

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

CENTRE FOR EDUCATIONAL RESEARCH AND INNOVATION

**INTERNATIONAL TRADE IN PROFESSIONAL AND EDUCATIONAL SERVICES:
IMPLICATIONS FOR THE PROFESSIONS AND HIGHER EDUCATION**

Professor John R. Mallea

JRM & Associates Consultants

ex. President and Vice-Chancellor, Brandon University, Manitoba, Canada

The opinions expressed and arguments employed here are the responsibility of the author and do not necessarily represent those of the OECD.

**INTERNATIONAL TRADE IN PROFESSIONAL AND EDUCATIONAL SERVICES:
IMPLICATIONS FOR THE PROFESSIONS AND HIGHER EDUCATION**

ABSTRACT

The goal of this paper is to explore the nature, scope and growth of international trade in professional and educational services, and to examine their implications for the professions and higher education.

First, international trade agreements and Mutual Recognition Agreements (MRAs) and their implications for the professions are reviewed, along with key issues of regulatory reform, professional preparation, professional competency, continuing education and quality assurance. Second, international trade in educational services, the nature of the market, and its implications for higher education are examined. Third, connections between the professions and higher education in two types of emerging partnerships are described, followed by major issues that need to be addressed, and the presentation of a future research agenda.

NOTE: Since this report was completed in early 1998, certain further important developments will have taken place.

1. INTRODUCTION: INTERNATIONAL TRADE IN PROFESSIONAL AND EDUCATIONAL SERVICES

Miles (1995) refers to the services sector as the third of three traditional sectors of trade defined by economists. The primary sector involves the extraction of raw materials in activities such as mining and agriculture. The secondary sector transforms these raw materials into goods, buildings, infrastructure and physical utilities (like water and electricity supplies). And the tertiary sector comprises “those industries which affect transformations in the state of material goods (physical services), people themselves (human services), or symbolic material (information services)” (*Ibid.*, p. 1). The services sector, Miles continues, now dominate employment statistics in leading manufacturing economies. Throughout the 1980s, trade in services grew rapidly, with the category “other private services and income” (which includes professional, business, communications and technical services) growing more rapidly than the overall total.

In the late 1980s, services accounted for approximately half of Foreign Direct Investment flows (a key strategic ingredient in the internationalisation of services). And it has been estimated that, globally, services increased their share of exports from 18 per cent in 1985 to 21 per cent in 1991 (AUSTRADE, 1994). In 1994, the services sector in the U.S.A. accounted for 66.7 per cent of Gross Domestic Product (GDP). In the following year, most U.S. service-based industries registered international trade surpluses. Professional services amounted to 19 per cent, and education services 11 per cent of an overall services trade surplus of \$61 billion (USITC 1997).

Balance of payments data from the Australian Bureau of Statistics¹ revealed that professional services credits rose from A\$233 million in 1991/1992 to A\$345 million in 1995/1996. Total debits for the same period decreased from A\$375 million to A\$317 million, revealing a balance of A\$28 million (Australia, 1997). Credits for accounting and auditing rose from A\$14 million to A\$21 million, and for legal services from A\$93 million to A\$173 million. Between 1987/1988 and 1995/1996, exports in professional legal services rose from A\$74 million to A\$173, with Australia enjoying a favourable trade balance in each of these years ranging from A\$51 million to A\$98 million (Tucker, 1996).

A 1994 publication, *Intelligent Exports*, dealing with the silent revolution in services, reported that services in Australia comprised 70 per cent of GDP, employed 80 per cent of the work force and made up 20 per cent of exports. Drawing on a survey of more than 1,300 services exporters, it discovered that computing firms had the highest export orientation, followed by education and training firms where exports amounted to \$1.2 billion in 1993.

Regrettably, more detailed global as opposed to national statistical information on the growth of the services sector, especially in professional and educational services, is hard to obtain. Problems of classification and data collection are widespread and pose real and immediate challenges to those seeking to map out the terrain in professional and educational services. In the following

1 The manner in which data is collected underlines the problems of categorisation. The sub-section on professional services includes legal, accounting and auditing, advertising, market research and public policy, management consultancy and public relations, and “other” services. On the other hand, architectural and surveying services and engineering services are included under the sub-section on technical services.

pages, therefore, considerable use is made of illustrative material provided by individual countries, specific professions and educational settings.

2. INTERNATIONAL TRADE AGREEMENTS

The profile of international trade in professional and educational services has been raised considerably as a result of the number of international trade agreements (30 by one reckoning) that have recently been signed. In North America, for example, trade in professional services was first acknowledged in the FTA -- the Canada-U.S. Free Trade Agreement (1988), and subsequently addressed in NAFTA -- The North American Free Trade Agreement (1994).² The treatment of professional services in the Canada-Chile Free Trade Agreement (1996) is a mirror image of NAFTA. In Australasia, the 1983 Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) provided the necessary context for a far-reaching Mutual Recognition Agreement (MRA) in 1996. And the Association of South East Asian Nations (ASEAN) is hoping to liberalise trade in professional services by the end of 1998 (ASEAN, 1995).

GATS or The General Agreement on Trade in Services (1995) constituted the first multilateral, legally enforceable agreement covering trade in investment in services (Ascher, 1997). Subsequently, the World Trade Organisation (WTO) established a Working Party on Professional Services (WPPS) (Trollet, 1997a). And the OECD has organised a number of important working meetings on the liberalisation of professional services (OECD, 1997a).

Priority in the WPPS since its establishment in 1995 has been given to the accountancy profession. The three main aims are: (i) to develop multilateral disciplines on qualification requirements and procedures, technical standards and licensing requirements; (ii) to encourage co-operation with international organisations setting international standards; and (iii) to establish guidelines for the recognition of qualifications. Best practices in engineering accountancy have been examined and seminars held with groups such as the International Federation of Accountants. Guidelines for the recognition of qualifications are at an advanced stage of development, as are guidelines for Mutual Recognition Agreements (MRAs) (Trollet, 1997b).

2.1 MUTUAL RECOGNITION AGREEMENTS

The mutual recognition agreement (MRA) has been the preferred means of resolving issues of professional equivalency and reciprocity in recent years. A number now exist, and work on others is in process. MRAs vary in scale and scope and can be reached between professional bodies, nations and regional groupings. Their implications for the professions and higher education are considerable.

2.1.1 The Washington Accord

An early example of a reciprocal agreement is that reached by engineering organisations representing the English-speaking countries of Australia, Canada, Ireland, New Zealand, United

2 The architectural profession was largely responsible for professional services being included in discussions of the FTA (1988). This resulted in an annex proposing that the architectural professions in Canada and the U.S.A. work towards the establishment of similar standards vis-a-vis accreditation, internships, examinations and professional ethics.

Kingdom and the U.S.A. Known as the Washington Accord, it recognises the equivalency of the national accreditation mechanisms in these countries (Adams, 1997). Currently its mutual recognition mechanisms only cover first professional degrees (or basic engineering education). Signatories meanwhile define their own approaches to quality assurance for graduate entry and initial professional recognition. The Accord recognises each of these as valid, and observer verification visits and exchanges of information are used to confirm their continuing quality. The Accord does not include the mutual recognition of professional (as opposed to academic) qualifications. However, one of its working groups has recommended that this situation should be rectified by means of a separate agreement.

