which would be adequate to capture the nuances of the new dynamics.

CARICOM’s accreditation initiative aims to establish a mechanism to coordinate and harmonize standards across the region. Governments are required to enact the necessary legislation. With over 17 years experience as a quality assurance body, the UCJ plays an important coordinating role in this initiative, in addition to offering advice and support. Representatives of the organisation confirmed that the CARICOM mechanism is not another regional institution, but a rationalisation framework of individual national accreditation standards and policies. The research participants, particularly those representing the political and trade sectors, believe important economic opportunities will follow from a quality system (P1G, P5O, T2M, T3M and T4S).

Finally, that our graduates do not all end up at the lower end of the totem pole but rather are offered options that allow them to achieve world-class comparability. Their accreditation must enable them to compete with the
best anywhere in the world. That brings value to Jamaica, whether they stay here or go elsewhere. (P6G)

I thought the argument of the global planners is that we should not think ahead and pick winners. We welcome the foreign educational institutions. We facilitate them; there are no restrictions on them other than things like quality and standards. It is through quality standards that we will reap the benefits. If you are saying that we should plan strategically as part of the economic thrust forward, then I would argue that you cannot do that anymore than you can plan tourism or information technology development. You create the policy framework, you create the legislative framework, you provide the environment, and then promote it [the sector] on that basis. (P5O)

They [UWI] wanted to know why we opened the education sector fully to all these foreign institutions. We point back that in fact when you look at the response in Grenada, they allowed foreign providers to come in and set up what is probably the best university in the Caribbean, the medical university … it accounts for over 60% of their GDP in earnings which is very significant for an island like Grenada. That shows you one response, which of course we have used to say to the UWI that it must compete. Establish a high standard and you will be successful, the country will be successful. After all these years they are now tripping over themselves to analyse the GATS commitment. We have said market yourself… “Come and do your MBA in the Sun with the UWI” wherever you establish off-shore campuses like in Montego Bay and sell Jamaican high quality university services to compete with American service providers because you cannot stop them. (T1M)

Many respondents see accreditation control as pivotal, to the country and the region benefiting from the development of an export industry in HE, in much the same way as it has been to Australia, New Zealand, and Grenada.

They argue that GATS does not precipitate expansion of trade. Nevertheless, they see an opportunity for the country to exploit its extensive world-class higher education infrastructure, as well as its advantage of being English-speaking and geographically close to Latin America. They view Grenada’s success as indicative of a demand for its low-cost structure and tropical environment. In addition, the country has a
widely sought-after cultural environment. Interviewee T3M also makes the point that the US is a major market that should not be overlooked. Innovative thinking is required.

What I find fascinating about the Australian and New Zealand experience is first of all, the kind of ‘out of the box’ thinking that is really visionary. But what has always occurred to me is that Jamaica has an opportunity to export education as well. It has several advantages to export educational services. Firstly, is its proximity to a large education market; secondly, it is a native English speaking country with access to all international travel corridors; thirdly, the cost of living in Jamaica is relatively cheap. So Jamaica can actually provide the most important factors in providing tertiary education relatively cheaply. (T3M)

Respondents also suggested that Jamaica leverage its existing relationship with many of the top universities in the US, UK, and Canada, and position itself to derive whatever benefits are available from liberalisation. Interviewee E7M added that discussion of the political economy of HE ought to be expanded beyond the issue of access, to supplying the world’s labour markets with Jamaican-trained foreign nationals. This is not new. This suggestion had already been discussed in Cabinet. Nevertheless, no initiative has emerged to take the idea further.

Yes, it has been mooted and I think that just about the time that Minister Knight went to the Ministry of Trade he argued that we should export training services. It was a slightly different model because I think that he was suggesting that we should train more people like nurses and teachers where we could keep some (based on our needs) and send some overseas. It is however easier said than done. For one thing, you need the capital investment to expand your capacity to train that much more - in order to get the numbers you need, and to have sufficient surplus to export (P2G).

Talk about possibilities has proceeded in an undirected way, but it’s not too late to take this issue forward. However, a sombre note of caution is also heard about the state of crime and its impact as a deterrent to immediate results. Generally speaking, crime in Jamaica is not associated with HE institutions and ventures. But the social challenge of high rates of violent crime is not lost on respondents, who see this as a major obstacle to
building a credible HE export industry. Whether developing an HE export industry is indeed a credible vision to pursue, a number of participants suggest that serious exploratory research should be undertaken

Some movements in that direction can be started but ... The bottom line is that we have to find our own solution because our circumstances are different, but we can look at other examples to guide us. But unless we get started we won’t change the status quo.

There have been suggestions made recently to institutionalise the training and export of [nurses and teachers] who become an asset in contributing to the economy through remittances. That’s one area, but as far as other service areas are concerned, we have not looked at them in a similar fashion. So where do we go from here. We need to do our research and come up with a strategy. The one successful example in this region is that of Grenada. We have explained to the public universities here that they need to compete but nobody is taking us on. They have been told that they need to disengage themselves from being solely immersed in issues like colonialism and slavery and take on strategies of development and growth. Although the University of the West Indies is a regional institution and somewhat like cricket is a part of our legacy, we need to move beyond that and begin to look outwards. (T1M)

At least there could be carefully implemented incremental improvements in the participation rate, in crime reduction, and in increased earnings from expanding the pool of foreign students.

So that presents a huge opportunity for Jamaica. Of course, the reputation of Jamaica with our crime problem presents a short term obstacle but not necessarily a long term obstacle. One can easily envision a virtuous circle where increasing access to higher education and falling crime support each other. (T3).

It was also noted that, Jamaica’s major public (as well as private) higher education institutions already attract students from all over the world. Most of these students are from other Caribbean countries, or from the US and Latin America. A small number also come from Europe and Asia - typically when family members are temporarily living and working in the country. However, the Minister of Information
warns that difficult social conditions have grown even worse over the past three decades. They now have attained global visibility that poses a major challenge to any strategy aimed at deliberately expanding Jamaica’s HE exports. He believes they may already have affected enrolments of foreign students at local institutions.

**Knowledge, Skill Migration and Remittance Flows**

Participants generally perceived the migration of graduates as another possible threat which is increased by the existence of GATS. Scholars describe this as the ‘brain drain’ phenomenon. Vincent-Langrin reports studies claiming that: in 1999 25% of US H1-B temporary visa holders had previously enrolled in a US university; close to 50% of Australia’s skilled migration stream in recent years have an Australian qualification; between 15% and 20% of former international students are estimated to live in Canada; and 27% of international students to the UK were working there six months after graduation. In spite of these studies, the author notes that data on the retention of international students in their country of study remains limited (Vincent-Lancrin, 2007). Policies directed to the importation of higher education services are therefore seen as an effective national development strategy. Foreign providers are credited with increasing the available options for participating in HE, for many developing countries, and helping to meet the rising demand for knowledge and high level skills in response to the needs of labour markets. This is a two-edged sword in that it offers Jamaicans the chance of a better job on the local market, but also possession of a foreign certification sought by many students to achieve their migration aspirations.

Many Jamaicans have a tendency to believe that anything from outside is better than anything that is local. It has always been that way. They believe that having the foreign business and professional certification will
make them more marketable. We now have more business graduates than Jamaica can absorb... Many persons pursue them because it is a foreign qualification but they cannot get into the countries where the institutions are affiliated. So they cannot use it there and they cannot get a job here because none is available. We need to ensure that our graduates can qualify for opportunities overseas because their standard is high enough, but we must also meet the needs locally. (E1S)

We have the University Council of Jamaica but it will need strengthening because I think a lot of these offshore providers have a craving for Jamaica because I also think that Jamaicans have a craving for higher education. It is very competitive to get into some of our institutions. I do not want to say that the standards of offshore institutions are lower but they do have more flexibility in terms of how they handle admissions etc. So they will admit persons and provide bridging programs, which is costly to the students. But I suppose they do not mind paying as they have a kind of psychological preference for foreign programs, particularly American programs, so that if some time down the line they wish to migrate, they already have accreditation that would make them more marketable. (E4S)

Skilled Jamaican graduates are drawn to the more developed labour markets that offer better opportunities and financial rewards. The lure of overseas labour markets has a historical basis and still influences Jamaica’s migration. Euro-American influences, dating back centuries, are blamed for Jamaicans’ outward-looking taste preferences and their desire for foreign HE certification (Roberts, 2003). The nation’s resulting loss of knowledge and skills is viewed as a very serious loss of much needed human capital. Education stakeholders were particularly concerned about this loss of scarce resources with no identifiable payback. Interviewee E2 noted, “A recent UN report suggests that 75% of Jamaican graduates migrate to other countries upon completing their degrees. So there is a real issue about what exactly are we financing.” Some respondents called for re-examination of the support given to public institutions and students suggesting, if necessary, that this support should be curtailed or eliminated. They argue that Jamaica is subsidising the education system of developed countries by the large number of graduates who migrate.
Well, a recent UN report suggests that 75% of Jamaican graduates migrate to other countries upon completing their degrees. So there is a real issue about what exactly are we financing because you are losing 75% of your student population and that is frightening. I suppose you could say that remittances come back to aid development and that is positive, so you may regard that as an opportunity. However, remittance flows have been shown to come primarily from those who are less educated and you are not seeing the returns from the educated class coming back into the system. So there are a lot of issues, and there are some emotive issues as well. (E3M)

It seems that political stakeholders are less concerned about the migration issue. Their general response - if at all possible, Jamaican graduates should be helped to reach their potential and gain the maximum possible benefit from their education. When the state has funded the students substantially however, there is the expectation that some return should be made.

