

Full Length Research Paper

Towards an informed choice in the world market: Higher education in the Sub-Saharan Africa area

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International trade in education services has become a multi-billion dollar industry. Trade liberalisation talks aimed at encouraging even more trade in the sector through removal of trade barriers are slowly gaining momentum under the watchful eye of the World Trade Organisation. This paper looks at policy implications of growth in international trade in education for developing nations with more focus on the Sub-Saharan Africa region. In order to do this, the paper first analyses supply and demand conditions of higher education services in different regions of the world. The results of the analysis show that Sub-Saharan Africa is lagging behind most other regions in the provision of higher education services. Growth in international trade has thus the potential benefit of helping improve on student access to higher education. There is however also potential problems associated with opening up of the higher education market to international traders and these have been highlighted in the paper.

Key words: Higher education, international trade; developing countries, Sub Saharan Africa.

INTRODUCTION

The world has been experiencing unprecedented growth in the numbers of students studying abroad over the past two decades. International student mobility has become an important issue globally impacting on the education sector and higher education in particular. According to United Nations Educational, Scientific and Cultural Organization (UNESCO) (2010) and Organization for Economic Cooperation and Development (OECD) (2007) the number of students studying abroad has increased from a total of 0.6 million in 1975 to 2.97 million in 2005. A trend analysis of the growth in international students shows that while it took 10 years to achieve a 50% increase worldwide in the number of students studying abroad between the years 1975 and 1985 as well as between 1990 and 2000 respectively, the same percentage was achieved only in a space of 5 years between the years 2000 and 2005. Future projections show that worldwide the number of students seeking education outside of their home country is expected to grow to 7.2 million in 2025 (Knight, 2010). The majority of these students go to pursue higher education studies in their host countries.

According to OECD (2007) the rapid increase in international students witnessed since the early 1990's

has been due to growth in trade in the sector through increased recruitment of full fee paying students. This presents a departure from the traditional forms of international exchange in education. The traditional forms of exchange were dominated by provision of scholarships by mostly developed countries to developing country students to enable them to pursue studies in foreign universities with the view of contributing to recipient countries' development. Larsen and Lancrin (2002) noted that until the 1990's, it was incongruous to refer to international student mobility as international trade in educational services.

This paper looks at the educational policy implications of increased trade in educational services for developing countries. The main focus is on Sub-Saharan Africa. It starts by reviewing relevant literature on the subject before outlining the problem statement and objectives of the study. The methodology used is outlined before presenting the results on the analysis of supply and demand conditions of higher education services in the region compared with those in other major regions of the world. The policy implications of increased international trade on the sector are highlighted before concluding and providing recommendations on how the region can best

take advantage of the benefits and minimise the potential threats of increased international trade. Areas of future research are also highlighted in the paper.

LITERATURE REVIEW

While all international trade by its name involves exchange of goods and services across international borders, international trade in services, unlike physical goods, can be traded in various ways. These are categorised into four groups namely consumption abroad; cross border delivery; commercial presence; and movement of natural persons (World Trade Organization (WTO), 2006).

Consumption abroad involves the movement of students from importing country to an exporting one. For example, South African full fee paying students studying in the USA are engaged in international trade using the consumption abroad mode. This is the most common mode when one looks at international trade in education. Cross border delivery on the other hand involves consumption of international education services without the service provider or the student having to move to another country. Cross border delivery is often achieved through different forms of distance education such as on-line education. Commercial presence involves the establishment of a local unit of a foreign institution in the importing country. This is often achieved through establishment of branch campuses for example Monash South Africa or other arrangements that may be put in place. Movement of natural persons involves the movement of educational personnel from the exporting country to the importing country for the purposes of providing education services.