The European Federation of National Engineering Associations (FEANI) -- a federation of 22 countries representing 58 national engineering associations -- is seeking signatory status to the Washington Accord. In January 1997 the two groups met and agreed on the principles and processes leading to the establishment of equivalent levels of professional competency for experienced engineers wishing to work internationally.³

As well as having played a leading role in the activities of the Washington Accord, the U.S.A. Accreditation Board for Engineering and Technology (ABET) has joined with the National Council of Examiners for Engineering and Surveying (NCEES) and the National Society of Professional Engineers (NSPE) to form the United States Council for International Engineering Practice (USCIEP).⁴

2.1.2 *The North American Free Trade Agreement (NAFTA)*

The coming into force of NAFTA in 1994 led professional associations to encourage the establishment of trilateral working groups in professions (actuarial sciences, accounting, agronomy, architecture, dentistry, engineering, law, medicine, nursing, pharmacy, psychology and veterinary sciences) with the goal of reaching MRAs.

Progress has been mixed. In architecture, considerable advances have been made. In accounting, the Canadian Chartered Accountants have an agreement with the U.S. Chartered Public Accountants. The Certified General Accountants Association of Canada and U.S. International Qualifications Board are carrying out a credentialing review. In agronomy, agreement on mutually agreeable standards (but not an MRA) was reached in 1996. In dentistry, a reciprocal agreement exists between professional bodies in Canada and the U.S.A., and discussions with their Mexican counterparts are under way. In law, joint recommendations have been drafted, but not signed off.

Although there is a joint accreditation programme for undergraduate programmes in medicine between the Committee on Accreditation of Canadian Medical Schools and their U.S. counterpart, reciprocity does not exist. The same is true in nursing where four working groups dealing with education, licensure/registration/practice, specialty certification, and approval/accreditation have published a monograph on these and related subjects. Several trilateral conferences have been held in pharmacy, and informal talks on an MRA have been initiated. In

3 If these are to be established, the agreement of regulatory agencies as well as streamlined admission procedures will be required.

4 This body became the first to sign the MRA on engineering with Canada and Mexico under the North American Free Trade Agreement (NAFTA).

psychology, neither recognition of equivalency nor reciprocity of accreditation is imminent. And in veterinary medicine, while reciprocity exists between Canada and the U.S.A., progress toward concluding an agreement to co-operate and exchange information is slow (AAAC, 1997).

Under NAFTA the engineering profession is the first and only profession to have developed and approved an MRA. The agreement sets out criteria for mutual recognition that: (i) are based on objective and transparent criteria, such as competence and the ability to provide a service; (ii) are not more burdensome than necessary to ensure the quality of a service; and (iii) do not constitute a disguised restriction on the international provision of a service (OECD, 1997b, pp. 179-286). It also details the educational experience and examination requirements to obtain a temporary licence to practise in these countries. The agreement has been ratified by the relevant authority in Mexico and by all except one of the licensing authorities in Canada. To date, Texas is the only state in the U.S.A. to have ratified it -- a source of concern for its partner countries to the north and south.⁵

2.1.3 *The Trans-Tasman Agreement (TTA)*

By far the most extensive MRA extant is the Trans-Tasman Arrangement (TTA) agreed to by New Zealand, Australia and the Australian States and Territories in 1996. It has since been ratified by the government of New Zealand, the Commonwealth government of Australia, and the State government of New South Wales. Ratification processes are underway in the other Australian States and Territories where it is expected to be signed into law in the near future.

The purpose of the TTA is to implement mutual recognition principles relating to the registration of occupations consistent with the protection of public health and safety and the environment. Its aim is to remove regulatory barriers to the movement of service providers between the two countries with a view to enhancing international competitiveness, increasing the level of transparency in trading arrangements, encouraging innovation, and reducing compliance costs.

The thrust of the TTA with respect to occupations is both radical and extensive. Put simply, it is that:

. . . a person Registered to Practise an Occupation in the Jurisdiction of any Australian Party is entitled to practise an Equivalent occupation⁶ in New Zealand, and a person Registered to Practise an Occupation in New Zealand is entitled to practise an Equivalent Occupation in the Jurisdiction of any Australian Party (Australia, 1996, p. 3).

It is important to recognise that the TTA does not seek to regulate initial requirements and qualifications for the registration, conduct or practice of occupations. On the contrary, anyone lodging basic information relating to his or her current registration with a local registration authority in one country will be deemed to be registered in an equivalent profession, and may carry on their occupation in the other country as if they had been granted substantive registration.

5 In Canada and the U.S.A., mutually agreeable standards on accreditation, internships, examinations and professional ethics were put in place in 1996.

6 "Two occupations are taken to be Equivalent if the two activities authorised to be carried out under Registration are substantially the same (whether or not this is achieved by means of the imposition of conditions)." (Australia, 1996, p. 5).

The TTA goes further than any other existing MRA in that its recognition of competency to practise is based upon outcomes rather than processes (including registration). No additional conditions are imposed other than those in the original registration. The arrangement is an inclusive one, and exemptions can only be made by application to the relevant Minister and Ministerial Council. An appeals process exists for individuals.⁷ The TTA is also seen as a possible model for other economies in the region to emulate. An obvious objection to its more widespread adoption is that few of these economies are as similar to each other as those of Australia and New Zealand. While there may well be merit in this argument, nonetheless the TTA model is very much on the minds of those charged with reaching agreements in an ASEAN context.

2.1.4 *The Association of South East Asian Nations (ASEAN)*⁸

In December 1995, at the Bangkok Summit, members of ASEAN signed off on an ASEAN Framework Agreement on Services (AFAS). Its three major goals are:

- to enhance co-operation in services amongst Member States in order to improve efficiency and competitiveness, diversify production capacity and supply and distribution of services of their services suppliers within and outside ASEAN;
- to eliminate substantially restrictions to trade in services amongst Member States; and
- to liberalise trade in services by expanding the depth and scope of liberalisation beyond those undertaken by Member States under the GATS with the aim to realising a free trade area in services (ASEAN, 1995, p. 11).

Under Article V, "Mutual Recognition", it was agreed that: "Each Member State may recognise the education or experience obtained, requirements met, or licenses or certifications granted in another Member State, for the purpose of licensing or certification of service suppliers. Such recognition may be based upon an agreement or arrangement with the Member State concerned or may be accorded autonomously" (*Ibid.*, p. 112).

Member States also agreed to strengthen and enhance existing co-operation efforts to establish or improve: (i) infrastructural facilities; (ii) joint production, marketing and purchasing arrangements; (iii) research and development activities; and (iv) the general exchange of information.

7 The TTA raises a number of interesting questions for negotiators of MRAs. Why should negotiations, for example, focus on differences in qualifications when they can focus on either competencies or the more inclusive issue of registration? Furthermore, given appropriate registration, why should competency even have to be assessed? Why not agree simply to recognise each other's regulatory practices? And as this type of MRA is imposed by governments, not professional bodies, could such approaches not be seen as more incentives to deregulate? Obviously, such approaches are based on mutual trust, and they also assume that, with the passage of time, the market will determine the degree of harmonisation that needs to occur in terms of initial qualifications and professional experience.

8 The Members of the Association of South East Asian Nations (ASEAN) are: Brunei, Indonesia, Malaysia, The Philippines, Singapore, Thailand and Vietnam.

To date no bilateral MRAs have been signed. Moreover, negotiations over MRAs on professional services remain confidential. If agreement is reached by 31 December 1998, however, Member States will have six months to change national legislation in order to implement them.

2.2 *IMPLICATIONS FOR THE PROFESSIONS*

It is obvious from the above review of MRAs that these agreements are replete with implications for the professions. Indeed, discussions surrounding initiatives such as the Washington Accord, NAFTA and the WPPS confirm the fact that the accelerating growth of international trade in professional services is already exerting considerable influence on a wide array of professional associations and their international arms.