I am a bit reluctant to pass strictures on graduates, as they should be allowed to pursue opportunities wherever they occur. At the same time, they have an obligation to the country, to the extent that the government made it possible through public support (P5O).

Nurses and school teachers are two professional groups trained at public expense. Many of these graduates migrate to the US, Canada, and Britain, responding to recruiting drives conducted by recruiters from these countries. Of all the Caribbean countries, Jamaica loses the largest share each year. Most participants agreed that this level of migration of skilled labour is worrying. Efforts to control it have been attempted in the past to no avail, but this needs to be revisited rather than acquiescing to this loss of the country’s pool of human capital. Lowell and Findlay report that there is no international system for recording skilled emigration. There is also no standard mapping for the use of the term ‘skilled’, with the result that it is generally interpreted according to the emigrant’s level of educational attainment (Lowell & Findlay, 2002). Skills migration is
often seen as a developing country dilemma, but in a special edition of *The Economist*, it was reported that developed countries also are affected by this phenomenon. It mentioned that Australia and Canada are two nations used as ‘entrepot countries’; they serve as a staging post in the world migration pattern. Migrants have come to these countries in order to then gain easier entry to the US – much knowledge and skills is lost this way. Immigrants pursue HE, acquire citizenship, then move to the richest job market in the world.

For Canada, membership of the North American Free-Trade Area has opened the door for a stream of southbound migrants. “They did a quick one on us,” complains Don DeVoretz of Simon Fraser University. “For every three Canadians heading south, only one migrant moves north.” Again, it is mainly professional people who go. “For the past five years,” Mr DeVoretz claims, “between 15% and 40% of each year's graduating class has headed across the border.” Once again, it is the stars who are most likely to leave (*The Economist*, 2002).

However, with terrorist activity in recent years, ‘brain drain’ is changing. The US is less receptive and the border with Canada is now more regulated. A migrant’s original country of origin has become a critical determinant in US immigration decisions, and some migrants are more wary of entering the US. Education stakeholders believe that, on a per capita basis, Canada attracts the largest number of Jamaican graduates through its aggressive recruitment policy of qualified professionals. It also attracts a growing number of international students from Jamaica into its HE programs. Again, this is not new. Long before WWII, McGill University in Montreal was second only to the University of Edinburgh, Scotland, in educating Jamaican doctors.

Remittances from those who emigrate is generally viewed as compensatory to the ‘brain drain’. Economists suggest it provides ‘balance of payments’ support, much needed foreign currency and contributes positively to per capita GDP of developing
economies. In Jamaica, remittances surpass every other sector of the economy including tourism. Interviewee T3M noted however, that adopting the free market model in HE has actually cost Jamaica. The economic argument for a country’s investment in HE is based on the premise that the potential economic benefits from graduates are significantly greater than the public investment in their education. Over their lifetime of work they will contribute a steady stream of taxes to the public purse. Their salaries are such as to yield surplus to their needs, providing investment funds to develop the economy and create new jobs. The expectations of their children will ensure a future stream of potentially highly skilled professionals, which in turn will ensure that all the social services, health, and education will have available, needed high skilled labour.

But foreign programs - even if the graduates return home or are students in a cross-border program provided locally - still drain much-needed foreign reserves through fees and other charges, particularly when graduates migrate and these are not replaced. Research findings also show that remittance flows into Jamaica from those living abroad, do not come primarily from professional migrants (Bussolo & Medvedev, 2007; Faini, 2007). They come from the less educated working class, who send funds to family units left behind. Those who pursue HE are more likely to completely uproot their entire family and sever ties with their home country, save for the occasional visit. Possible policy responses are complex and need in-depth research and analysis before any action. However,

It requires a vision for the sector and a supporting regulatory framework, but I think that the social challenges and the migration concerns are different sides of the same problem. (T3M)
The International labour Organization (ILO) suggests that through standardised
GATS commitments, and controlled recruitment from ‘at-risk’ countries, developed
countries can provide support to those that are unable to retain their own graduates and
provide much-needed knowledge and skills (Lowell & Findlay, 2002).

**Access and Equity - Opportunity or Threat?**

Respondents saw a great benefit to society in the more flexible procedures and
creative solutions implemented by foreign providers to meet the demographic and
matriculation needs of a wider constituency of students in Jamaica. This has not only
expanded the system but also allows participation by previously excluded groups.

It [Government] wanted to increase access. Many Jamaicans cannot gain
admission to the traditional public universities because of matriculation
and other challenges. The government is trying to encourage foreign
institutions to set up and offer Jamaicans a good education. (E7M)

If you can create a more efficient production system with a faster through
put (completion rate) then more students can be accommodated. That is
not the case right now so we cannot take more because the system is
somewhat clogged. The foreign paid programs where students self-select
do not have the same problems and therefore the same levels of stress.…

Our public universities are trying to reinvent [themselves] as we recognize
that the nature of the market has changed. We are also losing the better
students as they are the ones whose parents are better able to afford the
fees [of foreign cross-border institutions]. So we are having all sorts of
different issues and we are trying to work our way through it, recognizing
that it is no longer a simple process. (E3M)

Scholars tend to agree, but they also have noted that the demand for access on the
one hand, and ensuring equity on the other, are themselves often in contradiction. Badat
et al suggest equity is not the inevitable consequence of development; policies geared to
equity do not necessarily lead to development. As a distinct priority they advise pursuing
the expansion of access with the goal of economic development and growth. Growth
must not be correlated to the social objective of equity. Therefore, they advocate pursuing the goals as parallel policy objectives (Badat et. al., 1994).

Jamaican education stakeholders, however, see these issues linked to social development, rather than being solely regarded as economically contingent and ‘trade related’. In the opinion of interviewee E2M, the separation of these two policy objectives is the root cause leading to disparate roles being attributed to HE by diverse groups of stakeholders. They are merely articulating different dimensions of higher education’s contribution to society. S/he supports the view that the tension between equity and access has to be recognised and planned for, separately – as policy strategies- in order for both objectives to be achieved. But s/he believes ‘equitable access’, must be the goal of the implementation strategy.

One thing that they say is there will be greater access. These foreign institutions set up all over the place and are not in one place like the UWI or UTech. So people don’t have to go as far to attend their courses. They can also do them online if they have the right equipment and facilities. Some of these courses are held on weekends, so you come in for the weekend and the rest of the week you can carry on with your job ….

(E2M)

Jamaica, like many other poor countries, must balance the participation of foreign providers to maximise benefits and reduce risks. No simple or single solution exists and while recognising the opportunities, the appropriate regulatory framework is of paramount importance (Vincent-Lancrin, 2007).

**Jamaica’s HE Policy Framework**

**Overview**

For this thesis policy frameworks - the linkages of economic and social development goals and policy strategies vs. implementation strategies – were issues
revealed by the empirical information from the interviews and the scholarly literature, and the public policy discourse and documentary analysis. This is the fourth theme of the research. The countries around the world, over the past half century, have seen their economies restructuring traditional industrial and post-industrial economic bases, shifting from primary resources and manufacturing to services. Services have grown to account for some 70% of the GDP of developed countries, and a similar trend has been emerging in some developing countries (Team Canada Inc, 2005). Advances in technology and the uses of knowledge are the driving forces. They require a highly skilled, educated workforce in order to create and sustain growth and competitiveness.

HE systems have, therefore, increased in importance in response to this transition, and the emergence of the WTO – devoted to ‘freeing’ trade flows - has somewhat altered the regulatory role of the nation state. The development of public policy in support of political, social, and economic objectives is also adapting to changed circumstances (Payne, 2003). In a recent publication of the OECD’s Centre for International Research and Innovation, it was noted that cross-border HE involving the mobility of scholars, students, knowledge and values has been a part of the higher education landscape for centuries but has increased at an unprecedented pace in recent decades (Vincent-Lancrin, 2007). The opportunities for strategic alliances between nations, and the potential for expansion of human capital, are accompanied by the many challenges identified by participants including: potential for rogue providers or reduction in quality, lack of recognition of credentials and a new form of elitism.

