The General Agreement on Trade in Services (GATS) and Education for All (EFA): Conflict of Interests?

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Contextualisation

The notion of equality of access to education has provoked one of the most fundamental debates of our time. Some might argue that through the provisions of the General Agreement on Trade in Services (GATS), education serves those who can afford to pay. The reason is because the GATS remove trade barriers and thus education is commoditized. Others might argue that through the provisions of the GATS, people have access to high quality education. Part of the reason underlying this statement is that the GATS is viewed as leading to the flourishing of foreign education providers that will meet skills target outcomes by providing high quality education.

Equality of access to education is ensured by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) through the goals of Education for All (EFA). The EFA was set in Dakar and its goals cover equality of access for the most vulnerable and disadvantaged children, those belonging to ethnic minorities, young people, women and girls, and adults.

The GATS focuses on higher education whereas EFA focuses on basic education. This paper takes a critical view of how the GATS hinders and promotes the goals of EFA by exploring the impact of the implication of the GATS on basic and higher education. The literature review provides a milieu for educators to investigate empirically whether the interests of the GATS hinder or promote the goals of EFA.

Abstract: This paper opens with an explication on what is the GATS and the role of the GATS in education. It then discusses controversies surrounding the GATS, in relation to education, from the perspectives of the antagonists and the protagonists. Then, it explores the impact of the practices of the GATS in education. The ways that the GATS hinder and promote the goals of EFA are identified by linking the impact of the practices of the GATS in education on the achievement of the goals of EFA.

This paper concludes that even though both the GATS and EFA have an agenda in education, there is a conflict of interests. Even though the GATS focuses on higher education and the EFA does not focus on higher education, privatisation, user-pays, and the reduction of public expenditure in education all hinder equal access to education.

Introduction

It has been argued that trade in education services ensures access to high quality education for both international and domestic students because through the GATS foreign education providers are flourishing and these providers will meet the skills and training outcomes (LaRocque, 2003). The intensifying trade in education services, however, has served to highlight the groups who have access to education and those who do not. Education increasingly becomes a competitive commodity and as such the question arises of “will education become less accessible to all?”

The United Nations Educational, Scientific, and Cultural Organization (UNESCO) has set the goals of Education for All (EFA) in order to ensure that education is accessible to all. There
are six EFA goals. The first goal is to expand and improve comprehensive early childhood care and education especially for the most vulnerable and disadvantaged children. The second goal is to ensure that by 2015 all children, particularly girls, children in difficult circumstances, and those belonging to ethnic minorities, have access to completely free and compulsory primary education of good quality. The third goal is ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programs. The fourth goal is to achieve a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults. The fifth goal is to eliminate gender disparities in primary and secondary education by 2005, and to achieve gender equality in education by 2015, with a focus on ensuring girls’ full and equal access to and achievement in basic education of good quality. The sixth goal is to improve all aspects of the quality of education and to ensure excellence so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy, and essential life skills. These goals, set in Dakar, will enable individuals to realise their right to have access to basic learning and to fulfil their responsibility to contribute to the development of their society. These goals are expected to be achieved through the preparation of EFA strategies and action plans by individual countries, then through a process of consultation among all stakeholders in education with the assistance of the wider international community, and finally through the EFA follow up mechanism.

Will these goals be achieved, especially if education is a competitive commodity? In order to answer this question, it is imperative to understand the link between education and trade, the forces behind education trade, and the impact of the education trade on education practices and policies.