2.2.1 The international role of professional associations

While a number of professions have long organised themselves along international lines for purposes of co-operation and the sharing of information (particularly on issues of education, international standards, and professional qualifications), the rapid growth of international trade in professional services has intensified and accelerated this practice. This can best be seen by examining developments in the three professions (in addition to accounting) that are most engaged in international trade in services: architecture, engineering and law.

The International Union of Architects (UIA) is working on the codification of guidelines in the UIA/UNESCO Charter for Architectural Education (OECD, 1997b, p. 16). In July 1996 it adopted an Accord on Recommended International Standards of Professionalism in Architectural Practice. This accord will guide the UIA's Professional Practice Commission in its work with national architectural registration/licensing/certification and accreditation agencies. Here the aim is to prepare more detailed guidelines in which national sovereignty will be respected. Harmonisation is not a goal. Rather the purpose is to compare existing standards with the UIA's recommended international standards of professionalism, define gaps or variations, and "facilitate the portability of professional qualifications through equitable and transparent principles of equivalency and reciprocity" (UIA, 1997, p. 1).

The engineering profession, as noted above, is organised on a global as well as a continental and national basis. It takes its international role, particularly in the area of education, very seriously. In 1995, for example, the Committee on Engineering Education of the Pan American Federation of Engineering Societies (UPADI) ambitiously recommended that the internationalisation of professional practice in engineering be reached within the next decade.

To achieve this goal, the UPADI committee recommended that countries facilitate the mobility of engineers on the basis of: (i) similar formative and professional development standards; and (ii) the mutual recognition of degrees. It recommended that where countries did not have formal evaluation and accreditation programmes, members of engineering associations should promote their establishment in partnership with academic institutions. In addition, it recommended that ongoing professional development should be based on solid programmes of continuing education (UPADI, 1995, p. 4).

The legal profession, too, has increased its interest in the international mobility of its members, as evidenced by recent activities in the U.S.A. and Australia. In the U.S.A., the procedure

adopted by the State of New York in 1974⁹, which provides for the licensing of a member of the bar of another country as a legal consultant, has been endorsed by the American Bar Association and was submitted as a viable model in response to the OECD's recent questionnaire on "Procedures Facilitating Access to Local Practice for Foreign Professionals" (OECD, 1997b).¹⁰

In Australia, favourable trade balances have encouraged the legal profession, with the support of the central government, to promote Australia as a leading centre for the provision of international legal services in the Asia-Pacific region. In 1990, the government established the International Legal Services Advisory Council (ILSAC). Its main purpose is to improve Australia's international performance in the provision of legal services. It seeks to develop a stronger regional identity for Australia's international commercial dispute resolution services, to improve legal co-operation between governments, and to assist the legal profession and higher education institutions to respond to the growing regional demand for legal education and training. It works closely on export development issues with many other organisations and departments. And it follows with considerable interest issues that are currently facing professional associations worldwide.

-
- 9 The procedure, which is discretionary in terms of reciprocity, requires that an applicant:
- (a) is a member in good standing of a recognised legal profession in a foreign country, the members of which are admitted to practice as attorneys or counsellors at law or the equivalent and are subject to effective regulation and discipline by a duly constituted professional body or a public authority;
 - (b) for at least five of the seven years immediately preceding his or her application has been a member in good standing of such legal profession and has actually been engaged in the practice of law in the said foreign country or elsewhere substantially involving or relating to the rendering of advice or the provision of legal services concerning the law of the said foreign country;
 - (c) possesses the good moral character and general fitness requisite for a member of the bar of this State;
 - (d) is at least twenty-six years of age; and
 - (e) intends to practice as a legal consultant in this State and to maintain an office in this State for that purpose. (Sohn, 1994).

- 10 The arguments in favour of its extended use, as expressed by the New York and American Bar Associations, are worth sharing in full.

A Model Rule for the Licensing of Legal Consultants is sorely needed, not only to provide considered guidance to those states that are now considering or may in the future consider the adoption of such Rules, but to enhance the opportunity for American lawyers and law firms to develop transnational practices on the basis of broad reciprocity and mutual respect for the qualifications of members of recognized foreign legal professions. The way in which foreign lawyers are regulated in this country has a dual impact on the competitive position of American lawyers and law firms in a global economy. First, it directly affects the ability of American firms to add to their ranks lawyers qualified to practice in other jurisdictions, which is a prerequisite to the establishment and expansion of truly multinational practices. Second, it produces an indirect effect through the "mirror image" phenomenon by which arbitrary and unnecessary restrictions in the Rules adopted by various states are seized upon as an excuse for the imposition of similar, or even more stringent, restrictions on American lawyers abroad.

2.2.2 Five key issues

Over the past several years much attention has been paid to the issue of *regulatory reform*.¹¹ For example, participants in an OECD workshop, "Advancing Liberalisation Through Regulatory Reform", proposed that "national regulatory bodies should co- operate to promote recognition of foreign qualifications and competence and develop arrangements for upholding ethical standards" (OECD, 1997a, p. 10).¹²

The issue of initial *professional preparation*, particularly as it concerns matters of accreditation, certification and licensure, has also been the subject of considerable international attention of late (Mallea, 1997). Accreditation is a form of quality assurance for programmes and institutions; certification formally attests that an individual has met a certain standard of achievement; and licensure is the process whereby professionals are granted permission to practice. All three processes vary, sometimes considerably, from country to country and profession to profession. And in all three there is growing support for the idea of greater convergence towards international standards and procedures (Lenn and Campos, 1997). Initial work experience, too, has been addressed, with The New Zealand Society of Accountants Committee, for example, introducing guidelines for introductory practical experience, mentorships and approved training organisations.

Professional competency is a third issue that is being addressed internationally. The Australian Institution of Engineers, for instance, has developed national professional competency standards for engineers that can also be applied to foreign engineers seeking entry. These standards provide a basis for judging the eligibility of candidates for membership, a flexible but rigorous assessment system, the design of undergraduate and postgraduate engineering courses, the development of industry-based competency standards, and the articulation of standards for professional engineers, engineering technologists, and engineering associates (IEA, 1993). The Hong Kong Association of Accountants is also moving to a competencies-based approach for determining access to the profession by both nationals and foreign- trained accountants (HKSA, 1997).

11 These include "measures affecting establishment of firms (such as prohibitions on incorporation, restrictions on ownership and investment, and restrictions on partnerships between foreign and locally qualified professionals), measures affecting the provision of services on a cross-border basis (local presence and nationality requirements), and lack of appropriate access for foreign professionals to local practice. . . ." (OECD, 1997a, p. 9).

12 It was also proposed that:

Professional service providers should be free to choose the form of establishment, including incorporation, on a national treatment basis;

Restrictions on partnership of foreign professionals with locally-licensed professionals should be removed, starting with the right to temporary associations for specific projects;

Restrictions on market access based on nationality and prior residence requirements should be removed;

Restrictions on foreign participation in ownership of professional services firms should be reviewed and relaxed; and

Local presence requirements should be reviewed and relaxed, subject to availability of professional service guarantees or other mechanisms for client protection.

A variety of professions is addressing the question of whether *continuing education* should be voluntary or mandatory (Mallea, 1997). In the meantime, professions such as law, accountancy, architecture and engineering (often under the stimulus of regulators) are introducing programmes designed to update and expand the knowledge and skills of experienced professionals. Interest, too, is growing in the delivery of these programmes at a distance.

Concerns over *quality assurance* are, of course, an integral part of international trade in professional services. Quality assurance, indeed, is increasingly being defined in terms of reciprocity and international norms and standards by professional bodies, accreditation agencies, higher education institutions and multilateral and non-governmental organisations.

