

**International Trade and Higher Education Services:
The TTIP, the EHEA, and Beyond**

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The unprecedented growth of trade in services over recent years reflects the composition of the contemporary knowledge economy, in which countries are balancing between benefits from international cooperation and maintenance of national competitiveness and historical identity. Given the opportunity to further liberalize international trade, this research explains the stakeholders' interests in higher education services within the context of various international trade negotiations. This research analyzes how trade in higher education services may be addressed in ongoing negotiations, given the preexisting trade frameworks, and particularly highlights the interests of countries in the European Union and the U.S. to participate in trade agreements, while stakeholders aim to protect higher education services. The research draws conclusions indicating the growth trends in these areas, which exists alongside uncertainty regarding the place of education in international trade agreements.

Both cooperation in higher education and in trade in services have expanded in the 21st century. The European Higher Education Area (EHEA), composed of forty-seven countries, has grown along with the knowledge economy. This is characterized by an unprecedented growth of trade in services, which has steadily increased in recent decades since the recent era of globalization entered with the end of the Cold War. Countries look out for their own national interests and competitiveness while seeking to cooperate internationally in order to participate in the higher education networks. In a national dilemma, countries must decide between when further trade liberalization is beneficial and when trade has been integrated enough that it is preferential to maintain domestic interests (Rodrik 2011). This research uses qualitative analysis and quantitative methods to address the research question:

RQ: What is the relationship between higher education attainment and international trade?

The European Commission's economic growth strategy, Europe 2020, includes education, employment, innovation, social cohesion, and climate sustainability as the five areas where objectives are benchmarked for each of the 28 countries in the European Union (EU).¹ Education is a national competence supported by the EU, while trade is an exclusive competence of the EU. This proposes a potential conflict in education policy given the internationalization of education alongside the growth of international trade. Furthermore, lack of specificity in the Services Directive, on the EU's single market, further obscures international governance of the traditional national sector of education.

Historical analysis of trade agreements together with correlation analysis, between national higher education attainment and trade data, are explained following. This research explains stakeholders' interests in educational services within the context of the Trans-Atlantic Trade and Investment Partnership (TTIP) in particular, as well as the Trans-Pacific Partnership (TPP) and Trade in Services Agreement (TiSA) negotiations. As private education is considered in these multilateral forums, stakeholders seek to protect trade from educational services commodification (Robertson et al. 2012:31). International market access for private higher education services and mutual recognition of professional qualifications are two key areas in the ongoing negotiations that are explained in this research.

¹ The European Commission's economic growth strategy Europe 2020 was launched in March 2010. Available from: http://ec.europa.eu/europe2020/index_en.htm

Trade in Services

This research takes into account how higher education is considered in various international trade forums. There are multiple forums for trade governance, and the largest international trade body of the World Trade Organization (WTO) addresses trade in higher education services in the General Agreement on Trade in Services (GATS), in force since 1995. Since early 2013 the negotiating process for the potential regional trade agreement of the TTIP considers how professional recognition may be actualized across participating countries, alongside more contentious concerns regarding market access in the private education sector. This interest in professional recognition reiterates the objectives of the Bologna Process, for recognition of academic degrees across the 47 participating countries, to an even greater extent with the intention to ensure professional recognition intercontinentally. With the onset of the Bologna Process in the first years of the millennium, scholars have taken note of the importance of higher education as relates to trade in services (Heyneman 2001, Temple 2012, Amaral 2014).

There is a distinction between the exposures of private education, as compared to public education, in international trade agreements. Public education is not open for trade liberalization as stated in the GATS, as public services traditionally are excluded from international trade negotiations. The United States (U.S.) and the EU are historical trading partners, and enjoy the largest trade and investment relationship in the world. Given the opportunity to further liberalize international trade, this paper explains the negotiating parties' interests in higher education services within the context of the TTIP in particular. The European University Association (EUA) which represents the leading research universities in Europe has been a significant voice that raises concerns about the place of education in trade negotiations. In late January 2015 the EUA Board and Council made a formal statement, which included the text, "The EU should not make commitments in the categories of higher education (HE) and adult education (AE)...It should make absolutely clear to its partners that elected Member State governments reserve the right to determine the character of their HE and AE systems" (EUA 2015a:1).

Given the importance of the services sector in trade agreements, international trade governance has the potential to intersect with higher education policies across countries. This research examines the place of trade in higher education services in Europe and the U.S., and in the emerging markets of Latin America, in reference to the formal negotiating trade frameworks. Specifically within the EU, there is uncertainty since the education sector is not explicitly excluded in the Services Directive, which was adopted in late 2006 to simplify the provision of business services in the Single Market. At this time, it is not clear whether higher education services will be part of the TTIP or related negotiations. An analysis of the foregoing treatment of trade in services in previously negotiated agreements serves as an important guidepost for future considerations. *International market access for higher education services* and *mutual recognition of professional qualifications* are two key areas in the negotiations that are considered in this research.

This research considers how trade in higher education services may be addressed in ongoing negotiations, given the examples of preexisting trade frameworks. These frameworks are the GATS, originally adopted by the WTO in 1995, and the Comprehensive Economic Trade Agreement (CETA), negotiated by Canada and the EU in late 2013. This paper draws conclusions comparing the interest of countries in Europe and Latin America, and the U.S., to participate in regional integration initiatives for higher education services. The potential inclusion for private education in ongoing trade negotiations is still obscure, and the scarcity of public information may be a reason for reserved interest in this sector. A briefing note from the European University Association in July 2015 states, "The EUA has repeatedly asserted that the public/private distinction is legally unsafe and that the definition in GATS (and all other trade deals) must be re-aligned with reality on the basis of full stakeholder consultation," (EUA 2015a:8).