Jamaica’s commitment of HE in its GATS schedule raised national concerns about the implications of this decision for the country’s ability to regulate the HE sector
in such a manner as to maximise the acquisition of knowledge and the development of its human capital to serve the country’s need for development and growth. With participants, the research for this thesis explored the challenges posed by the burgeoning international trade in HE, and the constraints imposed by WTO rules. It demonstrated that stakeholders and participants consistently share the generally “pro and anti” sentiments found in much of the literature; their views reflect the dichotomous nature of the debate and the unease with which the debate moves between emphatic disagreement and tentative agreement as specific issues are raised. When there are too many unknowns the ‘sands’ of traditional knowledge and certainty seem to shift constantly.

**Higher Education/Trade Analysis**

The WTO provides a governance framework and rules that govern Jamaica’s trade relations with other member states. The country must, therefore, recognise the market-oriented context of agreements like the GATS, and the economic aspects of providing services, including HE services. In these market interactions, HE providers are seen as ‘suppliers’ and students are regarded as ‘consumers’. This categorisation underscores much of the criticism directed at the WTO with its wealth creating focus, which scholars fear may constrain governmental authority and compromise education quality (AUCC, ACE, EUA, and CHEA, 2001; Currie, 2004; Knight, 2002; Schacter, 2002). Traditionally, national government ‘authority’ has been financially supportive, even protective, of their institutions which provide HE services (universities, colleges, institutes and the like), influencing through the purse, but at arms length when considering programs and the structures and governance by which they operate.
Members of Jamaican civil society, and specifically the education stakeholders participating in this study, argue that higher education, as all education, is a ‘public good’. It is uniquely important in the creation of knowledge and, therefore, in the development of human capital. These peculiar qualities should have excluded it from the kind of treatment used for trade in commodities, finance and other types of services that are regulated by the WTO. Participants and discussants raised questions about Government authority under this trade regime, and how it will now be exercised in pursuing policy objectives in the national interest. They fear the GATS Commitment might undermine government commitment to invest in public HE and ensure a quality system that is appropriately accessible to all citizens. Yet, the need for investment to expand access and improve quality is the case made for trade in educational services and the participation of foreign providers.

The OECD reported that overall improvements to the higher education system can have positive economic and social consequences and contribute to human capital (Kagia & Ischinger, 2007). It suggested however, that the role of cross-border higher education providers in the capacity-building strategy of poor developing countries must anticipate their role in the process and therefore predicated on knowledge of system needs and regulatory policies to manage their participation. In this regard, trade in educational services can be beneficial. Education stakeholders in this study are not suggesting that cross-border providers are of no value. In fact, other than the students’ unions, there were no voices calling for Jamaica’s withdrawal of the Commitment. The education participants’ prime concerns are largely with the quality of programs the cross-border
providers’ offer, and the need for an appropriate policy to ensure proper regulation and governance of the entire sector.

Now that the GATS Commitment has been made, the present foreign-affiliated providers believe that government has little choice but to facilitate expansion of the HE system through all means, including their programs, in order to address the increasing demand for access. While accepting that there are some negatives arising from the inadequacies of the Commitment, foreign providers are confident that the opportunities outweigh the threats. They also contend that the NT principle of GATS requires that they be treated comparably to public institutions, and that both the public and the private parts of the system combine in a symbiotic relationship to work towards a common goal, which includes educating Jamaican nationals for a global labour market because remittances provide an appropriate trade-off (E7M, T3M).

Their demand for similar treatment to the public system by way of subsidies and student loans has been rejected by the Jamaican government on the grounds that it is against public policy and is not in contravention of the provisions of GATS. Despite the quality concerns, participants view cross-border providers of HE as facilitating the expansion of access and contributing positively to the sector. Nonetheless, they were generally not amenable to the suggestion that public support be extended to foreign providers and their programs. This sentiment will no doubt influence consideration by government on the issue in the future. Politicians and trade stakeholders regard the commitment and the government’s stance on trade liberalisation as supporting, but not necessarily stimulating, the participation of foreign cross-border providers. The Minister of Trade sees expanding access as of paramount importance, and views the concern over
the increase in the number of cross-border providers and the providers demand for parity as of no consequence to the Commitment. The Opposition rejects the inclusion of higher education in the Agreement but are supportive of the participation of foreign providers (P4O, P5O).

The evidence of this study suggests that expectations of the Jamaican policy makers, when making HE policy decisions, have been based on some estimate of anticipated outcomes that are as much political, as they are social or economic. Mitchell suggests that if the economic value of HE to an individual increases over time, then the personal benefit of the education received is an investment by the individual in her/himself. That makes HE a private good, which like any other purchase or investment may turn out to be good or bad. But he further argues that efforts by policy makers to enhance the HE system for societal benefit also makes education ‘an investment good’ but within the public domain, and hence a ‘public good’. This, the author points out, is an important dimension of the political economy of HE, in that it is both an aggregate public good as well as an individual private good (Mitchell & Mitchell, 2003).

Small developing economies are advised to invest in their HE system in order to develop the human capital necessary to achieve economic growth. Economists regard this as a positive externality where the knowledge gained by individuals benefits the society.

Strategically there are two legitimate interdependencies in the knowledge acquisition process. There is first, the state’s national development objective; and second, individuals’ choice based on the quest for a better lifestyle for themselves and their families. HE adds economic ‘value’ to the individual if the specific knowledge is
‘sold’ for greater gain than could be obtained without the knowledge. Political challenges arise when individual objectives and national objectives diverge. Jamaica finds a large number of its nationals embark on studies in HE and then subsequently emigrate. Where this happens, there is a net loss to society in terms of direct financial investment, as well as the loss of knowledge from the nation’s pool of human capital. Even when economists acknowledge that all learning has non-monetary benefits (which may actually outweigh the expected monetary gains for many students) this notion of HE in terms of a public vs. private benefit is one that academics find hard to take – no less the HE participants in this study.

Whatever their category, most participants in this study regarded the task of pulling all the policy pieces together to be the responsibility of the Ministry of Education. For its part, the Ministry admitted that it was trying to understand the dynamics at play and the type of regulatory structure which would best govern the entire system of local and foreign providers. It is seeking to navigate the complexities associated with managing the participation of all the various actors, while remaining consistent within the perceived obligations of the GATS. The Ministry admits, therefore, that it is not in a position (at present) simply to ‘grab the issue by the horns and work it through’ - as one interviewee proposed. Rather, it prefers to cautiously build the capacity to lead through informed discussion. According to Bray (1993), the central policy issue is how to determine and regulate the services that should be developed and offered nationally, against those services that it is more beneficial to import.

The nature of the political landscape has always been central to the development of Jamaica’s education policy. The Minister of Trade and the Leader of the Opposition,
for example, saw the priority issues in a similar light as their trade stakeholders, while the Minister of Education and the Minister of Information voiced similar priorities to the education stakeholders. How the policy landscape might unfold was found to be dependent on the power dynamics that exist, and the relative power of individual policy actors within the system. Below is a diagrammatic representation of how the orientation of the stakeholder groups appeared to impact their perspectives on the policy priorities for HE.

**Figure 12 - Rankings: Stakeholder Perspectives on HE Policy Priorities**

<table>
<thead>
<tr>
<th>Trade Stakeholders/Trade Oriented Politicians</th>
<th>Education Stakeholders/Education Oriented Politicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Quality</td>
</tr>
<tr>
<td>Export Potential</td>
<td>Policy</td>
</tr>
<tr>
<td>Equity</td>
<td>Access</td>
</tr>
<tr>
<td>Policy</td>
<td>Equity</td>
</tr>
<tr>
<td>Migration</td>
<td>Migration</td>
</tr>
<tr>
<td>Quality</td>
<td>Export Potential</td>
</tr>
</tbody>
</table>

**Policy Priorities and Strategy**

This study demonstrated the conflicted understandings related to the liberalisation of education services. It illustrated that regardless of the context, discussions and issues about GATS around the globe are creating comparable confusion among trade and education stakeholders. To some extent, it explained the sometimes polarized nature of the debate, as the role of higher education in society is viewed through different lens. In
practice, however, public policy decision processes are influenced by the beliefs of policy actors and the power dynamics that exist in the system at any one time (Dale, 1989; Parsons, 1995). This was found to be the case in Jamaica.

Jamaica’s potential to export education services as a means to bolster the country’s economic base, featured prominently in the responses from trade stakeholders and politicians like the Minister of Trade. These participants were more supportive of liberalisation and accepted fully the notion of trade in HE. They saw the sector as a direct contributor to economic development - similar to the strategies pursued by Australia, New Zealand and Grenada - and felt that Jamaica could better exploit opportunities in the promotion of the country as a destination for foreign students. They were less concerned about the policy environment and educational quality. Therefore, these were not central themes in their responses.