The five issues identified above are replete with implications for higher education and the ways in which professionally-oriented undergraduate and graduate programmes in colleges and universities are conducted. In response, changes in higher education have already occurred and more change is on the way. Before we address these in detail, however, let us examine international trade in education and training services--a category that forms an important part of international trade in professional services, and is itself a major growth area.

3. INTERNATIONAL TRADE IN EDUCATION AND TRAINING SERVICES

3.0.1 The international marketplace

Examination of the nature, size and scope of the international market in education and training is in its infancy. The sector lacks definition and statistical data are hard to come by. Few published figures, for example, contain data on corporate education and training activities. Yet anecdotal evidence and experience suggest these are large and continue to grow. Nor is it always easy to separate trade from aid. Multilateral development banks regularly commit billions of dollars in aid to education and training, and bilateral aid programmes frequently include matters of trade.¹³ Other development agencies, governmental and non-governmental, are also targeting the growing importance of education and training, and in many cases aid is increasingly being linked to trade (Industry Canada, 1997).

The caveats notwithstanding, there is no doubt that trade in education and training services is on the rise. Revenues earned from international students normally constitute the largest proportion of national export earnings in this sector, and the number of students studying abroad doubled from 1960 to 1970 and almost doubled again from 1970 to 1980. By 1990, it reached 1,168,075 (UNESCO, 1992). In 1986, for example, full-fee-paying overseas students contributed A\$50 million to the Australian economy through course fees and living expenses in Australia. In 1996, Australia hosted a total of 143,000 full-fee-paying students from overseas, including 54,000 at the higher education level. Total overseas student expenditure for 1996 was more than A\$3 billion. This comprised approximately \$A1.3 billion (43.6%) in fees that were paid directly to institutions and A\$1.7 billion (56.4%) in goods and services such as accommodation, food, transportation and so on.

13 The World Bank, for example, committed \$2.9 billion or ten per cent of its lending (an increase of six per cent over the last ten years) toward education and training in 1995. Currently, it has projects totalling an estimated \$15 billion in educational financing at different stages of development.

The higher education sector accounted for the largest proportion of expenditure. Institutions in this sector earned A\$654 million in fees, while the students in this sector spent A\$770 million on goods and services.¹⁴ Traditional market leaders, moreover, are increasingly being challenged by a growing band of countries which see the export of education and training services as an important growth area, and one from which they are determined to benefit.

3.0.2 *Market leaders*

Over the past several decades, leading exporters of education and training have included France, Great Britain and the United States of America. More recently they have been joined by Australia. Each possesses a well-developed national and international infrastructure to support trade in education and training. Alliance Francaise, for example, has 1,058 associations in 132 countries. The British Council has 228 offices and 95 teaching centres in 109 countries. The United States Information Service (USIS) operates 211 offices in 147 countries. And Australia funds over 30 overseas education offices (Industry Canada, 1997).

The U.S.A. is easily the leading nation in exporting education and training services. In 1995, its total exports in this sector amounted to \$7.5 billion (over 58 per cent to Asian markets), and generated a trade surplus of \$6.6 billion dollars. Exports to Japan amounted to around \$750 million, those to China over \$500 million and those to Taiwan, India and Korea over \$400 million (USITC, 1997).

The size of this market has not gone unnoticed. Britain is creating full-blown replicas of its university-level education abroad, and is encouraging the delivery of education and training at a distance. France is marketing its Institut Universite de Technologie (IUT) model in Mexico and Africa. Canada is promoting its community college model internationally. Australia, as we have seen, is successfully recruiting international students. And other nations are also becoming more active (Mallea, 1997).

New Zealand, for example, hopes to expand its share of the market in neighbouring countries and has already expanded its student recruiting efforts. Several of the newly-industrialising countries in Asia have also expressed interest in becoming a regional provider of education and training services. Singapore is already involved on a small scale, and expects to increase its involvement following the opening of its first private university in the year 2000. Malaysia's planned Multi-Media Corridor has a Multi-Media University at its centre, and it too has aspirations in the area. Currently Hong Kong's attention may well be concentrated on adjusting to its new status as a Special Administrative Region of China, but it too has a potential role as a regional provider of education and training services.

3.0.3 *Market strategies*

What is of even greater significance is that the nature, scale and scope of international trade in education and training services is prompting national and sub-national governments to take a much

14 Information kindly provided by Peter Nicholson and Thien Tan, Educational Development and International Operations, Higher Education Division, Department of Employment, Education, Training and Youth Affairs, Canberra, Australia.

more systematic approach to the development of market strategies. No better example of this can be found, perhaps, than in Canada, where both federal and provincial governments¹⁵ are looking to strengthen their expertise in marketing educational services.

Canada's location immediately north of the largest education and training market in the world, the United States, means that this market is accorded the highest priority by the Canadian government. Another is the market in Mexico, which grew from 70 per cent (from U.S. \$26.4 million to U.S. \$44.8 million) between 1991 and 1993. And the countries of Central and Eastern Europe also are seen as potentially rich markets for the export of "Made in Canada" education and training services.

The Canadian federal government's ambitions to become a significant player in the export of education and training services was fuelled in large part because of its declining share of the international student market. In 1994-1995 this decreased for the second year in a row by nearly six per cent, a not-insignificant loss, given estimates that international students that year contributed C\$2.3 billion in foreign exchange earnings to Canada's economy, and helped generate 21,000 jobs.

Critics also pointed to the lack of coherent policies in the area and the absence of a well co-ordinated marketing strategy for the export of Canadian education and training services. The result, as part of a sector-by-sector competitiveness review, was an assessment of the nation's present position and future prospects in education and training services (Industry Canada, 1998). This report is worth reviewing in some detail for the insights it gives into current efforts to create successful export marketing strategies in education and training.

The providers that make up the Canadian education and training services industry, while somewhat heterogeneous, fall into one of four general categories. The first embraces private firms specialising in education and training programmes and/or courseware, curriculum design, train-the-trainer programmes, and training needs assessments. The second is made up of accounting, engineering, management consultant and telecommunications companies that provide education and training services either as a supplement to their main product or service lines, or on a stand-alone basis. The third is made up of private schools. And the fourth is composed of public educational institutions (Industry Canada, 1998). Among these, the Association of Canadian Community Colleges (ACCC) is frequently acknowledged to be a pro-active leader in the international marketplace, while non-governmental agencies such as the Canadian Bureau for International Education play an important advocacy and promotional role.

In its draft report, Industry Canada (1998) identified three factors it believed contributed to increased international trade in education and training services: trade agreements, technological change and priorities of multilateral development. Of the three, technological change was considered to be the most significant. Increasingly, for example, telecommunications, cable and satellite companies were entering the distance education and training market. And in computer-based training, it was observed, text-based training software was giving way to new media learning materials that can combine text, graphics, pictures, and animations as well as applying them to

15 Two provincial governments, Alberta and British Columbia, have created "arms length" agencies: The Alberta Centre for International Education and the British Columbia Centre for International Education. A third, Manitoba, has a Director of International Education in the Ministry of Training and Continuing Education. And the government of Nova Scotia has created a position of Marketing co-ordinator in the Ministry of Higher Education.

various electronic-based training products. If these markets were to be exploited more fully, however, investment would need to be increased.¹⁶

Industry Canada (1998) identified Canada's strengths as being distance education and technology-based learning, public sector management training, second language acquisition (in both French and English), and the flexibility of its companies. Smaller enterprises, it suggested, could benefit from working with larger ones in the areas of product development and distribution, while larger companies could benefit from the creativity of their smaller partners. Canada's limitations, on the other hand, include the lack of a national accreditation process, insufficient international marketing skills, the lack of good data and solid research, and a general lack of international experience and know-how.