The Knowledge Economy and the Internationalization of Higher Education

The knowledge economy is driven by trade in services and developments technology, which have become increasingly important in the economy of the 21st century. Knowledge policies govern the knowledge economy on national and supranational levels. They address higher education services together with research and innovation policies. The European Commission continues to implement policies in each area, while the Maastricht Treaty, effective November 1, 1993, provided for further EU competency in this education.² The Lisbon Treaty, effective December 1, 2009, specifies further how the EU may contribute to the quality of education by encouraging cooperation across Member States.³

While education remains a national competence supported by the EU, there has been an increased supranational effort in regional cooperation in higher education and research policies. Given the global competition in the knowledge economy, the EU has taken an increasingly active role in higher education and research policies. Shared political, economic, and cultural values have resulted in the unprecedented higher education cooperation to create the EHEA, the largest academic mobility initiative in the world. The Bologna Process was initiated in 1999 and established the objectives for the EHEA, in which the European Commission is a partner alongside 47 sovereign states. The Horizon 2020 framework is for the European Research Area (ERA), exclusively for the EU Member States.

In the knowledge economy, the term “internationalization” has become broadly used to describe trends higher education. Internationalization in higher education consists of academic mobility, incoming to host foreign students and outgoing for students to study abroad. It also consists of international standards in degree content, quality assurances, and recognition, which are the pillars of the Bologna Process. While content of curriculum remains closely guarded at institutional and national levels, the European Commission has made recommendation through the Tuning program, which has become replicated internationally.

At the beginning of the 2000s, considering trade and higher education services, these three characteristics described business aspects of “internationalization” (Heyneman 2001:353):

1. Multinational corporations applying international standards beyond national borders
2. International regulatory associations applying rigorous standards
3. Standards of trading partners determining local application

The third point regarding standards is especially relevant given that assimilation of standards is central to ongoing trade negotiations in the TTIP. Previously tariff levels have been reduced in earlier trade agreements, and today countries make trade concessions by assimilating standards and by providing market access.

² Legal basis for the EU in education policy: “While vocational training was identified as an area of Community action in the Treaty of Rome in 1957, education was formally recognized as an area of EU competency in the Maastricht Treaty signed February 27, 1992, which states that *‘[t]he Community shall contribute to the development of quality education by encouraging co-operation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity’* Chapter 3, Article 126. Available from European Parliament:

http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuid=FTU_5.13.3.html

³ The Lisbon Treaty signed December 13, 2007 stated in Article 165, Part 3, Title XII how the EU may support education,³ as it *“shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.”*

Current Developments

In 2015 there continue to be intense national discussions on international trade policy, while the 9th ministerial conference of the Bologna Process took place in May 2015. The EHEA Ministers of Education met at the Bologna Policy forum in Yerevan, Armenia. This was the first time the meeting has taken place beyond the EU, underscoring the commitment of countries in the region. Participation in the Bologna Process has reached a period of relative stabilization, after years of recent reforms, and is characterized by engagement in the European higher education policy space.

During the summer 2015 there have been advances to the U.S. commitment to international trade. Historically trade is a contentious topic: Critics claim that competition from abroad threatens domestic growth, while supporters believe that opening markets will contribute to economic growth. On June 29, 2015 the U.S. President signed into law the legislative action on Trade Promotion Authority (TPA).⁴ TPA is also known as “fast-track,” which requires that trade agreements be voted on in Congress without the possibility to add legislative amendments. The requisite “up or down vote” provides an easier pathway to passage on negotiated trade agreements. Simultaneously legislation was signed to provide Trade Adjustment Assistance (TAA), which is financial and vocational support for workers displaced by competition from international trade. As of early August 2015 the TPP had confronted hurdles in negotiations, even though its conclusion has seemed more within reach than that of the TTIP. This summer there have been ongoing obstacles to overcome for the TPP negotiations, specifically on market access for sensitive agricultural products, such as dairy and sugar, as well as pharmaceuticals (Donna 2015). Conclusions of negotiations on the TTIP seem even less likely given broad criticism from domestic interest groups in Europe. The public concerns with the Investor-State Dispute Settlement (ISDS) mechanism and any compromise of standards on agricultural products may prove to be prohibitive to reach a conclusion for the negotiations.

The public comments collected by the European Commission on the TTIP are evidence of broad concern regarding the ISDS, and that the European leaders may have developed the negotiations at a faster pace than the European public has been ready to accept. As of the summer 2015, after the 10th round of meetings in Brussels from July 13 to 17, the negotiations progress at an ambling pace, with weak domestic support across Europe. Particularly considering standards, on food production processes and cosmetics ingredients for examples, the European public is strongly opposed to compromises and to concessions.

Quantitative Analysis

This quantitative analysis explains the relationship between Higher Education Attainment and Trade, particularly Trade in Services as a percentage of Gross Domestic Product (GDP). While market access for educational services is a concern in pending trade agreements, these trends reveal the expansion of both Higher Education Attainment alongside Trade since the year 2000. Data analysis has demonstrated that there is a positive relationship between higher education attainment and the level of economic development, measured by GDP per capita, at national levels in the EU (Barrett 2013). GDP is measured as consumption (C) + investment (I) + government spending (G) + net exports (Exports-Imports=NX). As economies grow and become more diversified, there are growth trends in consumption, government spending, and investment that become relatively larger in comparison to net exports or the trade balance. However, there are countries in northern Europe, which are high performing exporters, such as Austria, Belgium, The Netherlands, and Luxembourg, which have greater than 100 percent Trade/GDP. This analysis explains the correlation relationship between Higher Education Attainment and Trade/GDP and Trade in Services/GDP. Additional important variables to consider in relationship to

⁴ Prior to U.S. President Obama receiving TPA on June 29, 2015, last time that the legislative act of Trade Promotion Authority (TPA) was in effect in the U.S. was between 2002 and 2007 during the presidency of George W. Bush.

higher education attainment are GDP per capita, employment, educational spending, trade volume, trade balance, population size, and research and development (R&D) as a percentage of GDP. Advancing education, employment, and R &D as a percentage of GDP are priorities for the European Commission's economic growth strategy Europe 2020.