Trade in educational services has become a multi-billion dollar industry for some countries. For example, according to IDP (2008) export of educational services was Australia's third largest export earner in 2007 with an export value of A\$12.5 billion just behind Iron ore at A\$16 billion and coal at A\$ 20.8 billion. It was the top service export for the country replacing tourism whose export value stood at A\$ 11.5 billion. National Association for Foreign Student Affairs (NAFSA) (2010) reported that foreign students' and their dependents' contributed US\$17.6 billion to the United States economy during the 2008/2009 academic year.

Owing to the huge monetary benefits hosting countries and institutions are deriving from export of education services, administrators within the higher education sector are keen to use every opportunity to attract more students and the international student market has been actively targeted in an effort to gain full-fee paying students (Grebennikov and Skaines, 2007; Arambewela and Hall, 2006; Krzaklewska and Krupnik, 2005). Countries are also coming up with national policies which they periodically review and revise to ensure continued

student interest in, and access to, their institutions. This has resulted in stiff competition between export education providers. OECD (2010) noted that many countries, especially the major hosting countries, are treating recruitment of international students with great seriousness. Efforts to attract more international students have not been left in the hands of individual universities alone. Governments are also actively involved in attracting international students to their countries. Many host countries have a national agency or centralised body mandated with promoting the nation's educational offerings internationally. Examples include the British Council for UK, Aus-trade for Australia, the Institute for International Exchange (IIE) for the USA and International Educational Board of Ireland (IEBI) for Ireland.

Moves to encourage more international trade in the sector by subjecting countries to international trade rules through the World Trade Organisation (WTO) are also gaining momentum. The WTO, through the general agreement on trade in services (GATS) is advocating trade liberalisation measures through removal of barriers to increased international trade in services including educational services. GATS is the first legal trade agreement that focuses exclusively on trade in services with its purpose being the promotion of increased free trade in services by removing many of the existing barriers (Verger, 2009).

Problem statement and objectives of the study

The rapid growth in the international consumption of higher education services over the last two decades and the proposed moves towards trade liberalisation as stipulated in general agreement on trade in services (GATS) is an issue of concern amongst the major stakeholders in the higher education sector the world over, more so, in the developing world. This is because of the realisation that liberalisation moves will result in the opening up of the educational sector to commercial interests which may not always be in line with national developmental interests. The Association of African Universities (2004) noted that powerful countries are using institutions such as the World Bank to push African countries to liberalise their educational services markets. Much as engagement in international trade affords benefits to both the exporting and importing countries, commitments to opening up domestic education markets to foreign commercial providers needs to be based on an informed choice. This paper aims to help contribute to the making of this informed choice on the part of developing countries especially those making up Sub-Saharan Africa.

The main objective of this paper is to analyse the supply and demand conditions for higher education services in the sub-Saharan region and compare them

with those of other major world regions. In light of the findings, it also aims at identifying the policy implications of increased trade in education in the region.

METHODOLOGY

In order to provide a detailed analysis of the supply and demand conditions of higher education services in the major regions of the world a number of issues have been investigated. These include levels of tertiary enrolment in 2000 and 2008, focusing on both total enrolment as well as the gross enrolment ratios (GER). Comparing the total enrolment figures of 2000 and those of 2008 allows one to note any changes that took place in the participation levels over the years. Apart from detecting changes using absolute figures, the GERs' allow more detailed analysis of participation levels in tertiary education by looking at the number of pupils enrolled in a given level of education, regardless of age, expressed as a percentage of the population in the theoretical age group for the same level of education. According to UNESCO (2010) GER is widely used to show the general level of participation in a given level of education.

Analysis of participation levels in importing and exporting of educational services was done using internationally mobile students. This is because the major component in the internationalisation of higher education over the past three decades continues to be the movement of students to universities abroad (Bashir, 2007). The analysis helped provide an understanding of how different world regions are doing as hosts and areas of origin for international students. In addition to looking at the aggregate numbers of internationally mobile students, outward mobility ratios were investigated as well as the major host destinations of international students from Sub Saharan Africa. Outward mobility ratio expresses the likelihood of students from a particular region or country to pursue their education abroad. According to UNESCO (2010) high outbound mobility ratios can indicate either high interest in international studies or deficits in educational provision at home.