In 1996, Canada's Export Development Corporation and the Canadian Imperial Bank of Commerce launched a C\$20 million loan programme for knowledge-based businesses to finance the costs of supplying goods and services abroad. Custom-designed programmes, institutional twinning and credit transfer mechanisms are being developed. A strong and sustained local presence to aid in their delivery is being encouraged, and more of a cost-benefit approach is being adopted. In addition, professional networks are being formed to better co-ordinate responses to what are considered fast-moving changes in a rapidly expanding international market.¹⁷ It is proposed also that education and training firms develop strong links with the consulting engineering, construction and manufacturing industries, and that they develop expertise in developing formal international marketing plans. Niche marketing in areas of strength is recommended, as is the idea of government entering into partnerships with private suppliers and educational institutions.

Another major strategic initiative is the creation of a network of 14 Canadian Education Centres (CECs) designed specifically to market education and training services abroad, and representing some 230 Canadian educational institutions (APFC, 1998). Until the financial crisis affected markets in Thailand, Malaysia and Indonesia, the Asia-Pacific region was considered to offer the most attractive of markets -- especially in terms of the recruitment of students and the training of professional, management and technical personnel.

The Canadian Education Centres in the Asia-Pacific region were mandated to gather market intelligence, identify corporate and group training opportunities, and negotiate contracts. And as the market was seen to be shifting from the more traditional university and college programs to corporate training and upgrading, it was recommended that the centres should: (i) put more emphasis on attracting corporate clients on a fee-for-service basis; and (ii) add training services to larger export packages in areas such as telecommunications, health care, transportation, power generation and engineering (Industry Canada, 1997, p. 43).

16 Some computer-based training enterprises have issued shares in order to raise capital to expand their activities, and others have established partnerships with larger companies.

17 In this connection, the Canadian Business Networks Coalition recently approved several education and training networks that are marketing internationally. The Calgary Centre for International Training, consisting of five companies/institutions, is providing training for major public infrastructure projects in developing countries. The Canadian Showcase Consortium, a group of educational institutions in four provinces, is seeking to attract Gulf State companies to Canadian universities. And Creative Communications International, comprising four Alberta companies, is exporting hospitality education and training to Central America.

Of special strategic interest is the “Team Canada” approach to international trade in which the goal is to sell Canadian goods and services. To date “Team Canada” has made flying trade missions to Asia and South America. The team is usually composed of the Prime Minister and Provincial Premiers accompanied by trade ministers and staff, chief executives of major private companies. It also includes a good number of heads of educational institutions.

Non-governmental organisations like the Canadian Bureau for International Education are beginning to take a greater research interest in the export of education services (Holmes, 1996; Humphries, 1996). So too are university-based researchers. Schembri (1996) has examined the potential for growth of Canadian exports of business and education services to the Asia Pacific region. Rowe and DeVoretz (1998) have estimated the net economic value of hosting international students in Canadian universities.

3.1 IMPLICATIONS FOR HIGHER EDUCATION

3.1.1 Stakeholder motivations

Any discussion of the implications of the accelerating growth in international trade in education and training for higher education must of necessity be seen in the context of broader global trends that are affecting the way in which higher education is being viewed. For instance, growing recognition of the central importance of intellectual capital formation in the creation of knowledge-intensive economies has both expanded and intensified the participation of a variety of stakeholders in discussions of the international dimensions of higher education. Traditional stakeholders are reformulating their expectations, and new voices are contributing fresh ideas and posing new challenges.¹⁸

3.1.2 Institutional change

The impact of international trade in education and training services for higher education institutions is being felt primarily in the areas of student recruitment, policy development, evaluation, skills development, portability of credits and to a lesser extent in the validation of competencies attained as part of work experience and profession-based training programmes. The growth of export trade in higher education services has coincided in a number of countries with reductions in governmental financial support for colleges and universities. Such reductions have resulted in institutions emphasising the recruitment of international students on a full cost-recovery basis. Student fees, of course, form only one aspect of the financial benefits that accrue to institutions recruiting students from abroad. In addition, local, regional and national economies benefit significantly from the well-known multiplier effect of the presence in a community of international students.

18. Stakeholder motivations regarding the internationalisation of higher education have been the subject of three recent papers prepared by the author for the OECD’s Centre for Educational Research and Innovation. In the first, convergent and divergent expressions of belief, opinion and behaviour were identified (Mallea, 1995). In the second, market economics and trade were the primary driving forces behind corporate and governmental support for internationalising higher education (Mallea, 1996). And in the third, it was observed that an interesting new dialogue between professions and higher education was emerging (Mallea, 1997).

Attracted by these benefits, some higher education institutions are expanding the international dimension of their work, allocating more resources to offices of international affairs, and creating institutional policies that are more coherent, co-ordinated and pro-active (See, for example, Back *et al.*, 1996). A growing number are also using international as well as domestic norms and standards of excellence. Still others are carrying out formal reviews of their commitment to internationalisation.¹⁹ Elsewhere, existing methods of monitoring, evaluation and accreditation are undergoing increased scrutiny, adaptation and change (Mallea, 1997). Interest has been renewed in the cross-national assessment of institutions and programmes (de Wit, 1995). Innovative measurement approaches are being introduced (Mallea, 1996). More interest is being shown in international benchmarking. And examinations are being computerised and made both more secure and capable of export.

The issue of what skills and competencies higher education graduates will need in order to function successfully in international contexts is also assuming a higher profile. Economists are stressing the need for highly trained managers and for management teams drawn from diverse cultures (Thurow, 1992) and the importance of linguistic and cross-cultural communication skills (Reich, 1992). The private sector is calling for improved cultural awareness skills as well as for increased personal and professional adaptability among graduates.

In response, higher education institutions are creating new courses and programmes, modifying their curricula, fostering alternative methods of delivery, and expanding work-study opportunities, all with the intention of improving international skills and competencies among their students.

What may well constitute the most significant institutional change world-wide is the increasing adoption of the academic credit system. Its characteristic features of validation, aggregation and portability make it a system that is ideally suited to meet the needs of an increasingly mobile international work force. Efforts to integrate education and training -- both informal and formal -- into cumulative credit-bearing programmes leading to the award of a diploma or a degree are also on the rise, as witness the development of a "Record of Learning" by New Zealand's National Qualifications Authority (New Zealand, n.d.). Similar efforts are being made elsewhere. Two of these are the European Credit Transfer scheme and a related project being carried out at the Tavistock Institute in London. Particular attention in the latter is being paid to the creation of a more flexible and inclusive institutional environment for the validation of skills and competencies learned as a part of work experience and company-based training programmes. The mid-term goal is to create a European accreditation system that includes validation of education and training through systems of telematics. The long-term goal is for every European citizen to have a personal skills card, along the lines of the "smart" card, that will record and confirm an individual's skills and competencies (Cullen, 1997).

Initiatives like the above are at the cutting edge of educational policy and have much to add to our practical knowledge of the portability of skills, competencies and experiences. In addition, they bring together new actors, new ideas and new technology in the creation of innovative means of educational delivery, assessment and accreditation. They are international in vision, scope and performance, and in the years to come, their influence will be felt at all levels of policy and practice in the professions and higher education.

19 A lead project in this respect is the pilot International Quality Review Project (IQRP) supported by the International Management of Higher Education (IMHE) programme of the OECD.

3.2 STRATEGIC PARTNERSHIPS

3.2.1 Meeting points

Mention has already been made of the dialogue on international trade in professional services that is emerging between the professions and higher education. Dialogues are being initiated in other venues as well. They vary in purpose, form and content, but each seeks a meeting point in which representatives of the professions, higher education and governments can come together to share their expertise and concerns.