Conversely, the education stakeholders saw the sector more in terms of its contribution to the development of social capital. Therefore, issues of quality and policy development were major concerns. They were less excited about the possibilities of an education export industry and they were generally against liberalisation if it led to the inclusion of HE in a trade regime. These differences among the stakeholders who were participants in this research underpin the dichotomy found in the literature between the trade and education scholars on the pros and cons of GATS.

In addition to pushing the liberalisation agenda at the WTO, countries like Australia have put in place, bilateral education trade agreements with other countries in pursuit of specific outcomes (Ziguras, 2003). Discussants and participants in this research saw the need for Jamaica to develop its human capital, in order to strengthen its
social and economic base and derive benefit from the global system. It is disappointing, however, that most participants did not share some ‘vision’ for the sector. They did not envisage strategic ways to leverage higher education to achieve the types of outcomes advocated by UNESCO and the World Bank (UNESCO, 2002a; World-Bank, 2000).

Jamaica has been providing cross-border education for the rest of the Caribbean since the 19th century, but it has failed to propel the sector into an economic force. None of the discussants or participants advanced ideas on how potential opportunities should be pursued - especially in the face of a very high crime rate and the absence of an HE policy framework and regulatory/representative process to capture and describe the emerging nuances of the sector. This is despite Jamaica currently standing its best chance of leveraging the heightened profile of the WTO to develop a strategy for attracting institutions that are recognised throughout the world.

Education stakeholders see HE as a public good that is integral to Jamaica’s stability and long-term development, but feel threatened by the Commitment and lack of confidence in the country’s ability to govern the sector without constraint. They believed cross-border provision presents an opportunity for increased access but are very concerned about the risks associated with issues of quality, relevance and the government’s financial support for the public system.

Canussus (1993) argued that the dynamics of increasing cross-border flows in HE curtails the state’s ‘sphere of influence’ in a relationship that is politically niched. This contention was reflected in concerns expressed by the interviewee P5O that a possible outcome of the current trend of liberalisation of HE would shift the role of the state in the ownership of the infrastructure and management of the sector. He wondered whether the
social responsibility of a Jamaican government - to discharge an obligation imposed by the electorate - may not be compromised by the GATS. Another concern that was expressed by respondents involved the emigration of graduates and whether the country was in fact subsidising richer developed countries who were the beneficiaries of this migration.

Generally speaking, this was not a major issue for most persons except for some concern that it came at a net cost to Jamaica. However, politicians in both Government and Opposition did not believe Jamaican graduates should be hindered from seeking the best possible opportunities available. Given the traditionally partisan nature of Jamaican politics it was surprising to find that, even publicly, both Government and Opposition politicians are more interested in unpacking the policy implications of the GATS, and how to move forward in the best interest of the country, than seeking political mileage from their differences. Primarily these relate to the extent to which they see government as being constrained when acting in the national interest - whether in trade or in education. Both are hopeful that the multilateral process will unfold in a manner which can support the country’s objectives.

Participants in this study were generally in support of Jamaica’s participation at the WTO despite their concerns. They were anxious to engage the issue of Jamaica’s HE commitment, now that it was in the public domain.

The most surprising finding arising from this research is the absence of clear leadership in the dialogue. Respondents outside the Ministry of Education believed that it is the Ministry’s responsibility to provide governance, framework and leadership for the sector, and guide the discussions and manage the process in a beneficial way.
Ministry of Education officials on the other hand, felt ignored and ‘outside’ of the decision process (E1S, E2M, E4S). They are peeved that during negotiations they were not consulted and clearly feel that the Ministry of Trade should include them in future GATS-related deliberations. However, in spite of the high profile of the public discussion and the involvement of parliament in the issue, there is still a noticeable lack of coordination, leadership, and strategic purpose.

In response to the need to fuel more intellectual debate towards greater enlightenment about the issues, the Tertiary Education Unit of the Ministry of Education is planning to hold a conference that will bring together all the HE stakeholders, in an attempt to forge a strategy including the implications of the GATS. The intention is to use this forum as the platform from which to develop a process, in which the HE establishment will be centrally involved - one that will support the development of the policy framework to govern the sector.

The Research and Policy Group of the UWI is similarly planning a symposium to examine the impact of the GATS on higher education. Interviewee E3M noted that some Jamaican scholars have written about the WTO. Some have examined the impact of a Free Trade Area of the Americas on Caribbean economies. The academic community has also been involved in looking at the CSME at the level of the CARICOM secretariat. But, unfortunately, there has been no coordination of effort; they (academics) are not sufficiently seized of the potential dangers and implications of the GATS. There is a need to pull it all together and with a degree of urgency.

This research also found that the culture of exclusivity persists. Attention still had not been given to examining the role of the HE sector in a broad societal and economic
context. Only a few of the higher education stakeholders were aware of the importance and urgent need for this task. By not pulling together related complementary discussions, even while contemplating a forum and symposium, this research suggests that there is still a lack of much needed leadership and coordination.

It is possible that Jamaica can mitigate the potential negative impacts from its GATS commitment, by leveraging its membership in CARICOM and offset some of the risks. The variation in commitments and practices across the region presents challenges with coordinating a unified position (Roberts, 1999). However, the region is actively fashioning its deliberations as a safety net to dealing with the multilateral community, particularly as a result of the DOHA Round.
CHAPTER EIGHT

Findings and Conclusion

This Chapter has three sections – the first gives a summary of the research findings, which was undertaken to answer questions posed in Chapter One; the second briefly considers needed further research; and, finally, my personal conclusions are presented. Long before Jamaica’s negotiators had to contend with the Uruguay Round process, Lyotard (1984) commented “… knowledge is and will be produced in order to be sold; it is and will be consumed in order to be valorized in a new production: in both cases, the goal is exchange. Knowledge ceases to be an end in itself; it loses its use-value” (pp.4-5). The GATS now acts as the framework within which this production and sale of knowledge occurs. It defines the modes for the exchange. Foreign providers respond as ‘suppliers’ of HE service, responding to the emergent demand of ‘consumers’. The lucrative and growing international trade informs and refocuses the former model of internationalisation and the cross-border provision. It now raises the spectre of institutions of the rich countries dominating HE in the same manner as they dominate other industries. Students studying abroad are the most visible, profitable and best-tracked aspect of the expansion in cross-border education. Arnold asks the question, whether HE in the twenty first (21st) century is heralding a border-less world of knowledge and understanding, which will yield reciprocal benefits for all nations (Arnold, 2001).

John Maxwell, a noted journalist who served in Manley’s administration during the 1970s, raises a note of caution. He warns that the GATS is a continuation of the same kind of promise of the benefits of ‘globalisation’, that was embodied in the IMF
structural adjustment programs. Writing in the newspaper JAMAICA OBSERVER for December of 2003, he reminded readers that the IMF policies were supposed “…to get inefficient governments out of the way of development, empowering the private sector… creating employment and making everybody better off.” Instead, he argued, the policies had the opposite effect resulting in the governments now being forced to spend more on debt repayment and less on education and health services (Maxwell, 2003). Maxwell suggests that the GATS represents a continuation of the destruction of the local education system, through rules requiring the government to treat foreign-affiliated providers in a similar manner as local ones. He is cynical of the hype regarding increased access. He sees GATS potential to transfer wealth to foreign institutions, as similar to IMF policies that resulted in a transfer of wealth from poor nations to rich ones.

**Summary of Research Findings**

The research for this thesis found that Jamaica’s comprehensive HE arrangements are the result of historical, political, and social drivers, with GATS having, thus far, no influence on the way in which the system developed. Emergent processes which are now becoming evident are fundamentally a response to the dynamics of the broader political economy at work in the society. Nevertheless, the country’s experience with LOME IV suggests that, having made the GATS commitment in HE, it cannot ignore consequences that may arise to change the way policy makers are wont to regulate and manage HE. Unlike LOME IV, the Jamaican government’s understanding of the contentious provisions of National Treatment and Article I.3, found in GATS, are consistent with articulated positions of the US and Australia. This may have provided a measure of comfort to the Ministry of Trade, but having filed a technical amendment, they are not
relying on the “preponderance of the arguments at Geneva and within the international community” as reason to be lax. They are continuing to explore their options but are unlikely to consider withdrawing the Commitment. The evidence suggests that Jamaica is learning from its experience of ‘globalisation’; its stakeholders are more wary, if not yet more effective. In the DOHA negotiations, the country has emerged as a leader among a grouping of Caribbean and small African nations.