Data used in this analysis was obtained from UNESCO institute for statistics (UNESCO-UIS) global education digest 2003 and 2010. The two sources gave educational statistics as of the year 2000 and 2008 respectively. The years of analysis were primarily chosen in consideration of the availability of a comprehensive set of data.

RESULTS AND DISCUSSION

According to Table 1, the world total tertiary enrolment grew by 62% between the years 2000 and 2008. The biggest growth was experienced in East Asia and the Pacific (99%), followed by Sub-Saharan Africa at 95%. The lowest growth was in North America and Western Europe (24%). A closer look at the absolute figures however shows that North America and Western Europe had in 2000, the highest absolute number of students enrolled in tertiary education followed by East Asia and the Pacific. However due the high growth witnessed in East Asia and the Pacific region, in 2008 the region had the highest level of tertiary enrolments with North America and Western Europe coming second. Population figures are the more likely reason behind the large number of tertiary students in East Asia and the Pacific region, especially bearing in mind that China, the biggest country population wise is part of this region.

A look at the tertiary level GER allows for a better comparison of the participation levels in the different regions of the world. According to Table 1, North America and Western Europe has the highest tertiary GER of all the regions in the world at 70 which is almost three times the global average according to the 2008 figures. This is followed by Central and Eastern Europe (64). Of particular concern are the extremely low GER levels in Sub-Saharan Africa which stood at only 4 in 2000 and 6 in 2008. This shows that the region is failing to provide adequate facilities to ensure that its student population have access to education at tertiary level.

Provision of education across national borders is associated with many benefits. For example, for students coming from countries or regions with inadequate capacity to meet demand for tertiary education services, international education helps provide individuals and nations with training and education where their own countries have insufficient capacity to meet demand. However, even where domestic capacity exists, international educational services provide opportunities that help in promoting the development of personal and institutional ties that make it easier to do business or form international business partnerships.

According to Table 2, there were slightly over 2.97 million students studying outside their countries of origin in 2008. In terms of where these students come from, the majority of them were from East Asia and the Pacific making up 28.5% of the world total followed by North America and Western Europe at 16.4%; and Central and Eastern Europe at (11.2%). Central Asia had the lowest number of students from the region studying abroad at 3.3% of the world figures. In looking at the figures it is important to note that although the North America and Western Europe region as well as the Central and Eastern Europe region had some of the highest numbers in absolute terms of students studying abroad, most of these students are from Europe studying in another European country under the Erasmus program. Under this program students from the European Union are sponsored to go study in another European Union country as a way of promoting integration between the countries.

Apart from looking at the absolute numbers in internationally mobile students, the outward mobility ratios help in understanding the likelihood of students from a given region to pursue education abroad. As already noted, high outbound mobility ratios can indicate either high interest in international studies or deficits in educational provision at home. According to Table 2, Sub-Saharan Africa had the highest outward mobility ratio in 2008 at 4.9 which is 2.6 times the global average of 1.9. Other regions with high outward mobility ratio include Central Asia at 4.6 and Arab States at 2.8. All the other regions had outward mobility ratios of less than the global average.

In terms of hosting of international students,

Table 1. Tertiary enrolment levels.

Region	Total enrolment 2000 ('000)	GER 2000	Total enrolment 2008 ('000)	GER 2010	Change in enrolment9 (%)
World	98,191	-	158,713	26	62
Arab States	5,546	20	7,308	21	32
Central and Eastern Europe	13,521	41	21,137	64	56
Central Asia	1,340	20	2,108	25	57
East Asia and the Pacific	24,373	15	48,608	26	99
Latin America and the Caribbean	11,316	23	19,723	38	74
north America and w. Europe*	27,723	60	34,423	70	24
South and West Asia	12,060	9	20,889	13	73
Sub-Saharan Africa	2,314	4	4,517	6	95

* W. Europe = Western Europe.