A key role in providing such meeting points is currently being played by the Center for Quality Assurance in International Education (CQAIE). Founded in 1993 in Washington D.C., this Center has organised a series of annual conferences on international trade in professional and educational services. At these, representatives of the professions, higher education, multilateral organisations, governments and accreditation agencies have come together to discuss common interests and challenges. And as their published proceedings suggest, such discussions cover topics that are both general and technical in nature: *Globalization of the Professions and the Quality Imperative: Professional Accreditation, Certification, and Licensure* (Lenn and Campos, Eds., 1997); and *Multinational Discourse on Professional Accreditation, Certification, and Licensure: Bridges for the Globalizing Professions* (Lenn and Campos, Eds., 1998).

The CQAIE also serves as the secretariat for the Global Alliance for Transnational Education (GATE). Founded in 1995, GATE is an alliance of institutions of higher education, national associations, government agencies, and multi-national companies seeking to ensure the quality of higher and professional education transmitted across national borders. It is designed to meet the needs of each of its constituencies while at the same time creating opportunities for cross-fertilisation through:

- Exploring current issues companies face in international hiring and universities face in international admissions;
- Networking across national borders with other corporations and educational associations and institutions;
- Accessing global information on educational systems, institutions and transnational educational education offerings; and
- Developing principles of good practice and recognition for quality international education and training. (GATE, n.d.).

The organisation is attracting considerable international interest and support, as evidenced by the high level of attendance at its conference on Transnational Education, Human Resource Development and the Quality Imperative (1997), co-sponsored by the OECD's Centre for Educational Research and Innovation (CERI) and its Programme on Institutional Management in Higher Education (IMHE).²⁰

20 IMHE has initiated a pilot project, "The International Quality Review Process" (IQRP), which has carried out individual case-studies of the international dimensions of colleges and universities on several continents. See, for example, Knight, J. and de Wit, H. Eds. *Internationalisation of higher*

The forces and factors leading to formation of new international alliances such as GATE have also led to the formation of new partnerships at the national level. Two examples are provided below. The first, taken from Australia, illustrates how the export of legal education and training has fostered closer ties among government, the legal profession, and university faculties of law. The second, from Mexico, and resulting directly from NAFTA, illustrates how an international trade agreement has led to increased co-operation among twelve professions, higher education and several arms of government.

3.2.2 *An Australian partnership*

Law is the largest export earner within the professional services category as defined by the Australian Bureau of Statistics (Australia, 1997). Four types of services are provided: international legal education and training services; professional (business) services; international arbitration and commercial dispute resolution services; and services relating to intellectual and industrial property rights.

In 1990, the Commonwealth government established an International Legal Services Advisory Council (ILSAC), which has since become a leading force in co-ordinating and promoting international legal education and training services (Tucker, 1996). Shortly thereafter, ILSAC's International Legal Education and Training Sub-Committee published *Australia in Asia: Legal education challenges and opportunities* (1992), in which it proposed the following be achieved: documentation of the demand for international legal education; development of common purpose strategies for the law schools and universities; the raising of Australia's international profile in legal education; an increase in the profession's support for international legal education and training; and the creation of a *national* approach to the export of legal education and training.

In a foreword to the report, ILSAC's chairman observed that the education of an expanding international student body required new approaches from university law faculties and the development of new skills among their staff. Indeed, he continued, the underlying theme of the report was not so much about the export of legal education and training as it was about internationalising the attitudes, course offerings, and institutional linkages of Australian law schools. This process would not only facilitate greater interaction of staff and students in Australia's law schools with those of the region and beyond, but also would encourage the recognition of legal education qualifications between Australia and jurisdictions overseas (*Ibid.*, p. 6).²¹

An early response to the challenge of internationalisation was that of the Dean of Law and Legal Practice at the University of Technology, Sydney. At a meeting of the International Law Association, he posed several basic questions: Could Australian law schools export legal education? What was the market for it? And, assuming that a market existed, should they attempt to satisfy it? His answers were strongly affirmative. Paraphrasing Victor Hugo, he argued that Australia would one day be part of an integrated regional market; that this market would be regulated by a mixture of Australian common law and regional civil law systems; that Australian lawyers would work in concert with Asian lawyers; and that concepts such as justice, respect for rights, and the rule of law

education in Asia Pacific countries. Amsterdam: The European Association for International Education.

21 To date, ILSAC has published upwards of 17 individual profiles dealing with the provision of legal services in neighbouring countries in the region.

would serve to help bind the Asian regional market together (Flint, 1993). Two years later, according to one legal specialist, progress was being made. The universities were offering an increasing number of courses dealing with Asian law and legal systems, and there had been substantial growth in the provision of legal training and education to lawyers and officials both in Australia and in their home jurisdictions" (Clift, 1995, p. 6).

A second ILSAC report, *Australian international legal education and training: Directions, issues and opportunities* (1993), confirmed the increasing scale, scope and systematisation of these activities. It also noted that international student numbers in law were increasing; that the establishment of targeted Australian government programmes to help develop, co-ordinate and direct responses to international opportunities were positive developments for Australian law schools; that it would make sense for Australian law schools to broaden and deepen their participation in international legal education and training; and that some markets for Australian legal education and training were relatively unexplored. The report pointed to the need for more market research and the targeting of demand. It proposed a well- defined international legal education strategy. And it expressed the view that Australia's competitive advantage depended "on the constructive interaction of Australian government departments and agencies, the law schools, law firms and members of the Australian legal profession".

3.2.3 A Mexican partnership²²

In Mexico, the desire for mutual recognition rather than competitive advantage is the stimulus behind the new strategic partnerships that are emerging as a direct response to NAFTA. Working groups in twelve professions have been established whose goal is to develop MRAs between Mexico, Canada and the United States. Membership is drawn from the professional associations, higher education, and the federal government. As a result, two major innovations are already underway: the introduction of programme accreditation systems in the universities, and the organisation of uniform general examinations for professional entry.

In 1997, for example, four university engineering programmes had been accredited, and twenty more were being reviewed. In medicine, five programmes had been accredited, one was pending and five more were in process. Veterinary science was starting accreditation processes in 1998, and the development of accreditation instruments was almost finished in dentistry and agronomy. Accounting has also expressed the intention of formally accrediting its programmes.

Uniform general examinations governing professional entry are being developed by a number of professions (including actuarial sciences, architecture, engineering, accounting, psychology and agronomy) in association with the *Centro Nacional de Evaluacion para la Educacion Superior* (CENEVAL). In medicine, for example, CENEVAL is developing an examination for general practice; and it is collaborating with *La Universidad Nacional Autonoma de Mexico* (UNAM) on designing examinations for entry into specialised practice in dentistry.

22 The initial steps in becoming a professional in Mexico are straightforward. An individual successfully completes a programme of professional study in higher education (*carrera*) and is awarded a degree (*licenciatura*) and a title (*titulo*) such as *Arquitecto* or *Abogado*. He or she then submits the relevant documentation to the Directorate General of Professions at the Ministry of Education and, if all is in order, the individual is then certified (*cedula*).

Representatives of the professions are also participating in ongoing efforts by the National Association of Universities and Institutions of Higher Education (ANUIES) and the National Commission for the Evaluation of Higher Education (CONAEVA) to develop core standards of professional education.