The quantitative variables of interest in this analysis are:

- Higher or Tertiary Education Attainment
- Trade as a percentage of GDP
- Trade in Services as a percentage of GDP

This analysis considers Trade as a percentage of GDP for the years 2000 to 2014. The year 2000 is the year that the Bologna Process was launched. Trade in Services as a percentage of GDP is available for the years 2005 to 2013. This analysis considers 27 EU countries, and it excludes Croatia, which became a Member State in July 2013, given unavailability of relevant data. There is a positive linear relationship Services over GDP. A very small two percent of the variability in higher education attainment is accounted for by Trade over GDP. While in both cases the R^2 is relatively small, Trade in Services over GDP explains more variance than Trade, when correlated at national levels with Higher Education Attainment

Reviewing the trends since 2000 most countries have been on upward trajectory in both Higher Education Attainment and Trade (Appendices: Figures 1 and 3). The correlations table (Appendices: Table 1) indicates that the correlation between Higher Education Attainment and Trade in Services/GDP is stronger than the correlation between Higher Education and Trade/GDP. The Pearson Correlation of .301 between Tertiary Education Attainment and Trade in Services is significant at the $p < 0.01$ level. The Pearson Correlation of .149 between Tertiary Education Attainment and Trade is somewhat weaker and less significant at the $p < 0.05$ level. A value of 1 would be a perfect Pearson Correlation, indicating variables that are completely aligned.

Reviewing the correlations charts, the R-squared (R^2) indicates the amount of variance explained by overlap between the two variables. In these two instances the R^2 are relatively low, while that of Trade in Services as a percentage of GDP, as compared to Trade as a percentage of GDP, is highest. Nine percent of the variability in Higher Education Attainment is accounted for by Trade in Services over GDP. Being more than four times higher than Trade as a percentage of GDP, Trade in Services has a stronger correlation relationship with Higher Education Attainment.

Analysis of correlation: While there the data indicates a positive correlation relationship between Trade, in particular Trade in Services, and Higher Education Attainment, the governance of trade in higher education at the international level remains contentious and uncertain. The leading stakeholders from the academic sector prefer for higher education to remain outside of international trade agreements. Particularly for in the EU, the EJA has advocated that Member States retain the prerogative to govern their own national policies in higher education.

Recent and Ongoing Mega-Trade Negotiations

Since 2001, the leading associations of higher education in the U.S., Canada, and Europe have taken the position that their member institutions were committed, "to reducing obstacles to international trade in higher education using conventions and agreements outside of a trade policy regime," (Joint Declaration 2001).⁵ The TTIP was announced in the spring of 2013, with the first formal negotiations taking place from July 8 to 12 in Washington, D.C. Alongside these negotiations are important developments in multilateral trade. The Trade in Services Agreement (TiSA) is being negotiated with more than 23

⁵ These leading higher education associations in Canada, Europe, and the United States are the American Council on Education (ACE), Association of Universities and Colleges of Canada (AUCC), Council for Higher Education Accreditation (CHEA), and European University Association (EUA).

members of the WTO, which comprise 70 percent of global trade in services (European Commission 2015). The TiSA negotiations, for which the EU countries are represented together as one of the negotiating members, were launched in 2012. The conclusion of the negotiations on the Comprehensive Economic and Trade Agreement (CETA) was announced by the EU and Canada on October 28, 2013. The CETA may be considered as a prototype for an even larger potential agreement of the TTIP, and the CETA is expected to increase two-way trade by 23 percent or 26 billion euro (EUA 2014a:9). The TPP has also run ahead of the TTIP negotiations, and the TPP is among twelve countries in the Pacific Rim. Like CETA, the TPP serves as background to the TTIP and TiSA negotiations. The TPP negotiations formally began in November 2011, among the U.S. and countries in the Trans-Pacific Strategic Economic Partnership.

These transatlantic negotiations must be understood in the context of EU and U.S. trade policies, and in accordance with rules in the WTO. A final TTIP agreement would be composed of three pillars: Market Access, Regulatory Cooperation, and Rules (European Commission 2015a). There are four Modes in negotiations for the supply of services in the GATS and the proposed TTIP, which are: 1. Cross border supply, 2. Consumption abroad, 3. Commercial presence, and 4. Presence of natural persons. Higher education services and professional mobility policies are considered as part of Mode 4. An electronic educational service may be considered as part of Mode 1, and the presence on an international campus as part of Mode 3. The EU Member States have already liberalized many services across sectors in the framework of the GATS. The schedules for service liberalization in the TTIP, TiSA, CETA and other recent free trade negotiations are informed by the criteria that negotiators refer to as "GATS-plus". Therefore the current negotiations on the TTIP and TiSA must build upon concessions already made in the GATS schedule. It is important to note that in the GATS, public services are excluded, which means that public services from state higher education institutions are excluded from ongoing negotiations (EUA 2014 2:4).

Whether the TTIP negotiations lead to liberalization of market access in higher education services is a key question as the negotiations develop (EUA 2014a). Education is closely tied to national identity, an identity is political (Checkel and Katzenstein 2009). In the EU, the balance between national and regional identity is a delicate equilibrium. Therefore, it is expected that the balance between the state role and a supranational role in higher education and research will be a sensitive public policy issue within the region and across the transatlantic. Policy diffusion throughout the region has gained momentum over recent decades (Börzel and Risse 2012). This regional diffusion has been replicated across continents. As Europe has led with regional integration since post-World War II, starting with economic integration, it is also leading with integration of the knowledge economy (European Commission 1997).

