

## Overview of Higher Education Export Services

**Author Details: Thai Ha Pham**

Hanoi University of Science and Technology

**Correspondence: Thai Ha Pham**, Number 1 Dai Co Viet, Bach Khoa ward, Hai Ba Trung district, Hanoi  
Vietnam

### **Abstract:**

*Through the article, we can see a part of the higher education export activities of some countries, evaluate the success, limitations as well as the impact of this activity on the economy, at the same time out the shortcomings that Vietnam faces on the higher education export process. Since then, it offers some recommended solutions to help Vietnam solve the above problems.*

**Keywords:** Higher education export.

### **1. Introduction**

In the development of a country, education in general and higher education in particular have a particularly important place. Higher education plays a key role in the field of high-level science and technology human resource training, becoming an indispensable source of new knowledge production for the society. "Higher education service" brings many benefits to countries, significantly contributes to the national income of a country.

Many countries in the world today have invested in the development of the higher education system as a major service sector. The GATS General Agreement on Trade and Services was born to create a basis to promote the provision of higher education services beyond the borders of a country, also known as "Higher Education Exports".

Higher education export has become the solution to many financial difficulties in education as well as ensuring high quality resources in many countries. As a developing country, although behind in many aspects, Vietnam has the opportunity to learn a lot of experiences from its predecessors so that it can perfect this new type of export. In Vietnam, higher education export is still a relatively unknown concept. Along with many countries in the ASEAN region such as Singapore, Malaysia, Thailand, the Philippines ... Vietnam has been innovating and reforming higher education towards standardization, forming a university quality assurance system with many criteria and standards. Although the general level of education in Vietnam is not high, the potential for this type of service is huge.

### **2. Literature review**

The export of educational services is one of the topics studied by many researchers on education in the country and in other countries around the world. Even so, research often focuses on the problems of educational export orientation, educational export successes and suggestions for educational development. There are quite a few general studies and specific assessments to bring out the advantages and disadvantages of higher education export.

Research by author Dinh Van Toan (2016), University of Economics, Vietnam National University Hanoi on "World university cooperation and some suggestions for Vietnam" has shown the association with a The number of schools in the world to export education is a trend of world education and the author proposes a number of measures to boost the export of education.

The article "American education and some suggestive issues for higher education in Vietnam" by Le Hoang Viet Lam - University of People's Security City. Ho Chi Minh at the scientific seminar "Solutions to improve the efficiency of management of higher education in Vietnam", clarified the structural system and some

orientations in the development of higher education in the US . How the US expands its higher education influence to other countries around the world. Since then, it gives some suggestions for universities in Vietnam.

Research on "Some experiences in import and export education in the Federal Republic of Germany" by TS. Nguyen Van Cuong has affirmed that the export of education is one of the issues that is quite concerned, the study has given some experiences that Germany has done to be able to develop higher education in the country. in general as well as university export services in particular.

There are also other studies on the export of higher education services in the other world, mainly the studies that often analyze the education service export situation and the situation of these countries as research. The study "Analysis of Australia's Education exports" (2010) shows their education exports by the figures of the growth and the contribution of higher education exports to the total national income. Or the study "Chinese Regulations and education export of China" (2012) by Yuzhuo Cai, University of Tampere also gives the current situation and solutions in China's higher education export.

The studies on exporting higher education services are diverse in terms of scope as well as research purposes. Inheriting the research results of previous researchers on theoretical mechanics, research methods, based on the synthesis and evaluation of the collected data, there are a few solutions that have can help improve university export services in Vietnam.

### **3. Overview of higher education service export**

#### ***3.1. Higher education service concept and characteristics***

Today, in the structure of a modern economy in most countries, the service industry plays a very important role. The service sector has become a strategic focus for development investment of most countries. As a result, services and related issues have caught the attention of not only policy makers, economists and business people, but almost everyone. Although the phrase "service" appears a lot and is extremely familiar in everyday life, up to now, there seems to be no unified general concept of service. For each country with different levels of economic development has different approaches, each source of research is different from which to bring different understandings and classifications.

Adam Smith defined service as follows: "Service is the most wasteful of all professions such as priest, lawyer, musician, opera singer, dancer ... die at the right time when it was made. " From the above definition, we can see that Adam Smith wants to emphasize the "non-retainable" aspect of a service product, that is, simultaneously produced and consumed.

In the view of economists Allan Fisher and Colia Clark service is considered to be the third economic sector, that is, the economic activities outside the two industries and agriculture. Clark coined the concept of service as "the types of economic activity not listed in the first and second sector (industry and agriculture)". However, this concept does not have a clear distinction between industries, so there are activities that are not classified as classified into the industry, for example construction activities in the past, people are still classified in industry. we move them to the service industry again.