Various reasons have been found in the literature to explain the commitments of developing countries - expansion to meet growing demand; re-allocation of costs; academic enrichment; enhanced quality; provision of specialist knowledge; and greater equity (Sadlak, 1998; Sauvé, 2002b). Choosing to complement the national higher education system with cross-border provision presents policy challenges that these countries need to understand and incorporate within a framework that facilitates the desired outcomes (Vincent-Lancrin, 2007). The bottom line in all the responses was a conviction that the critical dialogue between Jamaica’s Uruguay Round negotiators and education policy actors was lacking. Even more crucial was the absence of a policy framework that could have given structure to the deliberations, providing clarity on underlying issues, and an appropriate and informed decision process for crafting the commitment. Arising from this theme is awareness that the current policy process is flawed. Considerations underlying the commitment were based on the power location of the negotiators in the government’s policy development framework. The trade negotiators were able, independently, to set an HE agenda based on their own experience and beliefs, without needed expert consultation.
Based on the interview responses, it is evident that the majority of participants believe that Jamaica should *not* have included HE in its GATS Schedule of Commitments. Even those who support liberalisation agree that there was no cohesive strategy and the negotiators lacked sufficient basis on which to have made the commitment. Nevertheless, many interviewees explain the negotiators decision, by seeing the commitment as a facilitator of access to higher education and, therefore, not entirely unfortunate. The country’s free-market culture and openness to liberalisation are regarded with approval, as the philosophical context guiding the commitment – even though some research participants were sceptical that the sought after expansion in access would materialise. It is this willingness to embrace the decision, after the fact, which presents an opportunity for Jamaican policy makers to develop the necessary regulatory framework to support national goals.

Opposition parliamentarians, while supporting Jamaica’s membership at the WTO and the participation of foreign cross-border higher education providers, criticise the commercialisation of education, and the lack of a bipartisan approach to international treaty arrangements. They acknowledge that governments of both parties, when in power, have been guilty of forging ahead unilaterally on matters related to Jamaica’s long-term development. This culture of exclusion along political party lines is seen as a major deficiency when engaging in international negotiations. Steps have been taken to ensure better collaboration and consensus building regarding WTO deliberations. The response from participants about this evolving process suggests that the debate kindled a greater desire for meaningful participation among stakeholders.
Developing the human capital through strengthening of the HE system is viewed as critical by participants and discussants. Interviewees noted that New Zealand and Grenada have framed clear policy statements about the role of cross-border higher education in meeting their development objectives. To-date, Jamaica’s education discussions have focussed on participation rates, credentials, migration and quality. Developing strategic linkages with the country’s broader social and economic structures have not been attempted in any comprehensive manner since Manley’s JAMAL and Seaga’s HEART initiatives of the 1970s and 1980s. Jamaica’s interests might be better served by bringing higher education into the mainstream trade discourse.

Understanding the influence of the GATS, and the pre-existing processes of the state, demand an analysis of the assumed obligations under the Agreement, within its systems of control and without overstatement (Finkelstein, 1995; Knight, 2002). So in June 2005, when Jamaica’s political opposition raised the matter of Jamaica’s GATS commitment in parliament, the intent was to pressure the government to respond directly to questions about its ability to manage HE in accordance with national priorities. Sceptical of government assurances, the Opposition still question the process that resulted in the commitment and the implications of the Agreement. The Leader of the Opposition, reported to Parliament that Jamaica’s representative to the WTO suggested at a meeting in Brussels just days earlier (June 2005) that the country did not have the requisite technical expertise to make the commitment, and ought not to have done so. That claim has not been denied.

It is this general admission that Jamaica lacked sufficient capacity to weigh the potential effects of having entered into a GATS commitment that really calls into
question the systems of regulation and control that frame the country’s policy process. The purposefulness, cohesion and foresighted skills of the more successful delegations to international summits demonstrate Jamaica’s need to have a policy framework that adequately supports the nation’s acquisition of human capital. The kind of shared knowledge between industry experts and trade representatives, which was arguably the most effective process to ensure strategic outcomes in commodity trading, needs to be developed for HE service trading. This is very important for Jamaica because the WTO, through its various agreements, has the potential to affect the regulatory authority of the government.

A coherent policy framework seems to be especially necessary for small poor economies. Like their rich neighbours, these nations need to be able to analyse the risks, develop appropriate regulatory mechanisms, and protect their national interests. Only then can they determine the appropriate system and interactions necessary to maximise the desired outcomes. Participants in this research agreed that having a clear policy objective might have resulted in the GATS commitment being more closely linked to the country’s development needs. However, there was no process in existence which might have inspired and supported the type of dialogue necessary between the higher education policy makers and the trade negotiators. Therefore, there was no basis for comprehensive prior discussions to forge an integrated approach to negotiation talks. The social and economic significance of HE required these discussions be held to ensure the sector maintains its international competitiveness. Quality assurance emerged as a major concern for education stakeholders. The complexity of Jamaica’s HE system and increasing foreign provision require policy makers move swiftly to establish accreditation
measures and criteria to safeguard the interests of students and preserve the reputation of the system.

The potential for brain-drain, to constrain Jamaica’s attempts to develop human capital through higher learning, looms as a major challenge that it is feared will be exacerbated by trade liberalisation of higher education. Developing countries experience a net loss of their graduates and Jamaica has the highest level of outward migration among Caribbean nations. This loss might not be offset by remittances which in large part is believed to finance consumption rather than development. One consequence is lack of capacity to be effective in the international arena, a problem which the ‘development friendly’ structure of the GATS is meant to ameliorate.

Developed countries however, are said to act in their own self interest and are quite willing to wield their power, while ignoring the development issues of poorer countries (Fleshman, 1999). Poor countries allow this to happen when they enter talks handicapped by inadequate preparation. In this case, with no strategy or process in place, the significance of the relationship between the role of higher education in Jamaica’s social and economic development and the implications and interpretations of the GATS were simply missed. Some government ministers were critical of the lack of ‘due diligence’ in crafting the commitment, but the consensus among participants was that the negotiators acted in good faith and, ill-prepared, did their best in the circumstances. There was reluctance to make them ‘scapegoats’. What is now required is consensus and clarity regarding the role of HE in the country’s national development strategy and further examination of the commitment in relation to this defined role.
Education stakeholders acknowledged that they were caught off-guard. They only became aware of the possible risks of the commitment when civil society engaged the issue. In this they are not alone. The HE sector has been accused of historically disengaging from the public policy process. Their detachment from the global attention focused on the GATS continued for some time. It was long after sections of civil society had made the Commitment a public issue, that the HE voice was raised. Jamaican public opinion and regional discussions now play an increasingly visible role in the regulatory framework being contemplated. It is high time the knowledge and expertise of academics was used to effectively inform these discussions. Unfortunately, Jamaica’s HE sector had no clear policy strategy that could have been invoked during the Uruguay Round – a strategy that put conditions on the Commitment, directing foreign providers to desired programs and areas, while using the required quality standards to control undesired access. The elitism of academe referred to by one interviewee may still present a challenge to open and frank debate.

This research suggests that the HE commitment had its genesis in the country’s political culture of liberalisation, and the belief by negotiators that there was a need to expand access in the sector beyond what could be achieved by locally available human and financial resources. In this research, politicians, and education and trade stakeholders felt the commitment might not be in Jamaica’s best interests and ought not to have been made., but this was ‘after the fact’ thinking. It was not buttressed by a priori evidence. These groups, from whom expert leadership should have been visible, were ‘caught napping’, and were themselves reduced to speculation similar to the ‘lay public’ – even though they should have been invaluable as ‘experts’. Nonetheless, they
did not call on government to withdraw the commitment. They exhibited a genuine
desire to understand the issues in order to safeguard the national interest, even though
there was divergence among the stakeholder groups on the role of HE in Jamaican
society. All (after the fact) saw opportunities and threats posed by the participation of
cross-border providers and showed a willingness to engage discussions that might
maximise the opportunities and minimise the risks. Each of the three sub-groups saw the
importance of expanding access to HE, and agreed there was need for a framework to
govern the sector.