4.0 CONCLUSIONS

Any exploratory mapping of new terrain usually includes areas marked *terra incognita*. This device serves a useful purpose by identifying what is not known and placing it in the context of what is. It also suggests that one's understanding of the whole will undergo change as gaps are filled. So it is with initial efforts to map the nature, scope and growth of educational services. Many aspects of this subject are unknown. Others need to be identified and explored. Still others require further description, clarification and analysis. Hence, this conclusion seeks to identify key issues and questions, and then to set out a broad agenda for research.

4.1.1 Major issues and questions

Unpredictability in the international trading system will continue to be as much a characteristic of the 21st century as it has been in the 20th (Ostry, 1997). Ostry observes that, as recently as the mid-twentieth century, "trade in services would have been regarded as an oxymoron" (*Ibid.*, p. 184). Both observations serve to remind us, as does the fiscal crisis in the Asia-Pacific, of the uncertainties that are part and parcel of the contemporary international marketplace in professional and educational services. The issue of whether the multilateral trading system in these services can progress on a broad and balanced front in responding to the challenges of globalisation remains open. So do questions concerning the positive and negative impacts of globalisation itself.

A sub-set of these larger policy issues and questions relates specifically to international trade in professional and educational services itself. Who benefits and who does not? Another sub-set of questions considers the impact of such trade on the professions and higher education. Will the forces of greater international integration and freer trade promote increased co-operation or competition? Will they increase cultural understanding and collaboration? Or might they serve to create new forms of institutional and cultural imperialism? A further and related sub-set of questions are more practical in nature and form: five are of particular importance for the professions and higher education.

Mention has already been made of the challenges posed by widespread problems of *data classification, collection and analysis*. An even greater challenge, though, may be posed by the intense competition in professional and educational services among countries, professional bodies and institutions of higher education. Some or all of these may be reluctant to provide data on their activities. And agreement to do so may be rendered more difficult by the existence among stakeholders of different attitudes towards information-sharing.

Progress is being made on the introduction of *valid and reliable methods of quality assurance and the recognition of foreign qualifications*, but it is slow. Accreditation processes and systems are under review and new associations are being created to face the challenges of increased international integration. Multilateral organisations like the Council of Europe and UNESCO have made the issue of qualifications recognition a priority. Much, though, remains to be done on both

fronts by professional bodies and institutions of higher education in a number of local, national and regional jurisdictions.

A similar judgement can be applied to *the international delivery of programmes at a distance*. Anecdotal evidence attests to the existence of considerable growth in this sphere, evidenced by a profusion of newspaper advertisements. Hong Kong is said to have upwards of 50 off-shore Master of Business Administration (MBA) programmes delivered by distance means. Yet comprehensive statistical information on this most competitive of markets simply does not exist. Nor do we know how it is monitored or how well the interests of student consumers are protected.

Many of these concerns are also raised with respect to *the cross-national supply of continuing professional education*. This is considered by many to be an area of significant growth and therefore of great importance to the professions and higher education. Yet matters of data collection, quality control, recognition of qualifications and distance delivery all need to be addressed.

Finally, there are many questions about what *skills and competencies will be needed by graduate professionals* if they are to function effectively in an increasingly international and inter-cultural environment. The professions and higher education institutions could usefully begin by asking how best to identify these and also to achieve desired outcomes. What changes will be required? How can agreement on these be reached? And how can the necessary policies, structures, mechanisms and funding be put in place?

Some of these issues, as we have seen, are being addressed. Others are not. Today energies in both the professions and higher education are focused more on the search for competitive advantage internationally than on documenting activities. Those involved see themselves as change agents rather than as analysts or detached observers. The result is that little research exists. It is with this in mind that the final section of this paper sets out a proposed agenda for research.

4.1.2 *An agenda for research*²³

First, it is important that the field be reviewed in depth, with what is known about these activities being described in both quantitative and qualitative detail.

Second, research should focus on those macro-economic forces and factors that are leading the professional and higher education communities to compete increasingly on an international scale. Such an approach would involve placing the growing international demand for professional and educational services within the broader context of changes in the international services trade in general.

Third, there is a need for policy-oriented research, especially at the national level, focusing on the creation of coherent, well-integrated and co-ordinated policy on international trade in professional and educational services.

23 Much of the thinking in this section has benefited from discussions with my colleague Thierry Noyelle.

Fourth, the body of experience (largely gained from regional integration agreements) that deals with the reduction of barriers to trade in professional and educational services needs to be reviewed, summarised and translated into models that could be used in other settings.

Fifth, questions should be explored given that the design of licensing requirements for any profession is a complex process involving licensing authorities, professionals, their associations, educators, and now international trade negotiators: in what ways is it undergoing change, who are the primary movers, and how well are these actors responding to the new challenges they face?

Sixth, research could focus on the linkages between international trade in the professions and higher education. What do they have in common? How do they interact? What impact do they have upon the supply and delivery of education and training services? There is, likely to be a great deal of variation among the individual professions, higher education institutions and fields of study, but this diversity is itself of value and could lead to the completion of a wide range of investigative case studies.

Seventh, research could evaluate the extent to which the internationalisation of demand and supply for education and training is transforming that product and service. It could also analyse how this is affecting the operation of higher education institutions, their governance, priorities, resource allocation, programme development, and methods of quality assurance.

Eighth, comparative research on the use of distance delivery mechanisms, their costs, benefits and effects is needed, as are studies of the present and future role of mass communication companies.

Ninth, researchers could examine professional associations and educational institutions to determine what makes some of them more competitive than others. What is it about an institution, for example, that serves to attract international students? Is it mainly location, size, cost, reputation (for research, teaching, social standing), job-placement programmes or a combination of these?

Tenth, research could examine the ways in which trade liberalisation is influencing not only the supply and demand for professionals and higher education graduates, but also the amalgam of values, competencies, skills and knowledge they are expected to possess.

Specific hypotheses under each of the above items could be developed. For example, one might hypothesise that the increasing internationalisation of trade in educational and professional services will result in significant changes in: (i) the ways in which learning enterprises, both public and private, are organised, funded, governed, operated and monitored; and (ii) the ways in which the initial and continuing professional preparation and practice are conceived, delivered, monitored and funded. The above list is far from exhaustive. Given the largely unexamined nature of international trade in professional and higher education services, it follows that a bottom-up as well as a top-down approach to research has many advantages. Thus investigations can and should be launched by all types of negotiating bodies, regulatory agencies, professional associations and higher education organisations and institutions.

REFERENCES

- AAAC. (1997). *Trilateral initiatives of Canadian professions, current status*: May 1997. Unpublished report. Ottawa: Association of Accrediting Agencies of Canada.
- AIESEC International. (1995). *Educating tomorrow's global business leaders*. Brussels: The International Association of Students in Economics and Management.
- APFC. (1998). *Canada Asia Review 1998*. Vancouver: Asia Pacific Foundation of Canada.
- ASEAN. (1995). *ASEAN framework agreement on services*. Jakarta: ASEAN Secretariat.
- AUSTRADE. (1994). *Intelligent exports*. Sydney: Australian Trade Commission.
- Adams, J. Q. (1997). "The globalization of engineering licensure," in Lenn, M. P. and Campos, L. Eds. *Globalization of the professions and the quality imperative: Professional accreditation, certification, and licensure*. Madison, WI.: Magna Publications.
- Ascher, B. (1997). "Is quality assurance in education consistent with international trade agreements?" in *International trade in professional services: Advancing liberalisation through regulatory reform*. Paris: Organisation for Economic Co-operation and Development.
- Australia. (1996). *Arrangement between the Australian parties and New Zealand relating to Trans-Tasman mutual recognition*. Canberra: Commonwealth of Australia.
- Australia. (1997). *Balance of Payments and International Investment Position*. Canberra: Australian Bureau of Statistics. Catalogue No. 5363.
- Back, K., Davis, D. and Olsen, A. (1996). *Internationalisation and higher education: Goals and strategies*. Canberra: Australian Government Publishing Service.
- Bikson, T. K. and Law, S. A. (1994). *Global preparedness and human resources: College and corporate perspectives*. Santa Monica, Ca.: Rand Institute on Education and Training.
- Bremer, L. and van der Wende, M.C. (1995). *Internationalizing the curriculum in higher education*. The Hague: Nuffic.
- CMEC. (1996). *Asia-Pacific Economic Cooperation (APEC) and the APEC Education Forum. Briefing note*. Toronto: Council of Ministers of Education, Canada.
- CQAIE. (1997). "The Impact of globalization on Mexican pharmacy: A profile." Special feature. *Policy and News Report*. VI. 2. The Center for Quality Assurance in International Education.