A recognition of the trends of economic globalization, together with internationalization of universities, drives the Bologna Process (Nokkola 2007:223). The European Commission plays a central role in higher education cooperation, supporting the advances in regional integration of this sector thus far. It represents the interests of the 28 EU Member States, and it serves as a facilitating institution for higher education policy. Comparatively in the U.S. higher education governance remains institution-centered rather than state-centered in its policy making, and in the U.S. institutions are accredited by regional peer review associations. In Europe this accreditation is given from national qualification agencies, in relationship with the European Association for Quality Assurance (ENQA) in Brussels, Belgium. While in the U.S. peer higher educational institution associations accredit their fellow member institutions (U.S. Dept. of Ed. 2015). In the U.S. the public sector has an important role at the sub-national level among the fifty states to contribute substantively to financing public universities.

Europe and the United States: Trade in Services and Higher Education

These trade liberalization efforts align with the negotiating parties' strategic interests. Expanding higher education access and quality, and improving the quality of the workforce, are objectives across countries. The European Commission's Europe 2020 economic growth strategy has objectives for higher

education alongside employment, innovation, social cohesion, and environmental sustainability. There have been ten negotiating round meetings since July 2013, with the most recent being in July 2015. Trade in higher education services is not specifically excluded from the negotiations, according to US and EU negotiators (EUA 2014 2:4, 3:8). While the EU has the exclusive competency for the Single Market, and the related Services Directive, it supports the member states in their competency for higher education policy. There exists ambiguity on the place of the education sector in relation to the Services Directive for the common market.

Seventy percent of employment in the U.S. is in the services sector (CRS 2014:14). Measured from the year 2000, there is an increasingly positive trend in trade in services between the U.S and the EU. Trade in services exports reached \$200 billion in 2012, nearly double the level from 2000. Trade in services imports demonstrated another double increase to nearly \$150 billion in 2012 (Akhtar and Jones 2014: 14). Except for a slight downturn during the global recession years from 2008 to 2009, trade in services continues on an upward trajectory.

The distinction between the public sector and the private sector in delivering higher educational services is necessary to delineate for the applicability of future negotiated agreements. As the GATS rules hold in the TTIP negotiations, in the GATS public services are excluded, which means public sector higher education institutions would not be subject to trade agreements. Therefore current and future questions center on the place of private sector higher education and adult education institutions in trade agreements. Stakeholders have concern for how higher education would be treated as tradable service, if included in future trade agreements. Representatives from the education sector, specifically teachers and the European Students Union (ESU), have claimed that the TTIP would be detrimental to educational quality in Europe (Euractiv 2014). The EUA, representing leading institutional interests in higher education, has formally advocated against including the higher education and adult education sectors in international trade agreements.

The European Students Union (ESU) has taken the formal position that it does not welcome U.S. higher education institutions having open access to the European higher education market. Similar to the position of the higher education institutions in the transatlantic Joint Declaration, these student stakeholders would like to limit market access. Like the audiovisual sector has been taken off the negotiating table for the TTIP, with pressure from France in particular for cultural protection, the ESU advocates that higher education access not be a policy issue for negotiations (Euractiv 2014).

Market Access to Higher Education and Mutual Recognition of Professional Qualifications

On market access issues there are stakeholders in higher education institutions that would like to protect national priority. On mutual recognition of professional qualifications there are less reservations, while national preferences continue to remain strong. The TTIP considers how professional recognition may be actualized across participating countries. This makes an extension upon the objectives of the Bologna Process, for recognition of academic degrees across the 47 participating countries, to an even greater extent with the intention to ensure professional recognition intercontinentally (European Commission 2015c).

Taking into account how higher education is considered in various international trade forums, the GATS addresses twelve service areas, one of which is education. International market access for higher education services and mutual recognition of professional qualifications are two areas where ongoing policy developments are important for higher education services. Content analysis of recently negotiated agreements provides information about potential content within the ongoing TTIP and TiSA. The CETA addresses mutual recognition of professional qualifications, and the TiSA is negotiating the short-term professional mobility of service providers (EUA 2014 3:18). "A Committee on Mutual Recognition of Professional Qualifications shall also be established under the Committee on Services and Investment and shall report to that Committee," (CETA 2014:448). The Committee may advise on a Mutual Recognition Agreement (MRA) or otherwise. In the CETA all professions may be considered to be part of a MRA. Comparably in the TTIP, only specified professions will be included in a potential MRA

(EUA 2014 3:10). The European Services Forum (ESF) supports market access to the U.S. by European professional service providers, and some of the fields for which it advocates for mutual recognition are accounting, architecture, engineering, and legal services (EUA 2014 2:6). Potentially challenging in the future would be recognition in the U.S. where the fifty states have unique responsibility for accreditation across professional fields. The lead U.S. Trade Representative negotiator, Dan Mullaney, for his side, affirmed discussions regarding the professional mobility of architects and engineers (EUA 3 2014:10). The Congressional Research Service (CRS) has found that:

The treatment of services providers could be another area of focus in the TTIP negotiations. One issue that the TTIP could address is the licensing and certification of professional services providers. Appropriate credentials are required on both sides of the Atlantic in many fields such as medicine, insurance, education, and law. In the EU, such services are regulated by the Member States, and, in the United States, at the state level. Thus, providing cross-border services could be challenging for services firms, because even if a services employee is qualified in one state or EU country, the certification may not be recognized elsewhere (Akhtar and Jones 2014:14).