However, this study found differences, based on their orientation, in how these
stakeholder groups understand the role of higher education and its place in the policy
priorities of Jamaica. Those with an interest in trade affairs see the issues primarily from
an economic standpoint; the considerations for expanding access to higher education are
underpinned by the need for human capital to help achieve economic growth. From their
perspective, this is the nation’s first priority. They see export possibilities for the HE
sector and opportunities in providing support for skills training for overseas labour
markets. Stakeholders from an education orientation see these issues from the
perspective of social development and national capacity building. Therefore, the priority
issues are the quality of the HE product and education policy landscape – including
control over foreign providers and programs. The politicians were in both camps and
torn by (apparently incompatible) public demands. Bridging the tensions and balancing
the discord is, however, necessary to find the policy solution that will best serve
Jamaica’s needs.
Areas of Further Research

A significant limitation to Jamaica’s policy development is the absence of sound recurring research to provide up-to-date information for key areas of decision-making. One area that is speculated on a lot, but where there is an absence of solid evidence, is the rationale behind the choices made by individuals who enter foreign affiliated programs. There are no data that capture the choice process of these individuals, such things as: anticipated outcomes; scheduling needs based on professional or family demands; place of residence in relation to the location of the program; and access to technology. Aligned with the need for such research is that whole area of knowledge about migrants, the story behind the migration decision to go abroad, and an accurate time series of statistics on graduates lost, where they go, and what they studied. It is generally accepted that the migration rate is very high.

For years Jamaica has been depending on other countries and international agencies for information about its own people. Much of the information presented in this thesis was gathered, analysed and reported by foreigners for their own purposes. How can Jamaica attempt to identify trends and anticipate events, if it cannot measure, monitor and map its own conditions? Based on previous research by organisations like the World Bank, figures on emigration of degree graduates, range from 70% to 80%. Missing from any report on migration patterns is an attempt to correlate the migration decision of graduates with the decision choice to participate in higher education in the first place. Policy makers need to understand the dynamics of the movement of Jamaicans – both within the country and out of it – in order to make good policy choices on HE related to access, equity and the labour markets.
Another whole area that needs investigation relates to foreign providers’ decision to deliver programs into territories other than their own. The literature advises that flows that were driven by ‘not for profit internationalisation’ are now being influenced largely by the shift to generate revenues through trade. What is missing are data that show the specific causative factors that are at play at the institutional level and how these translate into a decision to undertake the necessary investments in becoming a cross-border provider. It would also be instructive to quantify the returns to both the institutions and the importing nations. Jamaica, like many developing nations, simply does not know enough about these HE providers.

**CONCLUSION**

Services are an important part of a modern economy. In recent years the growth in trade in services has been greater than in merchandise, and the trend is expected to continue in the foreseeable future. Developing economies are participating in this trend, primarily in the service industries of tourism and transport (WTO, 2005a). The creation of the GATS recognises the growing significance of the trade in HE services for the expansion of global wealth, making it important that in pursuing their growth and development needs, these governments recognise the implications of the global trading system.

Education, more than any other service, is considered to have been critical to the economic development and growth of wealth in the rich countries of the 19th and 20th centuries. Governments, in many parts of the world, function as the primary providers at
all levels of the education system. However, the legally binding nature of the WTO agreements is causing concerns regarding the potential impact of the GATS on national education systems around the world. Whether the effect of GATS will be generally positive or negative is not clear. Much of the opposition to GATS commitments in HE, centres on the perceived threat to the role of government. Particularly in small economies, questions arise as to government’s ability to implement policies to regulate and manage the sector in the national interest. It is, therefore, considered an imperative that these small states understand the policy implications of GATS for their education sector, even if they have already made commitments. Only then can they ensure that the HE system serves the public interest and fosters the realisation of the nation’s economic, social, and physical development needs (World-Bank, 2000).

Calls have been made to rebalance the current multilateral trade landscape that was framed by the Uruguay Round (Khor, 2006a). One concern is that the demand to liberalise the higher education sector of poor countries is coming from rich industrialised countries which would benefit from attracting the skilled labour produced by increased HE (Education International, 2006). However, not much progress is being made on such issues and, in fact, the pressure is increasing for developing countries to liberalise their services sectors. Khor believes that, led by the US, the DOHA negotiations have veered away from a ‘development’ orientation intended to assist poor nations to modernise and grow, towards a ‘market access’ direction beneficial to rich nations - one which re-directs highly skilled labour flows.

This research answered some of the questions raised about Jamaica’s rationale for making the GATS commitment in higher education, and the understanding of negotiators
during the Uruguay Round process. It has highlighted the issues and challenges faced by small developing countries making higher education public policy decisions, but it has raised more questions and encountered more confusion than anticipated. Political scientists and economists, over the years, have described concepts to help clarify aspects of public decision-making processes. They see the function of the nation state, in the multilateral dynamic of the WTO, as shifting away from being the provider and financier of higher education towards being more regulator and facilitator. But not all nations are at the same starting point. The richer countries have already ‘modernised’ and can protect themselves from new forms of exploitation even as they continue to advance their interests at the expense of poor developing nations.

Some countries have introduced regulatory structures and provisions to cope with the new modes of providing higher education services. They ensure the quality, relevance, and competitiveness of their own sector. Australia is a good example. It has introduced a framework for foreign providers that protect its own students and institutions. Called the - “National Protocols for Higher Education Approval Processes” it was approved in March 2000, and is a key plank in a new national quality assurance framework for Australian higher education. The protocols were designed to ensure consistency and standards in the recognition of new universities, the operation of foreign providers in Australia, and the accreditation of programs offered by non self-accrediting providers. Hopper (2007) suggests that whereas national accreditation systems and regulatory frameworks should reflect national objectives and priorities, developing countries should draw from approaches like Australia.
This could be a great reference point for Jamaica to engage in necessary policy discussions. The government professes its commitment to develop the country’s human capital with the support of cross-border higher education providers. However, its historical position as a champion of liberalisation and free trade in the Caribbean has not, so far, translated into a strategy that reflects HE’s contribution to society as a principal driver of national development. What is needed are annual targets for the increase of student places, by type and level of skill (diploma/degree), and provider (local/foreign), related to its job-creation plan which shows where (at what level, in which industry sector) the estimated numbers of graduates – over a specified time frame, say five years – will be hired. What is also needed is compelling evidence that this planned increase in access is feasible and affordable.

Bhagirath Lal Das, a former Ambassador of India to the GATT and a former Director of UNCTAD’s Trade Programmes Division, argues that developed countries are the real beneficiaries of the liberalisation of services because there is very little supply capacity in developing countries (Lal Das, 2006). But, without the necessary research, the actual ability of the poor nations to supply - even with the help of foreign providers - the needed additional student places cannot be demonstrated. What precisely, in the case of Jamaica, does “very little supply capacity” represent?

Lal Das may indeed be correct that developing countries are the targets for much of the negotiation strategy of exporting countries, and throughout the failed DOHA Round, countries like Australia have been attempting to remove what they consider to be ‘barriers to liberalisation’. Lal Das further states that the implication of the GATS commitments by developing countries should be viewed in the context of the vast
differential in capacity between developed and developing countries in terms of knowledge, resources and supply (Lal Das, 2003).

Whether small poor countries like Jamaica will ever be able to participate equitably in the global arena is unproven. What has undoubtedly been proven time and again over the past half century is that ‘aid dependency’ is not the solution to the problem. Surely even poor nations can learn from experience! Documented history suggests that they can, and they do.

Collaboration at the WTO by these countries recently enabled them to push some of the development needs that they identify, when they rejected efforts of the developed countries, during Doha Round negotiations, to impose new arrangements that are not in their best interests (Khor, 2006b). Khor reports that proposals targeting Mode 3 (commercial presence) and an improvement in each country’s overall commitments, supported mainly by developed countries (including the US, EU, Japan and Australia) were resisted and, therefore, were not adopted. Writing for Third World Network, Khor claims that these proposals would have removed many of the current development-friendly aspects of the GATS. They were rejected by the majority of developing countries, even though they found themselves under immense pressure. The proposals were kept off the negotiating agenda - for now - at the Hong Kong Ministerial Conference.

Lal Das considers, however, that developing countries remain under the gun; since the developed countries will continue to aggressively push their liberalisation agenda. Lack of movement on key issues championed by developing countries is the means used by their more powerful counterparts to try to obtain acquiescence. Lal Das
believes that the Hong Kong summit further skewed the power balance against poor
countries and only if they can find the political will to unite for redress will the trend be
halted (Lal Das, 2006). With Brazil and India leading the way, developing countries are
trying to push back, but what might well happen is that the small developing nations will
be forced to choose between two power blocs, and there is no reason to believe that
China will be more sensitive to the needs of Caribbean nations than the US has been.
Jamaica might once again find itself of strategic importance - as China’s international
trade in commodities moves aggressively to counter US influence in places like Africa
and the Caribbean and proves to be just as self-serving as past colonial history and the US
during the Cold War.

Jamaica, therefore, finds itself at a crossroads in terms of facing two-nested
dilemmas – how can it create a vision for higher education and decide on policies that
will support the vision, while honouring the participation of all stakeholders in the
process? The country must be mindful of the traditions and needs of its own HE system
and how well it can serve part of the demand for access. It must also be mindful of the
existence and implications of the GATS to which it is already committed, while also
ensuring that it exercises reasonable control over foreign providers. Creative solutions
are needed and much can be learned from past experiences to develop a strategy for the
future.