- Clift, J. (1995). "International trade in legal services." Paper prepared for the Third International Conference on International Trade in Services. Brisbane, Australia, 12-13 July.
- Commonwealth of Australia. (1996). "Skills recognition directory for professional occupations" in *ASEAN and Australia*. Canberra: Australian Government Publishing Service.
- Cullen, J. (1997). "Professional mobility in the European Union". Presentation at the conference on Trade Agreements, Higher Education and the Globalization of the Professions. Montreal, 9 May.
- de Wit, H. (1995). *Strategies for internationalisation of higher education: A comparative study of Australia, Canada, Europe and the United States of America*. Amsterdam: The European Association for International Education.
- Deupree, J. and Lenn, M. P. (1997). *Ambassadors of U.S. higher education: Quality credit-bearing programs abroad*. New York: College Board.
- Flint, D. (1993). "The export of legal education." Address given at the 120th Anniversary Seminar and Dinner of the International Law Association, Sydney, 16 October.
- GATE. (n.d.). *Achieving worldwide access to quality education and training*. Washington, D.C.: Global Alliance for Transnational Education.
- HKSA. (1997). *New professional accreditation system*. Hong Kong: Hong Kong Society of Accountants.
- Holmes, J. (1996). "Export-readiness in the Canadian education sector." *CBIE research No. 8*. Ottawa: Canadian Bureau for International Education.
- Humphries, J. (1996). *Where the students are: An analysis of the major competing countries for the international student market*. Ottawa: Canadian Bureau for International Education.
- IEA. (1993). *National competency standards for professional engineers (stages 1 and 2)*. Barton, ACT: The Institution of Engineers.
- ILSAC. (1992) *Australia in Asia: Legal education challenges and opportunities*. Canberra: International Legal Services Advisory Committee. November.
- ILSAC. (1995). *Australian international legal education and training: Directions, issues and opportunities*. Canberra: International Legal Services Advisory Committee.
- Industry Canada. (1998). *Education and Training Services: Part 1-- Overview and Prospects*. Sector Competitiveness Frameworks. Ottawa: Industry Canada.
- Japan. (1997). *APEC, best practices in engineering accreditation, recognition and development project*. Response to survey questionnaire prepared by Japan Consulting Engineers Association.

- Lenn, M. P. and Campos, L. (Eds.) (1997). *Globalization of the professions and the quality imperative: Professional accreditation, certification, and licensure*. Madison, WI: Magna Publications.
- Lenn, M. P. and Campos, L. (Eds.) (1998). *Multinational discourse on professional accreditation, certification, and licensure: Bridges for the globalizing professions*. Washington D. C.: Center for Quality Assurance in International Education.
- Mallea, J. R. (1994a). "Human resources development and higher education in the triad: Europe, North America and Japan". In *Proceedings of the seminar on education and resource development for the Pacific Basin. Co-partnership strategies and actions*. Guadalajara: Universidad Autonoma de Guadalajara.
- Mallea, J. R. (1995). "The views and activities of stakeholders on the internationalisation of higher education". International conference on learning beyond schooling--new forms of supply and new demands. Paris: OECD/CERI, 14-16 December.
- Mallea, J. R. (1996). "The internationalisation of higher education--Stakeholder views in North America." In *Internationalisation of higher education*. Paris: OECD/CERI.
- Mallea, J. R. (1997). "Internationalisation of higher education and the professions." In *International trade in professional services: Advancing liberalisation through regulatory reform*. Paris: OECD.
- Miles, M. "Services: The Interdependent Economy." Paper presented at Japanese Service Investment in Europe, Programme of Policy Research in Engineering, Science and Technology, University of Manchester, April 1995.
- NZSA. (1995). *Admissions policy: Guidelines for practical experience, mentors and approved training organisations*. Wellington: New Zealand Society of Accountants.
- New Zealand. (n.d.). *The Record of Learning*. Wellington: New Zealand Qualifications Authority.
- OECD. (1997a). *International trade in professional services: Advancing liberalisation through regulatory reform*. Paris: OECD.
- OECD. (1997b). *Replies by OECD member countries to the questionnaires for the workshop*. Working Document. Third workshop on Professional Services. Paris: OECD.
- Ostry, S. (1997). *The post-cold war trading system: Who's on first?* Chicago: University of Chicago Press.
- Reich, R. B. (1992). *The work of nations: Preparing ourselves for 21st-century capitalism*. New York: Vintage Books.
- Rowe, F. and DeVoretz, D. (1998). *An estimate of the economic value of international students in Canada*. Vancouver: Canadian Education Centre Network. Unpublished research report.

- Schembri, L. L. (1996). "Canadian exports of business and education services to the Asia Pacific region." In *The Asia Pacific region in the global economy: A Canadian perspective*, R. G. Harris, (ed.) Calgary: University of Calgary Press.
- Sohn, L. B. (Spring, 1994). "Model rule for the licensing of legal consultants." *The International Lawyer*, pp. 336-351.
- Teather C. B., Tsang, H. H. and Chan, W. W. Y. (1996). Internationalisation of higher education in Hong Kong. In Knight, J. and de Wit, H. (Eds.). *Internationalisation of higher education in Asia-Pacific countries*. 7-9 October, Melbourne, Australia.
- Thurow, L. (1992). *Head to head: The coming economic battle among Japan, Europe and America*. New York: William Morrow.
- Trolliet, C. (1997a). "Recent developments in the WTO on professional services." In *International trade in professional services: Advancing liberalisation through regulatory reform*. Paris: OECD.
- Trolliet, C. (1997b). The liberalisation of professional services according to the GATS. Address presented at the conference on Trade agreements, higher education and the globalization of the professions: A multinational discourse on quality assurance and competency. Montreal, May 7-9, 1997.
- Tucker, J. G. (1996). *An overview of the export of Australian Legal Services*. Canberra: International Legal Services Advisory Council.
- UIA. (1997). "Proposed 1997-1999 Professional Practice Program." As approved by the 86th session of the International Union of Architects Council Meeting at Chandigarh, India, 1997.
- UNESCO. (1992). *Statistical Yearbook*. Paris: United Nations Educational and Scientific Organisation.
- UPADI. (August, 1995). III Pan-American Seminar "Evaluation and accreditation of engineering studies". In *World Federation of Engineering Organizations (WFEO) Committee on Education and Training Journal Ideas*. No. 3, January 1996.
- USITC. (1997). *Recent Trends in U.S Services Trade*. Washington, D. C.: United States International Trade Commission.
- WFEO. (1996). Special Edition on Accreditation and Professional Practice. *Committee on Education and Training Journal Ideas*. No. 3. January.
- WPPS. (1997). "WTO guidelines for mutual recognition agreements in the accountancy sector." Communication from the European Community and its Member States. 5 August, 1996.