In market access, the exporting country has the responsibility for quality, and the importing country is not allowed to intervene, according to the Services Directive. This is contrary to the GATS, which has allowed the importing states to establish quality assurance and accreditation systems that were non-discriminatory (Amaral 2014:16). These inconsistencies between the EU Services Directive and the GATS, regarding exporting and importing countries' responsibilities in higher education are issues to be addressed in future trade legislation. The Services Directive supports the Single Market established with the Maastricht Treaty by simplifying business procedures for service providers, and it is an assertive action taken by the EU to extend the liberalization of services to education. The European Parliament and the European Council adopted the Services Directive on December 2006, and it was fully implemented by the Member States within three years. The treatment of higher education is ambiguous because the Services Directive does not specifically exclude education broadly, even though national education systems are excluded. Some explicitly excluded sectors are environment, gambling, health, public health, and security. The Directive excludes the "Services of General Interest" (SGI), but includes the "Services of General Economic Interest" (SGEI), and it is difficult to define education in the appropriate category, particularly since there is no legal basis for their definition (Amaral 2014:14).

Emphasis on Higher Education Mobility

The governance of international education policy is closely related to international trade governance and to policies on academic mobility. In support of the goals for academic mobility students may study abroad for a semester or an entire degree as part of their higher education experience within the EHEA. The European countries and the United States are the largest markets for higher education as a destination. In Europe the educational exchange program of Erasmus, provided by the European Commission since 1986, has facilitated international trade in educational services. Various international education programs, partially supported and monitored by the Institute of International Education (IIE), in the U.S. are affiliated with the Bureau of Educational and Cultural Affairs (ECA) within the Department of State. The relationship of higher education to research and innovation is strong in the promotion of the mobility of students, scholars, and graduates for employability. The mobility of higher education for coursework and for research and development (R&D), and professional employment are complementary and together may be addressed comprehensively.

Building upon the success of the Erasmus program, the Bologna Process created the EHEA to be even more ambitious in support of academic mobility. In the initial years of the Bologna Process it was noted, "Trends in the education and knowledge industry may provide a rare opportunity for schools of education to expand into new endeavors, forge new public and private alliances, and develop new areas of academic scholarship," (Heyneman 2001:357). The pursuit of academic mobility, complementary to internationalization, in the EHEA is ongoing (European Commission 2015:209). The Bucharest

Communiqué in 2012 included an addendum Mobility Strategy. The Mobility Strategy sets targets for the year 2020, which are for 20 percent of students to spend a minimum of three months beyond their home country. The emphasis on higher education mobility is intercontinental, and other regions have followed Europe's lead to implement mobility programs. Asia and Latin America in particular have adopted aspects of the EHEA's signature objectives on degree standards, qualifications, and recognition of degrees across countries. An overview of higher education cooperation initiatives in Latin America is following.

Latin America: Trade and Higher Education Policies

Countries in contemporary Latin America broadly fall into competing socioeconomic models. Those on the left of the political spectrum demonstrate allegiance to the Bolivarian Alliance of the People of Our Americas (ALBA), established by the former president of Venezuela, Hugo Chavez. Characterized by economic socialism and an authoritarian state, the influence of ALBA has diffused to the Andean region, to Bolivia and Ecuador, and to the Caribbean, to Cuba and to smaller nations. Contrary to this vision, on the right of the political economy spectrum, are countries with open markets to support a capitalist economy actively pursuing trade agreements and higher education cooperation.

The Pacific Alliance countries in Latin America are most active in higher education policies within the region, and they are parties to the mega-regional trade and investment negotiations of the TPP. Chile, Colombia, Mexico, and Peru are the four Pacific Alliance countries taking part in the twelve-country negotiations along the Pacific Rim. These four Pacific Alliance countries, together with Paraguay, are the Latin American countries represented in the TiSA. Brazil, Latin America's largest country, is regionally absent from the TiSA negotiations. Similarly, the emerging market countries of China, India, and Russia are globally absent in the bloc of these 23 negotiating members. The TPP negotiations - like the CETA, TiSA, and TTIP - are considering concessions for market access and for the mutual recognition of professional qualifications.

Since 2011, the four countries in the Pacific Alliance have pursued initiatives to expand cooperation in higher education among themselves. This cooperation facilitates the external orientation, or the internationalization, of the countries' higher education institutions. Among early agreements have been ones to "create a joint university system where, much like in Europe, students will be able to get credits for their studies in any of the bloc's member countries" (Oppenheimer 2012). Mutual credit recognition, the basic attribute of any serious academic cooperation initiative, would underpin the Pacific Alliance's higher education framework. There is a Pacific Alliance Student and Academic Mobility program, with the purpose to "train specialized human capital through educational exchanges of undergraduate and doctoral students and professors," (Mexico 2014). Programs promoting educational mobility in Latin America beyond the Pacific Alliance are the Prometheus Program in Ecuador, the Science without Borders Program in Brazil, and the MercoSur student mobility programs. In the early 1990s with the creation of MercoSur in South America, there were efforts to cooperate in higher education in the region through MercoSur-Educativo.⁶ Since its founding in 1991 with the Treaty of Asunción, the trade agreement MercoSur has not experienced the deepening of economic integration on par with the EU. However, even prior to the launch of the Bologna Process in 1999, there were efforts in the 1990s to harmonize higher education systems with MercoSur-Educativo (Verger and Hermo 2010:112). These preliminary efforts, however, did not advance to formal institutional change as they did with the Bologna Process. The higher education policy coordination across some countries in Latin America is evidence of policy diffusion replicated across continents in recent years (Börzel and Risse 2012).

⁶ Formed in 1991, MercoSur is a trading bloc whose member nations are Argentina, Brazil, Paraguay, Uruguay and Venezuela. Its associated member nations are Bolivia, Chile, Colombia, Ecuador and Peru.