The General Agreement in Trade and Services (GATS) is a relatively new agreement for the World Trade Organization (WTO) and its predecessor, the General Agreement on Tariffs and Trade GATT. The GATS is the result of the Round meeting of the WTO (Uruguay Round) in 1995. The role of the WTO’s General Agreement on Trade in Services in education is significant. It provides a framework for further liberalisation. Under the GATS, WTO members can make commitments allowing foreign suppliers to establish themselves in their market. The GATS opens up market services not only in banking, healthcare, tourism, rubbish collection, and transportation, but also in education. Education services are categorized into five types: Primary, Secondary, Higher (tertiary), Adult, and other education services which cover those not elsewhere classified. The GATS also defines education services by the way in which the education service is provided, or the mode of supply. Education modes of supply include consumption abroad (mode 1), in which the provision of the service involves the movement of the consumer to the country of the supplier; cross border supply (mode 2) which includes the provision of a service where it does not require the physical movement of the consumers; commercial presence (mode 3) in which the service provider establishes or has a presence, that is a commercial facility, in another country; and the presence of natural persons (mode 4) which includes travel by persons to another country on a temporary basis to provide services (WTO, 2005).

Through open markets, education is commercialized and privatized. In his study, Marginson (1997) makes a distinction between commercialization and privatization. Commercialization of education entails user charges and it is often accompanied by deregulation. Privatization refers to the transfer of production or means of production from government to private ownership. In this context, privatization can lead to the scarcity of public goods. As a tradable product, education is no longer a public good but a private good (Marginson, 1997).

Trade in education services entails three processes. The first process is internationalization. In the Observatory on Borderless Higher Education (OBHE), internationalization of education refers to the process of integrating an international, intercultural, or global dimension into the
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With this integration international profiles and reputation are established. The second process is Cross border education. Cross border education, especially cross border higher education, is viewed as beneficial among nations as it increases competition for highly skilled people. It can be argued that the purpose of cross-border education is to fulfil unmet demands in some emerging nations in terms of the supply of human capital. Finally, education is traded on the international market.

There are some impediments to trading education internationally. Two main impediments are market access restrictions and national treatment favouritism. These impediments are divided into two groups: impediments to establishment which is manifested as a tax on capital, and impediments to on-going operations that are applied to foreign owned firms who supply the services sector in the host economy (Findlay, 2001). There are also impediments that relate to modes of education supply. Potential impediments to consumption abroad include immigration requirements, foreign currency controls, and difficulty faced by students in translating degrees obtained abroad into national equivalents. Potential impediments of commercial presence include the inability to gain national licenses, nationality requirements, and restrictions on recruiting foreign teachers, high subsidization of local institutions, and the existence of government monopolies. Impediments to the presence of natural persons include immigration requirements, recognition of credentials, nationality conditions, and needs tests.

From the overview of the GATS above mentioned, the GATS is indeed a complex agreement that provides a framework for further liberalization in service sectors including the education services sector. The intention of the GATS is not only to reinforce the disciplines of its articles through commitments within the different education sub-sectors, but also to remove the impediments to trade in services.

There is a perceived discrepancy surrounding the existence of the GATS and its involvement in education services. Two notions in particular emerge and these will be discussed below. The first notion is that through trade in education, economic growth will increase, education quality will be of an international standard, and there will be wider opportunities and choices in education services. The second notion is that through trade in education services there will be education inequality and low quality, and the real meaning of education as a basic human right is threatened.

The explicit objective of the GATS in the trade in education is to promote the economic growth of all trading partners and the ‘development’ of developing countries (Gosh, 1997; Jawara and Kwa, 2003). It is viewed by advocates that the trade of education services leads to economic growth. Larocque (2003) from the New Zealand Business Round Table states that liberalized trade in education facilitates economic growth. Kennedy Mbekeani from the World Bank Institute argues that free trade will not be achieved in the imperfect market where information is not equally available for all (Mbekeani, 2002). Here, according to Mbekeani, the GATS must focus on services liberalization. Pierre Sauve, the administrator principal of OECD, shows that the benefits of supply of education services include: easy and efficient markets for education services, such as distance education, virtual educational institutions, language training, private training, and the supply of teachers and professionals who work abroad on a temporary basis (Sauve, 2002). The liberalizing principles are also viewed as crucial for market efficiency. It is argued on the WTO website that free trade enables efficient access to the global services markets and to information technology. Moreover, it is stated that trade in education services creates consumer savings because it will lead to lower prices, better quality, and wider opportunities for consumers. This assumption may be rooted in the idea that by liberalizing education in the market; there will be more international competition, institutions and international teachers, and this will lead to better quality education and wider choices. Impediments to trade in services, it is argued by
proponents of the GATS, must be eliminated. Here, the principles of liberalization, such as those behind the terminology of the Most-Favoured-Nations (MFN) and National treatment are crucial. The Most-Favoured-Nations (MFN) treatment means that every foreign company needs to be treated the same as local companies. Therefore, barriers to trade that apply to foreign suppliers should be eliminated. National treatment is another liberalizing component that is important for market efficiency. Sauve argues that imported products should be no less favoured than domestic products. For that reason, elimination of domestic protection is required. From the advocates of the GATS’ arguments, it is possible to argue that the elements of the liberalising principle, such as easy market access, MFN treatment, and national treatment, inform their thoughts as factors that lead to economic growth.