In contemplating its higher education policy options and designing its policy
solutions, Jamaica has to face the reality of the existence of the WTO. Opting out is not a
viable solution. Today this institution has the biggest impact on world trade and will
likely have the biggest impact on the development of higher education in this century.
Joining the World Bank and IMF, the WTO and its agreements now seem likely to be intertwined with Jamaica’s multilateral challenges for coming decades. Past rulings of the WTO have put the country’s primary agricultural export sectors into decline and caused numerous job losses and loss of livelihood. Now once again Jamaica must contend with the reality of being a small developing country in a global space, where more powerful countries are better able to dictate the terms and pace of participation.

Boyd (2002) sees the GATS as an opportunity for countries like Jamaica, to re-examine the values underlying their HE system in order to adapt them to the changing political, social and economic environment. The articulation of historical and emerging structures and institutions is the key response needed to manage the new patterns of social and institutional interaction, in order to maximise opportunities and cope with constraints. The widely accepted premise – if true - that development of human capital is the key to achieving economic growth and social cohesion means that Jamaica cannot afford to ignore the opportunities presented, if they are to accommodate their population expectations and preserve their traditional values.

Particular challenges for Jamaica arise from its high level of violent crime and its high rate of graduate migration. In all future plans these contextual factors must be taken into account. Having released an initial higher education strategy document at the end of 2006, the country now has a basis for discussion and analysis, in order to develop the appropriate policy framework. For success it is critical to design structures that build on the ones you already have, ones that provide leadership, that ensure a broad spectrum of stakeholders are brought into the process and approve the goals, that allocate responsibility so that everyone knows who is supposed to do what. An accountability
expectation needs to be spelled out, so that everyone agrees who will be held accountable for the successful achievement of what. The policy documents must embody the strategy, vision, purpose, and objectives of the changes envisaged for the HE sector. In a real sense HE has the potential to be the catalyst for the country’s economic and social revival.

Jamaica is not the only country that will have to manoeuvre itself out of its current difficult socio-economic situation, using higher education as the lever to facilitate recovery and prosperity. Gould (1972) observed that the question for policy makers is how, and to what degree, governments should influence the educational process within the context of their participation on the world stage. Unfortunately, there are no ‘a priori’ set of principles, decisions and actions that will ensure success. Ultimately, a successful outcome depends not only on a coherent policy strategy that takes into account the country’s politics, history, and cultural and economic realities, but also one that enjoys broad support of stakeholders and the general public.
BIBLIOGRAPHY


AUCC. (2003). An Update on Canada’s Position and Implications for Canadian Universities. Ottawa, Canada: Association of Universities and Colleges of Canada


Ziguras, Christopher. (2003). *Submission to the Senate Foreign Affairs, Defence and Trade Committee Inquiry into the General Agreement on Trade in Services*. Victoria, Australia: Association for the Public University.

APPENDICES

Appendix A

Education stakeholders and politicians may be asked some, a variation of, or all of the following questions.

- How do you perceive the role of higher education (HE) in Jamaican society today, and how do you see this role contributing to national development in the future?
- What is the responsibility of government in regulating or managing the sector? What do you consider to be the most significant policy issues and how are their impacts monitored and evaluated?
- How is HE policy developed in Jamaica and who are the participants involved in the process or whose input is sought or obtained?
- Why was higher education included in Jamaica’s GATS commitments? What was the process leading up to the making of the commitment?
- What do you consider to be the impact of the availability of resources on issues relating to access and equity of opportunity, and on the quality of HE outputs? What policy response would be considered necessary to fulfill the country’s strategic objectives?
- What opportunities and threats do foreign HE providers present and how do you see their role in the sector? Should government policy be different for these institutions than publicly supported ones (such as the provision of subsidies)...why or why not?
- With the increase of foreign affiliated higher education providers, how do you see the sustainability of publicly supported institutions and programs arising from competition for students? What are the associated risks?
- In what ways do you see the General Agreement on Trade in Services as an opportunity or threat to the country’s HE sector?
- Does GATS pose any challenges regarding the government’s responsibility to the sector and national development?
- Could you comment on Jamaica’s commitment of HE in the GATS ‘Schedule of Commitments’ and how has the considerations changed or remained the same?
- Should the Ministry of education be specifically included in crafting the negotiating strategy in applicable multilateral trade discussions such as with the WTO... why or why not?
Appendix B

Trade policy stakeholders and politicians may be asked some, a variation of, or all of the following questions.

- How do you perceive the role of higher education (HE) in Jamaican society today, and how do you see this role contributing to national development in the future?
- Do you perceive any linkage between the role of HE, its contribution to national development, and trade policy outcomes and/or development?
- Why was higher education included in Jamaica’s General Agreement on Trade in Services (GATS) commitments? What was the process leading up to the making of the commitment?
- In what ways do you see GATS as an opportunity or threat to the country’s HE sector, and does GATS pose any challenges regarding the government’s responsibility to the sector and national development?
- Given the increase in foreign affiliated higher education institutions and products being offered locally, what is your perception of whether or not a trade policy response might be appropriate in the current or any foreseeable circumstance?
- Has the considerations regarding Jamaica’s commitment of HE in the GATS, changed or remained the same? If not, why not, and if so, how?
- Should the Ministry of Education or policy level educators, be included in crafting Jamaica’s negotiating strategy in multilateral trade discussions affecting education, such as with the WTO… why or why not?
- What negotiating objectives related to education, are being pursued in trade discussions at this time and how are these developed? Who are the participants and whose input is sought or obtained?
- Does the current WTO negotiations, pose any particular challenges or raise issues that you envisage might have implications for Jamaica’s conduct of its HE sector?
Appendix C

INFORMATION LETTER

“Jamaica’s Higher Education Commitment under the GATS”

Dear Sir/Madame,

I am a graduate student in the Adult Education Department at OISE/UT and I am completing this research study as part of my PhD degree requirements under the supervision of Professor Karen Mundy. You are being invited to participate in this study titled “Jamaica’s Higher Education Commitment under the GATS”, which examines the implications of the General Agreement on Trade in Services (GATS) on the development of higher education policy in the Caribbean. This study seeks to better understand the significance of higher education in the national policy discussions, and the political processes shaping the higher education policy framework necessary to meet the objectives of small developing countries, while satisfying the legal and regulatory requirements of the GATS.

During our initial telephone conversation, I explained that you are being asked to participate in one semi-structured interview with me, lasting approximately one hour, at a time and place convenient for you. Your permission is being sought for the interview to be tape-recorded and to facilitate access to any materials that will enhance the content of our conversations. These materials include economic data such as GDP and labour market information, higher education statistics such as participation and completion rates, and policy strategies and performance indicators. As explained, participation is completely voluntary and you are free to answer all, some, or none of the questions posed to you during the interview. Your refusal to answer any question during the interview, or your refusal for the interview to be tape-recorded will have no negative consequences nor disqualify your participation in the study. You are also free to withdraw at any time before or during the process. If you withdraw, I will not use any information or materials that you have provided.

The risks associated with this study derive from your provision of public information on your organisation and the likelihood that you may be identified in the published results. If you agree, no attempt will be made to conceal your identity, which will be made known in written data from the study. On the other hand, if you prefer, your individual privacy will be maintained in all published and written data resulting from this study through the elimination of any sensitive data or identifying features that you deem should be excluded. A careful coding system is used on all interview data and the data stored separately from the coding information. However, you must be aware that I cannot guarantee your anonymity given the unique nature of your office and therefore it is very likely that you will be identified after the research is completed. The benefits from your participation in this study include the knowledge you will glean that may enhance your contribution to higher education policy in the future. There is also the possibility that you may be disappointed by the findings that result, as these may turn out to be of little useful scope for you to apply personally. However, your contribution to the scholarship that examines the implications of the GATS on developing countries, will significantly impact policy development discussions in higher education, and will add to the body of literature dealing with comparative information about the impact of multilateral organisations on higher education policy in the region. I may therefore publish or make public presentations based on excerpts from, as well as the entire study. Your permission will be sought for direct quotations arising from the interview. A summary of the results will be made available to you by e-mail, and the complete study may be obtained on request, as well as any published works or public presentations resulting from the study.

Simcoe Hall 27 King’s College Circle, Room 10A Toronto Ontario M5S 1A1 Fax 416-946-5763
Apart from myself, only my thesis supervisor will have access to the raw data gathered during this study. I will be the only person to have access to both the raw data and the transcripts. Tapes, transcripts and codes will be stored securely for a period of five years after the study, and then they will be destroyed.