Table 2. Internationally mobile students 2008.

Region	Mobile students by origin	Share of world total (%)	Outward mobility ratio	Inbound mobile students	Share (%)
World	2,965,840	100	1.9	2,965,840	100
Arab States	206,549	7.0	2.8	132,752	4.5
Central and Eastern Europe	330,563	11.2	1.6	228,753	7.7
Central Asia	96,314	3.3	4.6	51,375	1.7
East Asia and the Pacific	846,618	28.5	1.7	559,236	18.9
Latin America and the Caribbean	177,995	6.0	0.9	57,709	1.9
North America and W. Europe	486,981	16.4	1.4	1,841,933	62.1
South and West Asia	275,840	9.3	1.3	14,665	0.5
Sub-Saharan Africa	223,181	7.5	4.9	79,417	2.7

Table 2 shows that in 2008 most of the international students (62.1%) were hosted in North America and Western Europe. This was followed by East Asia and the Pacific at 18.9%; and Central and Eastern Europe at 7.7%. This means that all the other five regions hosted only 11.3% of all the world's international students. A closer look at Sub-Saharan Africa shows that although it was not at the bottom end in terms of hosting international students, most of the students hosted by the region (63,964 of the

79,417) were hosted by a single country, South Africa (UNESCO, 2010). This means that excluding South Africa, all the countries of Sub-Saharan Africa hosted only 0.5% of all students studying abroad.

In terms of study destinations for internationally mobile students from Sub-Saharan Africa, Table 3 shows that most of them (65.1%) travel to North America and Western Europe for their studies while 24.5% stay within the Sub-Saharan Africa Region. A

closer look at international study destinations for students from Sub-Saharan Africa at country level shows that 75.4% of them are hosted in only six countries of the world namely South Africa (21%), France (20.6%), USA (14.2%), UK (12.7), Germany (3.8%) and Australia (3.1%). Table 3 shows that out of the 24.5% Sub-Saharan Students hosted within the by Sub-Saharan Africa region, the majority of them, 21% were hosted by a single country South Africa.

Table 3. Destinations for Sub-Saharan students.

Region	Total hosted 2008	% Hosted	Country	Total hosted	% Hosted
World	223,181	100	South Africa	46,857	21.0
Arab States	7,138	3.2	France	45,919	20.6
Central and Eastern Europe	2,173	1.0	USA	31,748	14.2
Central Asia	34	0.02	UK	28,246	12.7
East Asia and the Pacific	10,288	4.6	Portugal	11,603 ¹	...
Latin America and the Caribbean	1,744	0.8	Germany	8,517	3.8
North America and W. Europe	145,189	65.1	Australia	6,926	3.1
South and West Asia	1,997	0.9	Canada	5,181 ²	...
Sub-Saharan Africa	54,618	24.5			

¹data refers to n years from 2008.

Policy Implications

The results of the analysis in general show that Sub-Saharan Africa is failing to supply adequate tertiary level education to its student population. This is reflected in the low GER of the region, the lowest of all the major regions of the world. Demand for tertiary education however is very high. This can be supported by the large growth in tertiary enrolments witnessed between the years 2000 and 2008. This means that if more spaces could be made available more growth in total tertiary enrolments would be expected. The high outward mobility ratio of Sub-Saharan Africa is also a reflection of lack of capacity to provide the needed services. Most of the students from the region go to the developed countries of North America and Western Europe to study.

The increased level of international trade in education as reflected in the large numbers of students seeking education abroad as well as the large sums of earnings accruing to some of the major exporters, are matters of significance to national as well as regional governments. This together with the move by powerful countries to push African countries to liberalise their educational services market, needs to be looked at critically policy wise. This is because increased levels of international trade in education have both pros and cons for Sub-Saharan Africa. Policy areas that need particular concern relate to student access and quality assurance.