Studies by the opponents of the GATS show that the involvement of the GATS in education services has significant negative implications for education practices and policies. Internationalisation of education, for instance, has resulted in the loss of cultural identity, homogenisation of curriculum, and intensification of elitism in access to international education opportunities. Frase and O’Sullivan (2004) believe that the GATS’s interference in the education sector will erode cultural and language diversity. Frase and O’Sullivan believe that the internationalisation of education will not enrich cultural diversity but its impact will result in the loss of cultural diversity, including the effect that some languages will fade away because of the use of a dominant international language (Frase and O’Sullivan, 2004). The issue of homogenization of the curriculum is explored by Brock-Utne in her book Whose Education for All? where she argues that the homogenisation of curriculum equates to “Westernization”. The reasons underlying this argument are that there is a loss of the indigenous curriculum and a loss of the use of local language. Brock-Utne also argues that the curriculum is designed based on Western culture and concept (Brock-Utne, 2000). Academic standard, according to Brock-Utne, is measured with the tests that stem from Western culture and concepts, and developed in the West by the International Association for Educational Achievement (IEA). In this context, she believes that education is used as an ideological weapon for re-colonisation. The intensification of elitism in access to international education opportunities is an axiomatic consequence of internationalisation. If poor people cannot afford to pay for their education in their own country, can they afford to pay for their education internationally?

Trade in education services, it has been argued by the opponents of the GATS, also begets the legacy of inexorably negative implications for education. The issues of inequity and low quality have become the substantive focus. Frase and O’Sullivan (2004), for instance, state that education has been commercialised by the appearance of private training including international private training. The result is, according to Frase and O’Sullivan, schools or educational institutions seem to increase social stratification in which class determines the kind of education people can afford. If education is the privilege of those who can afford to pay, what about those who are talented, but have limited access to higher education? In their study, Hughes and Lauder demonstrate that there is a massive waste of talent in New Zealand because of limited access to higher education (Hughes and Lauder, 1991). Michael Apple states that education is used for creating ‘the New Right’ (Apple, 1996). According to Apple, educational tasks encourage members of market economies to think about themselves in order to increase their own vested interests and to encourage the acceptance of “the winners and losers” in the wealth creating system.

A study of the issue of inferior quality education has been undertaken by Frase and O’Sullivan (2002). They argue that the elimination of barriers to the trade in education has resulted in the appearance of unfettered private training or international private training institutions. For this reason, according to Frase and O’Sullivan, there is no control over quality. The quality of public education suffers the most. Katarina Tomasevski, Professor of International Law and International Relations at Lund University, Sweden, and founder of the Right to Education Project, argues that the quality of public education suffers as a
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consequence of the justification that public funding is limited and should not be used to subsidise those who purchase education (Tomasevski 2006). Therefore, Tomasevski states, public education is the only recourse for all those who cannot afford good quality education. It should be noted, however, in some countries, public education institutions provide good quality education. From the opponents’ perspectives, as has been discussed above, it seems that the involvement of the GATS in education services would result in negative consequences for certain groups: ethnic minorities, indigenous groups, and the poor.