Conclusions

The treatment of higher education services in the GATS has been limited. The ongoing negotiations of the TTIP and TiSA open possibilities for inclusion of provisions to liberalize higher education services in the private sector only (since the public sector services are protected from trade agreements). In the knowledge economy, higher education services and research innovation gain momentum from regional and global initiatives to support internationalization. The place of higher education services have not been directly addressed in negotiations on the TTIP, TPP, or TiSA. The foregoing negotiations present politically important issue areas for various stakeholders in the educational, private, and public sectors. The negotiated trade agreements must be approved by the legislature of each negotiating partner. In the case of the EU, each member state has an effective veto through the European Parliament. The Lisbon Treaty granted this institutional authority and veto power over trade agreements to the legislative body. The U.S. President has received “fast-track” or Trade Promotion Authority (TPA) from the Congress in June 2015, which had expired in 2007 in the presidency of George W. Bush. This congressional approval in the U.S. has been important to negotiating partners, which are reassured by this domestic political will in order to conclude the negotiated agreements with domestic political approval in their own countries.

The higher education associations, such as the EUA and its U.S. and Canadian counterparts, and some student stakeholders, concerned with educational quality represented by the ESU, have advocated to exclude private higher education providers from market access in the trade agreements. Higher education historically has been of high sensitivity politically. Therefore, stakeholder associations will pressure national governments to support measures to protect national higher education institutions from what may be viewed as unfair external competition. There is a distinction between higher education and adult education (or post-higher education) services in the GATS and in the TTIP, and as legislation becomes crafted each may be treated separately. Looking to the future, the extent of TTIP provisions for education services in market access and mutual recognition of professional qualifications will be highly relevant to the academic sector. There remains uncertainty regarding higher education’s relationship to the economic guidelines for the EU Single Market in the Services Directive (EUA 2015a:7).

The mega-regional trade and investment agreements strategically seek to balance a rising Asian presence, led by China, in international trade. They are a hybrid of a regional arrangement and the WTO arrangement, except they do not include major emerging markets that will dominate world trade in the future, namely China, India, and Indonesia (Dadush 2015). As these trade agreements progress, there are risks that developing countries may be sidelined, given their challenges in matching the regulatory standards requirements (Dadush 2015). The higher education systems of developing countries are vulnerable to dominance from developed countries’ negotiations (EUA 2014a:9). Negotiating common regulatory standards is more challenging than negotiating tariff reductions, given strong national prerogatives in traditionally sensitive areas such as agriculture, and in more recently considered areas such as education services.

This analysis has presented an overview of ongoing trade negotiations in services, specifically for the TTIP alongside the TPP, CETA, and TiSA. This research has analyzed how trade in higher education services may be addressed in ongoing negotiations, given the preexisting trade frameworks, and has drawn conclusions comparing the interests of countries in Europe and Latin America, and the U.S., to participate in regional integration initiatives for higher education services. With an emphasis on market access and mutual recognition of professional qualifications in services, the ongoing negotiations will continue to face challenges from stakeholders in the higher education sector that seek to protect this sensitive area from market access. At this time it not clear how the private sector providers of higher education, such as through private institutions abroad and through online degrees in electronic education, may be treated in future trade agreements. The public sector service providers are protected from liberalization through the GATS rules.

There remain challenges for higher education when considered as a potential component of international trade agreements. Viewing education in the context of trade agreements is contentious

since considering the trade value of higher education assumes a commodity perspective, while higher education is historically considered a public good. The dual purposes of education, to enhance civil society and to contribute to economic productivity, are brought into the foreground as nations assess their willingness to cooperate across national boundaries in formal trade agreements. Leading associations of higher education in the transatlantic community have said, "Higher education exists to serve the public interest and is not a 'commodity'," in affirming their members' interests not to pursue further liberalization of the higher education sector (Joint Declaration 2001). Therefore, any further concessions in the area of higher education policy are advised to proceed with caution. As has been noted, there are already avenues for higher education exchange independent of formal trade agreement frameworks. The place for higher education policy in the expanding economic integration through international trade agreements is still being determined. This analysis has addressed the historical challenges for higher education services considered as a component of international trade agreements. Given upwards trends in both higher education attainment, international trade, and trade in services, particularly in the EHEA and in the EU, the governance of higher education as relates to international trade has become increasingly relevant.

Appendices:

Table 1: **Correlation: Tertiary Education Attainment, Trade in Services, and Trade 2005-2013**
Tertiary Education Attainment, as percent of 30-34 year olds, Trade in Services as percentage of GDP, and Trade as a percentage of GDP

		Correlations			
		Country	TertiaryED	TradeSvcsGDP	TradeGDP
Country	Pearson Correlation	1	-.022	-.036	-.059
	Sig. (2-tailed)		.727	.569	.350
	N	251	251	251	251
TertiaryED	Pearson Correlation	-.022	1	.301**	.149*
	Sig. (2-tailed)	.727		.000	.018
	N	251	251	251	251
TradeSvcsGDP	Pearson Correlation	-.036	.301**	1	.834**
	Sig. (2-tailed)	.569	.000		.000
	N	251	251	251	251
TradeGDP	Pearson Correlation	-.059	.149*	.834**	1
	Sig. (2-tailed)	.350	.018	.000	
	N	251	251	251	251

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Figure 1: **Trends: Tertiary Education and Trade as percent of GDP, 2000-2014**

Tertiary Education Attainment, as percent of 30-34 year olds, and Trade in Services as percentage of

