

**Globalization and Higher Education :  
Implications for North – South Dialogue**

May 26 – 27  
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***Speech by Francis Steier, World Bank, on Monday May 26***

Before I begin, I would like to follow-up on Mr. John Daniel's experience at Laval University last year, with two remarks.

First, I am glad that this time around, the presence of "a speaker from the World Bank" has not attracted an anti-globalization protest around the hotel. At least not yet.

And second, should there be an anti-globalization protest, *this* speaker from the World Bank intends to stay until the end of the conference, and make sure that any glass of cold water intended for the World Bank does not by accident land on a UNESCO official ...

On a more serious note, now;. I will organize my remarks in 3 parts.

First, a background on where the World Bank stands today on the role of tertiary education in economic and social development.

Second, a summary review of the Bank's ongoing contributions in the sector.

And third, a more detailed review of the challenges posed by globalization and the growth of borderless education, and what the Bank suggests could be done to address them.

**1. Role of Tertiary Education in Economic and Social Development**

The World Bank's primary mission is to contribute to the alleviation of poverty. In part because of this, the Bank has often been perceived as supporting basic education at the expense of tertiary education, systematically advocating the reallocation of public expenditures from tertiary to basic education; promoting cost recovery and private sector expansion; and discouraging low income countries from considering any investment in advanced human capital.

All of these perceptions are incorrect, of course.

We do support basic education, but we *not* advocate a systematic reallocation from tertiary to basic education. Whenever such reallocation is suggested, it is usually country-specific and circumstance-specific. Furthermore, it is impossible to support basic education without supporting teacher training and education research – and these fall squarely in the realm of tertiary education.

With respect to cost recovery, we promote it when we find that the system of public subsidies in place is either inefficient, or inequitable, or both. Equity is always an important factor in Bank recommendations on cost recovery : that is to say these recommendations are always accompanied by recommendations on systems of targeted scholarships and loans to mitigate the effects of cost recovery on the capacity of socio-economically disadvantaged students to have access to tertiary education.

Finally we do *not* discourage low income countries from investing in advanced human capital (!). Once in a while we are asked, by some policy makers in some low income countries, for project funding for advanced fundamental research. We do try and discourage *that*. But we certainly encourage tertiary education, and some level of applied research, especially if the latter is at least partially funded by industry.

In fact, as stated in our recent report, which was published last Fall in English, and translated since then in a number of languages (*Constructing Knowledge Societies : New Challenges for Tertiary Education*), we believe that « investment in tertiary education reform is an important pillar of development strategies that emphasize the construction of democratic, knowledge based economies and societies. »

## **2. Role of the World Bank**

So what can the Bank do to encourage the development of tertiary education in developing and transition countries? As stated in the report, we believe we can play a constructive role in three ways:

1. by facilitating policy dialogue and knowledge sharing ;
2. by supporting reforms through program and project lending (over the past ten years the Bank has average nearly US\$500 million annually in project lending, and we presently have ongoing projects in some 30 countries; we also help mobilize concessional financing from the international donor community); and
3. by promoting an enabling framework for global public goods.

Which brings me to the third point.

## **3. Promoting a Framework for Global Public Goods**

With respect to this item, we should note the new challenges posed by globalization and the growth of borderless education :

1. *brain drain* issues that result in the loss of local capacity in fields critical to development ;
2. the absence of a *proper international accreditation and qualifications framework*;
3. the lack of clear *intellectual property* regulations governing distance education programs;
4. barriers to access to *information and communications technologies*, including the Internet; and

5. the absence of accepted legislation regarding *foreign tertiary education providers*.

Let us now examine these five challenges one by one, and see how the World Bank proposes to work with its partners in the international community to help address them:

1. **Brain drain.** The following measures could be envisaged for dealing with brain drain: (a) increased reliance on joint degrees; (b) inclusion, in donor funded scholarships, of allocations for purchasing the minimum equipment and materials needed by returning scholars and for travel to update knowledge; (c) a preference for sending grantees to top quality training institutions in other developing countries that possess an oversupply of skilled labor, such as India; and (d) creation of a favorable local work environment for national researchers and specialists.
2. **International quality assurance framework.** In addition to the support provided through accreditation components in specific projects, the World Bank is contributing toward the goal of establishing a global qualifications framework through consultations with donors and specialized professional associations, as well as through the Development Grant Facility. Two sets of complementary initiatives are considered: (a) technical and financial assistance to groups of small countries that wish to set up a regional quality assurance system in lieu of separate national ones; and (b) support for global quality assurance initiatives on a thematic basis.
3. **Intellectual property rights.** The Bank intends to play a brokering role to help create and nurture dissemination partnerships among publishing companies, universities in advanced nations, and tertiary education institutions in developing countries (as was done for example by MIT when it offered its courses on-line free of charge, or by six leading publishers of medical journals to give free access to their journals to more than 600 institutions in the 60 poorest countries).
4. **Bridging the digital gap.** As part of its strategic commitment to global public goods, the Bank will contribute to decreasing the digital divide between industrial and developing countries by supporting investments in ICT infrastructure for tertiary education within countries, or even in multiple countries (as is the case under the Millennium Science Initiative).
5. **Trade barriers.** On this topic, the difficulty lies in playing a balancing act: on the one hand, defining rules of conduct and appropriate safeguards designed to protect students from low quality offerings and fraudulent providers; and on the other, doing so *without* allowing these mechanisms to constitute rigid entry barriers. The Bank proposes to do just that, working at both the international and national levels. Furthermore, in our Tertiary Education report, we suggest five criteria that could be used by governments, licensing bodies and tertiary education institutions to evaluate foreign providers that are not yet accredited by an internationally recognized agency:

- a. Minimum infrastructure, facilities and staffing requirements;
- b. Appropriate, transparent and accurate information on the policies, mission statements, study programs, and feedback mechanisms of foreign providers, including on channels for complaints and appeals;
- c. Capacity building partnerships between foreign providers and local institutions;
- d. Comparable academic quality and standards, including the full recognition in the home country of the degrees and qualifications delivered by foreign providers in a developing country; and
- e. Preservation of national culture.

I will be happy to develop further some of these themes if there are questions during the upcoming panel session.

Thank you, Mr. Chairman.