Examples of questions that I would like to ask you include the following:

- What do you perceive as the role of higher education in the society today, and how do you see this contributing to national development in the future?
- In what ways do you see the General Agreement on Trade in Services as an opportunity or threat to the country’s higher education sector?
- What do you see as the role of government policy in regulating or managing the higher education sector?
- Do policymakers have a responsibility to ensure that all qualified members of society have an opportunity to access higher education, and how should this be financed?
- Should there be any difference in the treatment by government policy, of private versus publicly supported higher education institutions...why or why not?
- To what extent should the higher education sector be allowed or encouraged to partner with the corporate sector and/or adopt an entrepreneurial approach to conducting its affairs?
- How should the issues of access, equity, and quality, be addressed by government policy makers?
- Where affected, should policy administrators within the higher education sector be specifically included as equal partners in crafting the negotiating strategy in multilateral trade discussions such as with the WTO... why or why not?

There will be no compensation for your participation in this study.

Please review the enclosed consent protocol and if acceptable, please sign as confirmation of your agreement to participate. You will keep a copy of the consent form that you have signed. If possible, please indicate the dates and times that are best for you to meet with me. If you have any questions or concerns, feel free to contact me at the address below or you may contact my supervisor Dr. Karen Mundy at the same address.

Yours Sincerely,

---------------------------------------------
Terence Frater,
PhD Candidate
Ontario Institute for Studies in Education
Department of Adult Education & Counseling
Psychology
252 Bloor Street West, Room 7-155
Toronto, Ontario, M5S 1V6
Telephone (416) 724-8823
E-mail: tfrater@oise.utoronto.ca

Karen Mundy, PhD (OISE)
Associate Professor, Canada Research Chair
Global Governance and Comparative Education
Department of Adult Education and Counselling
Psychology
252 Bloor Street West, Room 7-107
Toronto, Ontario, M5S 1V6
Telephone: (416) 923-6641 ext. 2534
Fax: (416) 926-4749
E-mail: kmundy@oise.utoronto.ca
Appendix D

CONSENT FORM FOR PARTICIPANTS

“Jamaica’s Higher Education Commitment under the GATS”

I, _____________________________ agree to participate in a research study titled “Jamaica’s Higher Education Commitment under the GATS”, which examines the implications of the General Agreement on Trade in Services on the development of higher education policy in the Caribbean. The purpose of this project is to better understand the significance of higher education in the national policy discussions, and the kinds of political processes shaping the higher education policy framework that is necessary to meet the national objectives of Caribbean countries, while satisfying the legal and regulatory requirements of the GATS.

It has been explained that I am being asked to participate in 1 (one) semi-structured interview at my convenience with the principal researcher, and that this interview may be tape-recorded at my discretion. My permission is being sought for the interview to be tape-recorded but this is not a condition for me to participate in this study and there will be no negative consequences if I refuse. I may also be asked to provide documentation or facilitate access to such materials that will enhance the content of our conversations. Such materials include economic data, labour market information, and education statistics. I am aware that my participation in this study is voluntary and that I have the right to refuse to answer any or all questions posed to me. I also have the option to withdraw at any time before or during the interview. If I withdraw, no use will be made of any information or materials that I have provided.

I understand that the risks associated with this study derive from my provision of public information on my organisation. I may opt to maintain my anonymity and privacy in the published results and written data, in which case any sensitive or identifying features will be excluded. I am aware however, that no guarantees can be given to ensure anonymity given the unique nature of my office and the likelihood that I will be identified after the research is completed. The benefits that I may reasonably expect from this study will derive from the knowledge gained that may help me in crafting/influencing higher education policy in the future, or from the publication of information about the impact of multilateral organisations on higher education policy in the region.

It has been explained that excerpts from the interview may be used in published works or in public presentations. My permission is being sought for direct quotation in this regard. A summary of the results will be sent to me by e-mail and I may also request a copy of the complete study, as well as any research published or presentations made, resulting from the study. I have been advised that only the primary researcher and the thesis supervisor will have access to the raw data and only the primary researcher will also have access to the interview transcripts. There is a careful coding system used that is stored separately from the interview data. Furthermore, all this material will be secured by the primary researcher and stored for 5 (five) years. Examples of the types of questions to be asked during the interview have been provided to me.
Time Involvement: My participation in this research will take approximately one hour.

Reimbursement: No Payment is offered for my participation in this study.

A copy of this consent form is to be signed and returned to the primary researcher and I will retain a copy for myself. If at any time I have questions or concerns, I understand that I can direct these to the primary researcher or to his supervisor, the contact information for both of whom is at the bottom of this consent form.

I hereby give my consent to be tape-recorded during this study, and for these audiotapes to be transcribed for use in the study. My consent to this request is not a prerequisite for me to participate in this research project.

(Signature): ____________________________ Yes ____________________________ No

I hereby give my consent for excerpts from the interview to be used for direct quotation in published works or presentations resulting from the study.

(Signature): ____________________________ Yes ____________________________ No

I hereby give my consent for my identity to be revealed in all written publications resulting from this study.

(Signature): ____________________________ Yes ____________________________ No

Name: ____________________________________________________________

Signature: ____________________________________________ Date: __________

E-mail: ____________________________________________________________

_______________________________________________________________

PRIMARY RESEARCHER

Terence Frater, PhD Candidate
Ontario Institute for Studies in Education
Department of Adult Education & Counseling Psychology
252 Bloor Street West, Room 7-155
Toronto, Ontario, M5S 1V6
Telephone (416) 724-8823
E-mail: tfrater@oise.utoronto.ca

_______________________________________________________________

SUPERVISOR

Karen Mundy, PhD (OISE)
Associate Professor, Canada Research Chair Global Governance and Comparative Education
Department of Adult Education and Counselling Psychology
252 Bloor Street West, Room 7-107
Toronto, Ontario, M5S 1V6
Telephone: (416) 923-6641 ext. 2534
Fax: (416) 926-4749
E-mail: kmundy@oise.utoronto.ca
Appendix E
TELEPHONE SCRIPT

“Jamaica’s Higher Education Commitment under the GATS”

Good Morning/Afternoon Mr/Ms ________________,

My name is Terence Frater and I am a PhD student in the Adult Education Department at OISE/UT. As part of my degree requirements, I am conducting research that examines the implications of the General Agreement on Trade in Services (GATS) on the development of higher education policy in the Caribbean. This study seeks to better understand the role of higher education in the national policy discussions, and it examines the policy framework that is necessary to meet local priorities, while satisfying the legal and regulatory requirements of the GATS.

Caribbean countries are constrained through lack of adequate financial resources, as well as many other challenges of a historical, political, and geographical nature. With the advent of the WTO and its services agreement the GATS, higher education is now subject to the regulatory and legislative framework of WTO rules. This raises the profile of the institutional differences of higher education providers, and creates an imperative for us to fully understand the implications of national policies for the administration and conduct of the higher education sector in this global context.

I am inviting you to assist me in this study by participating in one semi-structured interview with me, lasting approximately one hour, at a time and place convenient to you. I am asking your permission to tape-record the interview, and I am seeking your help in facilitating access to any materials that would enhance the content of our conversation. These materials include economic data, education statistics, and labour market information. Your participation is completely voluntary and you are free to answer all, some, or none of the questions posed to you during the interview. There will be no impact arising from your participation in the study, if you do not wish to answer any question during the interview, or to have the interview tape-recorded. You are also free to withdraw at any time before or during the interview. If you withdraw, I will not use any information or materials that you have provided.

The risks associated with your participation in this study derive from your provision of information on your organisation. I will be the only person to have access to both the raw data and the transcript from the interview. Any attempt to conceal your identity in the published results, will be dependent on your preferences. Please bear in mind however, that I cannot guarantee your anonymity given the unique nature of your office and therefore it is very likely that you will be identified after the research is completed. The benefits associated with your participation in this study include the knowledge gained that may enhance your contribution to higher education policy development in the future. It will also add to the body of literature dealing with the impact of multilateral organisations in the Caribbean. A summary of the results will be made available to you by e-mail and the complete study or any publication or presentation where data from the interview is used, can be obtained on request. Your permission is necessary for any direct quotation from the interview to be included in any such publication or presentation.
I will be sending you an information letter that outlines in somewhat greater detail, everything that I have just mentioned. It will provide you with examples of the type of questions that I will be asking during the interview. You will also be sent a consent form that allows you the option to select the permissions you wish to grant regarding the conduct of the interview and the extent of your participation in the study. I am asking that you sign wherever permission is being given and return a copy of this consent form to me.

There is no compensation for your participation in this study except for the benefits that I have mentioned. Further communication with your office will be by regular mail and e-mail as we move forward to establish whether or not you wish to participate. If you agree to be an interview participant, we will use this communication process to confirm a time and place that is convenient for you.

Thank you very much for your attention and I sincerely look forward to your participation.