Debates about the implications of trade in education have continued to evolve. For the proponents, the liberalisation of education from trade and service barriers will benefit economic development. However, their opponents say that there is no strong proof of this (The New South Wales Teachers Federation, 2003). The proponents state that strict policy is applied so that good performance in development can be realised; the opponents argue that the GATS’s policy is undemocratic. The argument of the advocates that cultural and social values will vanish is answered by Sauve (2002), by saying that GATS does not interfere with primary school and secondary school levels. The argument of opponents that the involvement of the GATS in education services results in low quality education is castigated by proponents who believe that trade in education services fortifies competition in the international market, thus there is competition in maintaining education quality. Against the assertions of GATS opponents regarding inferior quality education, its proponents offer a formulation. Norman LaRocque, from New Zealand Business Roundtable, for instance, propounds the need of quality standard assessment for the purpose of maintaining education quality (LaRocque, 2003).

Risks of trade in education might have been underestimated and benefits of trade in education might have been overstated by the advocates of the GATS. In his recent work, Ziguras (2003) found that the least developed nations rely on transnational tertiary education to meet labour market needs. This means that the benefits of trade in education services should not be overlooked. However, trade in education services has indeed begotten the legacy of inexorably negative implications for different aspects of education - the shift of education values, for instance. In their work, Gingell and Winch (2004) emphasise that values inform education and the aims of education express values. Here, maximising profit, one of the aims of commercialisation of education, expresses the values of education. Because education is commercialised, the purpose of education is not only for educating citizens, but also for profit and competition. Education is supposed to be a privilege for citizens for learning according to their interests and calling, but education it seems, is suited to competition in the labour market.

As education becomes increasingly competitive, people become increasingly self-centred, stressed, and unfulfilled (Brown, 2006). The knowledge driven economy is becoming a new concept. It emerges because of a view that it is imperative to invest in education. Many invest in education. Thus, they are trapped. Brown refers to the opportunity in education and the job market in the era of the knowledge driven economy, as the opportunity trap. Brown argues that many make desperate efforts, such as remortgaging and taking private tuition because taking the opportunity in the realm of the knowledge driven economy is the only game. The motivation underlying the deployment of the concept of education investment is the view that knowledge is important and is regarded as presenting a competitive advantage. As Michael Peters writes:

“…economic progress depends upon knowledge and the utilization of knowledge - the so called “knowledge economy”. Knowledge is recognised as being at least as important as capital as a source of economic growth... In short, knowledge is now regarded as a national economic asset and the basis of national competitive advantage…” (Peters, 2001)
Equality in education, in particular, is marked by ‘class struggles’. In their work, Ball and Vincent (2002) portray the strategies the professional middle class used in order to maintain their privilege of education. Although students from a working class background often failed to maintain access to education opportunities, education has become a site of struggle for both classes. (Pugsley, 1998; Esping-Andersen, 2006). The reason why education has become a site of struggle for both classes, it can be argued, is that it is widely recognised that the economic success of individuals, indeed the whole economy, depends on how extensively and effectively people invest in themselves (Brown and Lauder, 2006; Becker 2006). While lamentable for those who cannot afford to pay, the acceleration of the commoditisation of education leads to the new social order - ‘the winners’ and ‘the losers’ - as a distinctive feature of this contemporary epoch.

Another crucial implication of trade in education is related to curriculum. Domination, power, and polemics have resonated in discussions of curriculum. Academic standard, the measurement of education quality, it is argued by Brock-Utne, ‘Western domination’ because it is developed in and by the West. The rich, the leaders, the educators, and the future leaders of the least developed nations who study in the West are likely to adopt western concepts that will render to curriculum configuration. Similar to Brock-Utne, Linda Smith (2006) argues that curriculum is used for colonising knowledge. She argues that the knowledge of the indigenous is colonised through curriculum, marginalisation, and repudiation.