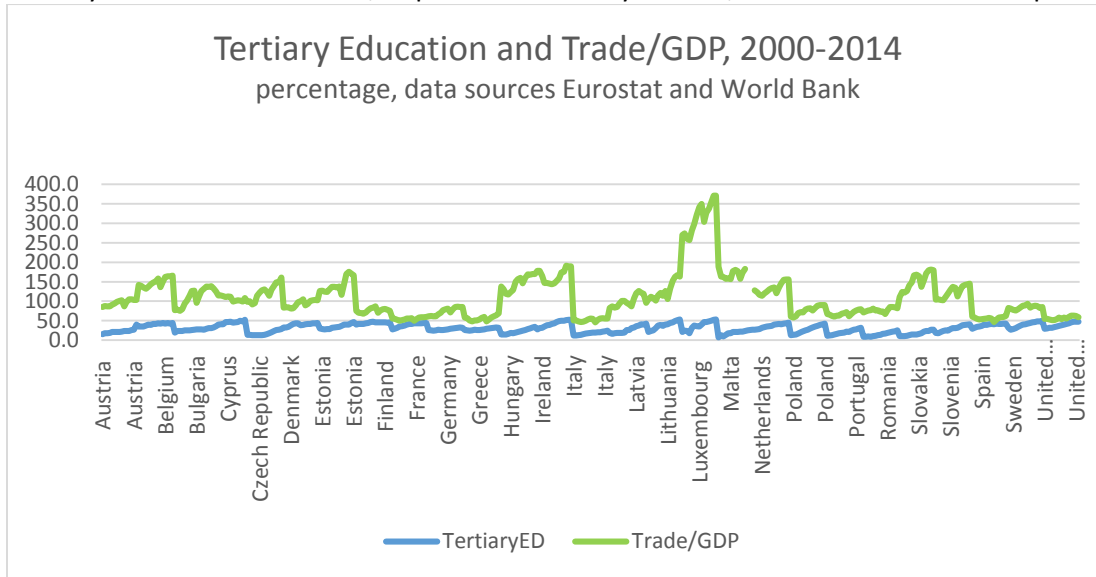


Figure 2: **Correlation: Tertiary Education and Trade as percentage of GDP, 2000-2014**

Tertiary Education Attainment, as percent of 30-34 year olds, and Trade as percentage of GD2

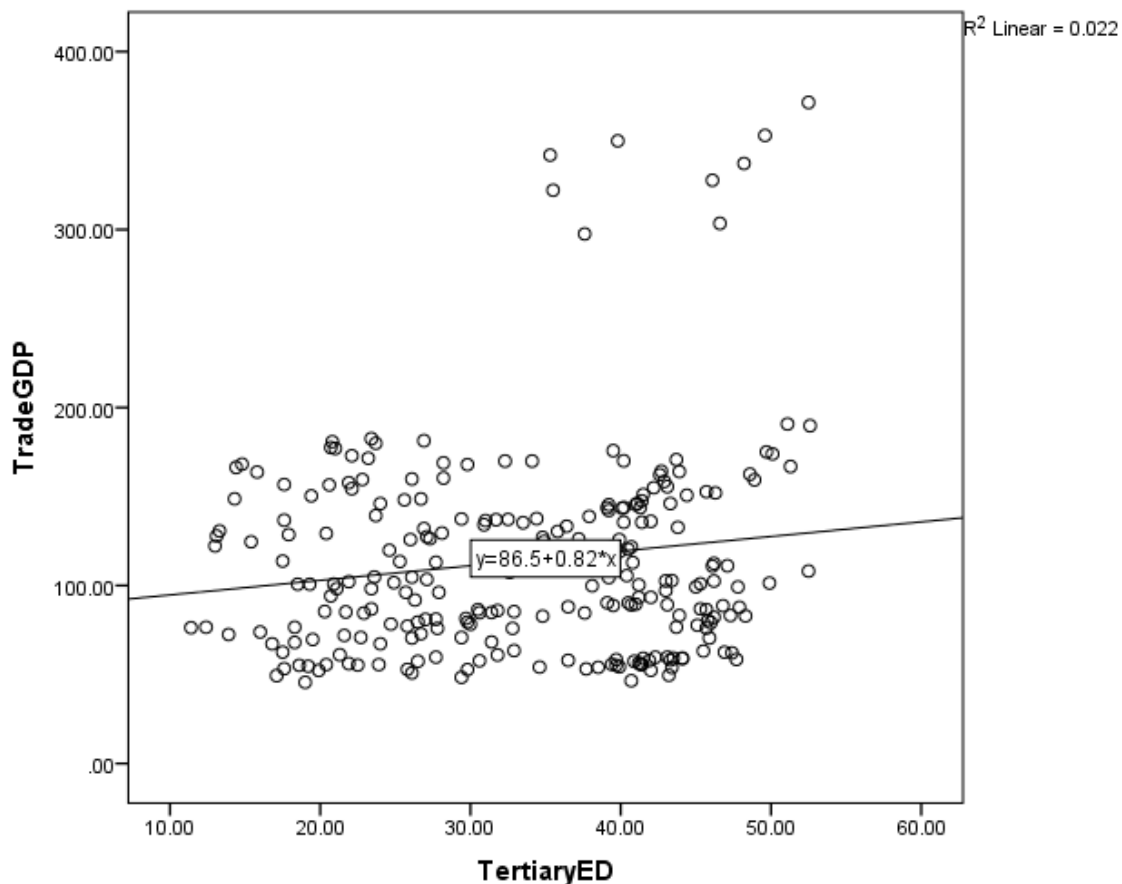


Figure 3: Trends: Tertiary Education and Trade in Services as percent of GDP, 2005-2013
 Tertiary Education Attainment, as percent of 30-34 year olds, and Trade in Services as percentage of GDP

