

Submission from the Youth Delegation of the 22<sup>nd</sup> General Meeting of the Pacific Economic Cooperation Council, 10-11 September 2014, Beijing • China

# The Liberalization of Cross Border Education by Reducing Factors Inhibiting Provider, Service, and Student Mobility

*A submission to the PECC Standing Committee compiled through consultation with the 40 Youth Delegates collectively representing 9 PECC member economies. Final draft assembled by Youth Delegates Anqi Miao (China), Zhuoer Zhang (China), Zhizhen Lu (China), Kenji Kurotobi (Japan), and Charles John Rowe (New Zealand).*

## Executive Summary:

The Youth Delegates have observed first-hand the benefits of cross-border education, and submit to the PECC standing committee that the observed liberalization of cross-border education should be further encouraged in the spirit of enhanced competition amongst education providers, within a rules-based framework encompassing PECC economies. Four principal areas of concern for youth interested in, or currently pursuing cross-border education have been identified: associated procedures, finance, intellectual property rights, and mutual recognition of educational qualifications issued in PECC economies. The Youth Delegates submit that PECC representatives consider placing greater emphasis on the importance of cross-border education in its many forms, building consensus around the need for allowing the market to play a more central role in the allocation of related services and their providers, allowing for enhanced provider, service, and student mobility respectively.

## Introduction:

It has been observed that greater numbers of students from PECC member economies are engaging in cross-border education within and across the Asia Pacific region. This is regarded as a positive trend, enhanced by technological developments which have revolutionized the services related to education (especially the internet). Education providers have also started to

establish 'hubs', opening branches of universities and colleges in partner economies. However, it can be observed that education services do not operate in an open market environment, although significant liberalization is observable (often with restrictions). In parallel, but deeply related, there is also a significant mismatch of skills provided by tertiary education and the demands of the local economy across PECC economies. There is clearly a relationship between the shortfalls in the cost of education and the value which it genuinely represents (both *over* and *under* valuation), often leading to dead-losses for member economies when time and money has been spent on targeting the development of inappropriate pools of graduates and/or skilled trainees.

The Youth Delegation has, through a consultative process and through close observation and familiarity with these issues come to the view that market forces should play a more prominent role in the development and optimization of cross-border education with a view to fulfilling the central objectives of PECC: deepening economic integration amongst member economies.

### **Areas of Main Concern:**

The Youth Delegates narrowed their concerns to four areas of concern:

### **Procedures Required for Cross-Border Education**

The procedures which hinder cross-border education are numerous, and the Youth Delegation acknowledges that many of these are necessary for genuine and principled security concerns. However, some procedures pertaining to organizing legal abode in a host economy have the effect of hindering cross-border education. The Youth Delegation submits that PECC is capable in its consensus building capacity to signal to governments and relevant authorities to recognize the value of cross-border education and hence move to alleviate or reduce 'surplus to requirements' hindrances in the forms of procedures which inhibit flow of legal human resources and knowledge capital.

### **Finance**

The Youth Delegates motion that PECC representatives move to reach a consensus on the benefits of allowing the market to allocate financing in the broadest terms possible, but appreciate the sensitivity which surrounds this issue in different economies. The Youth Delegates identify the growing array of successful scholarship initiatives which currently work towards advancing PECC objectives, and advocate strongly for PECC representatives to reach

broad consensus on further growing the pool of scholarships available to youth across the PECC region, especially scholarships which emphasize and enhance the development of cross-border education. The role of private enterprise in investing in these initiatives must not be overlooked.

### **Intellectual Property Rights as Relevant to Cross-Border Education**

The Youth Delegation acknowledges that the ongoing consensus building regarding intellectual property rights (IPR) is highly relevant to seeing the advancement of cross-border education, in the sense that insecurity in terms of IPR is inhibiting the transfer of educational services from one economy or legal jurisdiction to another. This is a significant hindrance to the development of online education providers, but the Youth Delegation also acknowledges the need for providers to apply sensible precautions in all markets, but strongly advocate for harmonization of priorities in the area of IPR between governments and the relevant industries competing fairly amongst one another.

### **Mutual Recognition of Qualifications Amongst PECC Economies**

Students who attend universities outside their economy of origin, or who are granted qualifications from foreign providers operating a 'hub' in their economy of abode, frequently encounter problems in gaining recognition of their qualifications outside the economy of jurisdiction from which the qualification was issued. The Youth Delegates strongly advocate for PECC representatives to acknowledge this issue and develop a consensus on how agreements on mutual recognition of qualifications may be enhanced, especially with assistance of the private sector. Ultimately, it is identified that the true value and quality of qualifications is best recognized not by government authorities but rather by employers employing individuals on a merit-based system. This approach could be advanced by reaching a vocal consensus amongst PECC representatives.

### **CONCLUSION:**

The Youth Delegation has reached a broad consensus on the importance of allowing the market to play a greater role in the allocation of the resources as relevant to cross-border education. The Youth Delegation advocates for the PECC standing committee to reach consensus in recognizing the value of cross-border education in advancing PECC objectives, especially in deepening the integration of PECC economies. By initiating a movement to address the concerns listed in this submission, it is hoped that the PECC standing committee can move to affirm the need for further enhancing competition in the area of education, and the advancement and support of cross-border education will be helpful in this endeavor.