Improving access: International trade in general has the potential to help improve access levels to tertiary level education for student from the region. Services provided through all the different modes except movement of student abroad have the added advantage of helping lower the cost of international education. As the region is a net importer of educational services, educational services provided without requiring international movement of students have the capacity to help reduce the flow of revenues from the region to foreign universities and countries as well as reduce the problem of 'brain drain'.

Improving quality of education services: Apart from helping to improve access to tertiary education services, international providers can also contribute to improving quality of educational services in a country and the region. This can be achieved through the interaction and competition that can result between the international providers and the domestic providers.

Much as there are positive implications of increased trade in education, there are also possible problems that policy makers need to bear in mind. Firstly it is important for policy makers bear in mind that countries pushing for more trade are doing so to primarily serve their own interest. The providers may thus not share the same national values that developing countries may have. Opening up of the market to international educational service providers without measures aimed at ensuring that only reputable providers are accredited can result in lowering of educational standards.

In addition, while international providers can help satisfy some of the growing demands in higher education services, it may create problems of equity in accessing the services. Courses provided through international trade are usually self financing, often resulting in higher tuition levels. The supply is thus only available to those who can afford it, most of whom are likely to be from the richer segments of the population. Provision of scholarships to students from economically disadvantaged backgrounds would be one way of ensuring equity in access.

Related to the profit motive in international trade is the fact that providers are likely to concentrate their offers only on courses with high market demand such as business and information technology. Other fields that may be of national importance such as sciences may end up suffering. Public support in providing courses in such fields would thus be important.

For developing countries interested in growing their participation as exporters of educational services, it is important that they pay particular attention to supply side capacity issues. Governments need to play a critical role in supporting their institutions of higher education. The

current major exporters are developed countries, most of whom have a comparative advantage in terms of having highly skilled workers, technologies as well as the ability to provide services of perceived high quality. These comparative advantages were developed with the support of many years of public support and funding in particular. To expect developing country institutions such as those in Sub-Saharan Africa to compete with such institutions without comparable support from government would be making it difficult for them to succeed. Improving the human resource capacity of the institutions through among other things a review of the working conditions in the sector as well as investments in infrastructure and facilities in general would go a long way in improving the export competitiveness of the sector.

CONCLUSION AND RECOMMENDATION

International trade in higher education services is likely to continue growing at a faster rate world wide. The growing integration of world economies through forces of globalisation reinforces the demand for international study. Countries, both developed and developing can thus expect continued impact of international trade on their domestic higher education systems. This impact can be both positive and negative. Trade can for example help developing countries meet growing demand for higher education as well as improve quality of services provided especially in cases where reputable international providers are given access to domestic markets. However, the risks of opening up the domestic market to international trade players without considering the potential negative effects such as increasing inequality in access to higher educational services, possible oversupply in a limited range of courses, as well as exposing vulnerable domestic providers to strong international competitors, can erode the potential positive effects of international trade. It is therefore imperative that policy makers in education have a clear understanding of implications of increased international trade on their regions and individual countries.

In general, it is recommended for countries in Sub-Saharan Africa to consider the different modes of supply. The modes not associated with international movement of students are often associated with more benefits than relying heavily on sending students abroad to study. Quality assurance is another important area that needs close monitoring in the provision of educational services. Countries need to establish regulations for registering local and foreign providers. Monitoring systems to ensure continued quality provision are also just as important. It is also important for developing country governments to appreciate the fact that international providers are not meant to be a replacement for public provision. Significant improvements in levels of participation in tertiary education can only be made if the public and

private sector including international education services providers act cooperatively supplementing each other.

Future research

This paper has looked at supply and demand conditions of higher education and the policy implications of increased international trade in the sector. The main focus of analysis has been on the Sub-Saharan Africa region. Future research can among other things focus its analysis at individual country level within the Sub-Saharan Africa region or focus on other regions of the world. Others can look at the financial implications of increased international trade on the exporting and the importing countries.

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