Indoctrination and polemics are also the substantive focus of denigration that has resonated among academics. In his enlightening book, Chomsky in MisEducation, Noam Chomsky argues that schools are institutions for indoctrination and for imposing obedience. He refers to this indoctrination as a kind of MisEducation (Chomsky 2000). This indoctrination is eclipsed behind curriculum. In this context, Chomsky should differentiate between the conceptual meaning of indoctrination in liberal societies and communist societies. Communist societies, for instance, use schools for imposing obedience and maintaining the status of communism whereas in liberal societies, schools are not necessarily to be used for imposing obedience. Similarly to Chomsky, Michael Apple also conveys ideas of indoctrination and polemics in many of his studies. Apple propagates a close link between education markets, and indoctrination and polemics. He refers to the conservative Christian as the authoritarian populist who struggles over curriculum because curriculum does not bring God to the classrooms, it reflects immorality by exposing sexual education, and it demeans Christians’ values by bringing Darwin’s theory into the classroom. Christian values, then, are becoming globalised. He argues that Christian values are becoming globalised because Christians believe that God’s plan can be accomplished through the advance of multinational capitalism. However, it should be noted that even though the way Apple construes the link between the education market and Christians’ struggles over curriculum is widely recognised, Apple should validate his argument in the context of Christian values, globalisation, God’s plan and the advance of multinational capitalism. In Christian doctrine, Christians are given a mandate to spread ‘the Word’ but he should demarcate between this mandate and the rapaciousness of multinational capitalism that represents the antithesis of Christian value. Not only for indoctrination, but Apple also believes that curriculum is used for polemics. Apple articulates that Conservative Christians use a number of text books offensive to other religions. In this context, he neglects the fact that other religions and beliefs include their values in their curriculum for indoctrination and polemics.

Another crucial implication of trade in education services is the brain drain. It is argued in much literature that the brain drain is particularly evident as a result of trade in education (Vincent-Lancrin, 2005). In the recent OECD publication on cross-border education, it is reported that 75 per cent of Chinese students who studied abroad between 1978 and 1999 failed to return home.
With regards to the impact of trade in education on education policies and practices, it seems that trade in education not only has a significant impact on education quality and equality but also on the shift of education values, class struggles, indoctrination, maintenance of power, polemics, and recolonisation. Furthermore, it exacerbates the brain drain.

Concerns surrounding the trade in education open up fertile studies for formulating solutions. Brown suggests that inequalities are inevitable as long as the education system has a selective role. However, as Brown has emphasised, the opportunity for education can be extended through widening access and through the improvement of teaching quality (Brown, 2006). The solution to the issue of indoctrination can be based on the work of Chomsky who suggests that true learning takes place when students are invited to discover for themselves the nature and function of democracy, and the best way to discover how a functioning democracy works is to practise it. Then, curriculum should include ways that students can discover the nature of democracy and its functioning. Poonwassie (1992) also conveys a solution to inequality. He believes that education systems must be structured to meet the needs of all members of society. He argues that the school system must be reformed in consideration for the abilities of students, their cultural values, and their class background. From the discussion above, it seems that the work of formulating fully articulated solutions is continuous.

In the various attempts to think through the most appropriate ways to conceptualise the implication of the GATS on the goals of EFA, it is appropriate to identify the link between the involvement of the GATS in education services and the goals of EFA. An exploration of how the GATS can hinder or promote the goals of EFA will be a good starting point.

The involvement of the GATS in education services can preclude the realisation of the first goal of EFA which is to expand and improve comprehensive early childhood care and education. If there are budgetary cuts, how can the early education centre get subsidies for maintaining quality? If there are rampant user-pays practices, how can the early education sector get teachers with appropriate qualifications? Progress towards achieving this first goal of EFA, is under threat. The Global Campaign for Education states that in the world’s poorest countries, education is still in crisis. Children receive low quality education. The tools needed for school are still few (The Global Campaign for Education 2002). Here, expenditure in education is required. The rules of the market, reduction in public expenditure for education, and privatisation of public enterprise mean that improvements in education quality will not be realised.