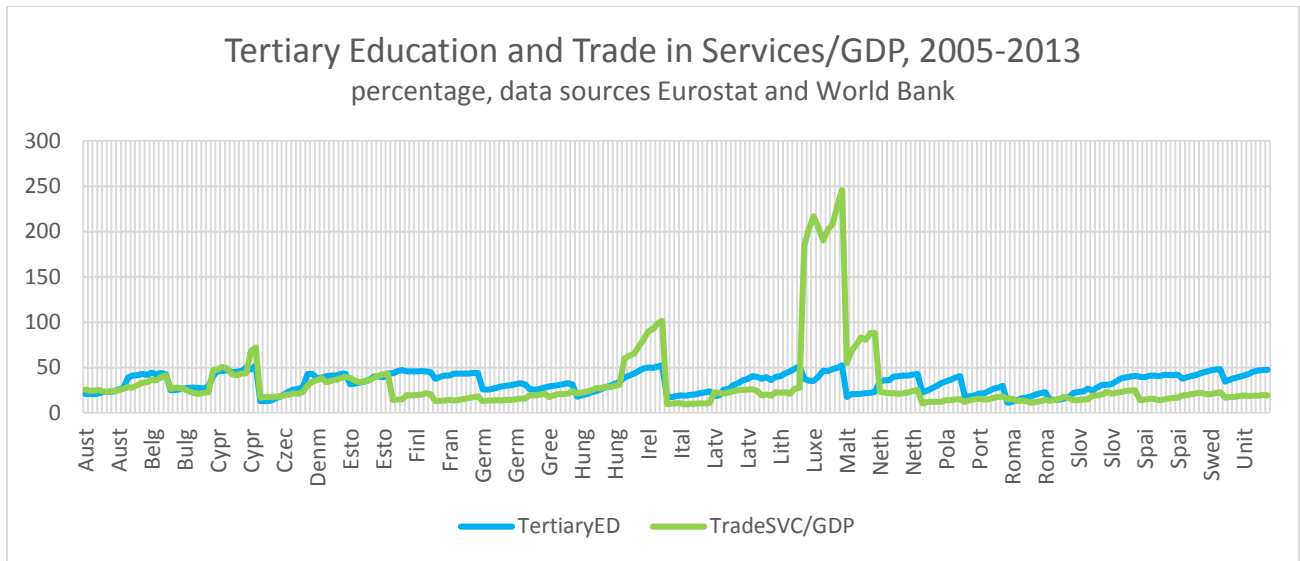
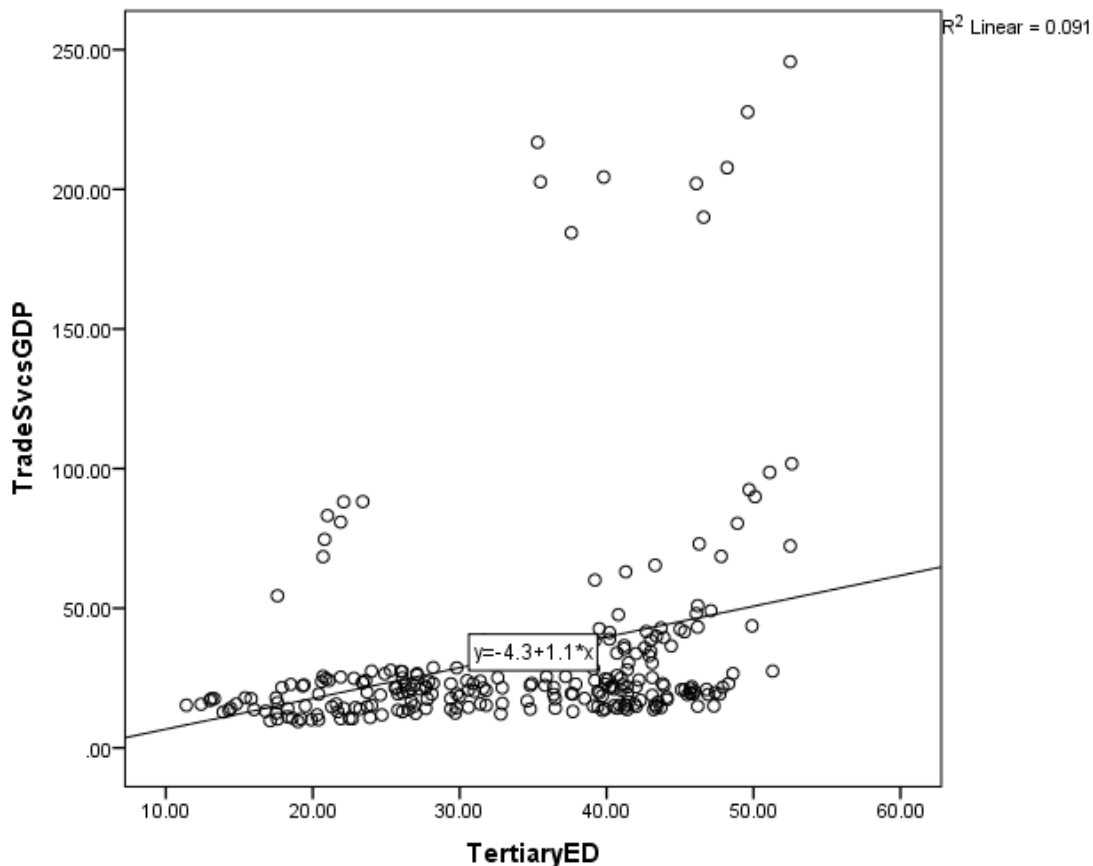


Figure 4: Correlation: Tertiary Education and Trade in Services as percent of GDP, 2005-2013
 Tertiary Education, as percent of 30-34 year olds, and Trade in Services as percentage of GDP



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