The involvement of the GATS in education services can hinder the second goal of EFA, which is to ensure free access to compulsory, good quality, primary education. In her recent work, Tomasevski (2006) argues that commoditisation of education means a trade off, and for poor people it means a choice between food and going to school. Even though this phenomenon is not necessarily true in developed nations, in the least developed nations where education is a struggle, this phenomenon is real. Having a child go to school means the loss an income earner. Tomasevski also stresses that all primary aged children should go to school; therefore education should be freed from financial obstacles. Free access to primary education, according to her, includes a range of subsidies provided towards the cost of enrolment, tuition, books, meals, extracurricular activities, and transportation for children who live far from school. In the GATS where the reduction of public expenditure for education is encouraged, the goal of ensuring free access to compulsory and good quality of primary education will not be attained. The Global Campaign of Education (2006) reports that of 125 million children in the Third World countries, 60 per cent of them are girls not in primary school. This condition, it can be argued, will be more acute if privatisation and the user-pays policy that is encouraged by the GATS were to be applied in primary education. In his study, Leon Tikly, professor in education at Bristol University states ‘...if the GATS leads to further privatisation of primary education then this might negatively impact on access, particularly if user fees are involved...’ (Tikly, 2003).
The involvement of the GATS in education can also preclude the realisation of the third goal of EFA which is to ensure that learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programs. If the GATS only allows those who can pay to enter learning, will this third goal be realised?

The fourth goal of EFA which is reducing illiteracy rates will not be achieved if there is reduced public expenditure for education and the implementation of user-pays principles. The Global Campaign for Education states that nearly one billion adults in the Third World Countries are unable to read and write. Can this phenomenon be eradicated with the involvement of the GATS?

As mentioned earlier, the fifth goal of EFA is to eliminate gender disparities in primary and secondary education by 2005 and to achieve gender equality in education by 2015, with a focus on ensuring girls’ full and equal access to, and achievement in, basic education of good quality. In Sub-Saharan Africa, fewer than half of girls aged six to eleven attend school (Report to UNESCO, 1996). Some scholars, such as Tikly, Stromquist, and Peet endorse feminist observations noting that gender affects all females negatively regardless of social class and ethnicity. Peet (2003) argues that the declining expenditure on education results in more females staying at home as caretakers. In her studies, Stromquist (2006) states that women earn less because they are work in the less important areas and thus, less well paid. She stresses that women and girls are marginalized. Women and girls are viewed by their communities as being needed to help at home, and thus have no income. As a result, it is believed that there is no point in girls going to school. Tikly and Stromquist should note, however, that in the least developed nations the low privileged status of females is more commonplace compared to developed nations. The question that arises is “if internationalisation of education is applied wisely and it incorporates Western ideas of gender equality, does it mean that the GATS can promote the goals of EFA?” As mentioned earlier, free access to education includes a range of subsidies provided towards the cost of enrolment, tuition, books, meals, extracurricular activities, and transportation for children who live far from school. If public expenditure in education is reduced, even though curriculum incorporates Western ideas of gender equality, the goal of eliminating gender disparities in primary and secondary education will not be realised.

Significant improvement of education quality will not be achieved if the other goals of EFA are not realized. Good quality education, reduction in adult illiteracy, expanded provision of early childhood education, access to lifelong learning, and gender equality in primary and secondary school have to be fundamental. As studies have shown, the involvement of the GATS in education has resulted in significant ramifications on education policies and practices. However, it seems that not many studies have elaborated on the extent to which the GATS can promote the goals of EFA, whether it is viewed critically or affirmatively.

Overall, even though both the GATS and EFA have an agenda in education, there is a conflict of interests. The concept of education held by the GATS is different from that held by the EFA. The GATS views education as a competitive commodity whereas the EFA sets the goals of ensuring equality of access to education. Even though the GATS focuses on higher education and the EFA does not focus on higher education, privatisation, user-pays, and the reduction of public expenditure in education hinder the equal access to education. Thus, whether the goals of EFA will be achieved, is questioned.
References