According to Vietnamese Dictionary: "Service is a job that directly serves the certain needs of the majority, is organized and paid for" [Vietnamese Dictionary, 2004, Danang Publishing, p.256]

The definition of services in economics is understood to be things that are similar to goods but immaterial. From an economic point of view, the essence of service is the provision to meet needs such as travel services, fashion, healthcare ... and bring profits.

Some Vietnamese researchers have relied on the outstanding features and differences between services and goods to come up with the following concept of service: "Service is human activities combined. into intangible and incomprehensible products "(Nguyen Thi Mo, 2005). According to a similar approach, Ho Van Vinh (2006)

said: "Service is all activities to meet certain human needs, but its products exist in the intangible form". The two above understandings are basically the same, because both offer the basic characteristics of the service. First, a service is a "product", the result of a process of labor and production to satisfy a certain human need. The service delivery process involves contact between service producers and consumers. Second, unlike goods that are tangible objects, services are intangible, intangible.

The General Agreement on Trade in Services (GATS) of the WTO does not provide a specific concept, but lists services into 12 major sectors and 155 sub-sectors; while the United Nations regulates the sector through the International Standard Industrial Classification and classifies key products.

Thus, although the concept of services has not been widely agreed, but with economic and commercial significance, in this study, we can understand about services as follows:

Service is a product of labor, does not exist in a physical form, and is consumed simultaneously with the supply process in order to satisfy the needs of production, consumption and human health.

In the growing service industries in the world, educational services are one of the most important industries. Educational services have a significant impact on a country not only on the economy but also on the development of education and knowledge of that country. Education is an industry unlike any other. The world economic organizations also consider education as a special type of service, a service that is both profitable, non-profit, and market segmentation and popular.

"The specificity of educational production is determined by its three basic characteristics, including education as a fundamental industry, education as indirect manufacturing and education as a productive industry. the effect is very long term". (Dang Huynh Mai, 2010)

Currently, there are still views that education should only be a public service provided by the State, not being traded or exchanged. When the commercialization of education is higher, the educational service providers tend to race for profit and take the quality of output lightly. This will negatively affect a significant part of young people studying in these institutions. However, in fact, that concept is not entirely correct. In the current open education market, schools that want to attract students and earn profits must constantly improve the quality of training. The quality of education is considered the most important factor determining the reputation and competitiveness of educational institutions in the market. This can be seen as a positive effect of commercialization of education. In addition, educational services also contribute a significant amount to national income. It is the negative and incorrect notions about the commercialization of education that many countries miss out on a potential investment field. Commerce in education creates a competitive environment, thereby improving the quality of education, improving the educational level of the people, and creating a significant source of income in the national income of a country.

According to the GATS1 service classification system, education services are the fifth service sector and are divided into four sub-sectors: lower secondary education, higher education, adult education, and Other educational services.

We can see that higher education is a learning level in the general education system. World Bank (World ank) has introduced the concept of higher education service as follows: "Higher education is a higher education service, which is consumed after completing the secondary education level.

According to the UNESCO International Standard Education Classification (ISCED) 2011, higher education is at the 5, 6, 7 and 8 levels.

ISCED Level 5: Short-cycle tertiary education: This is the first stage of higher education, including programs with at least 2 years duration. Level 5 education programs often provide practical career knowledge specific, and at the same time create a premise to study to higher levels.

ISCED Level 6: University (bachelor's and equivalent) (achelor's or equivalent level): Programs at this level are 3-4 years in duration; Usually based on theory and directed towards intermediate scientific knowledge or basic professional skills. Level 6 institutions are usually universities and academies.

ISCED Level 7: Master's or equivalent level Second stage of higher education, providing in-depth expertise or advanced career skills and earning second-level certification. Curriculum may require research, but research at this level is not sufficient for a doctorate.

ISCED Level 8: Doctoral or equivalent level: Doctoral programs focus on advanced specialized studies rather than fostering knowledge like regular courses. ISCED Level 8 involves the submission and review of a quality dissertation that is important to a particular industry.

Thus, higher education encompasses all academic programs upon completion of the general education program, which are usually taken place at universities, colleges, technology institutes and colleges. Higher education includes many different levels of education, equipping students with the advanced knowledge and skills needed to enter the labor market. In the modern knowledge economy, university degree is one of the criteria for assessing the educational development of a country.

### ***3.2. Concept and characteristics of higher education service export***

Nowadays, services have become the object of trade with increasing importance. When the service trade market is opened, the exchange, purchase and sale of services becomes more and more active and popular. Joining the WTO as well as common communities around the world means that many foreign service enterprises will access the domestic market and compete strongly with domestic firms. This is the driving force that pushes domestic enterprises to improve, innovate and perfect their products, to meet the diverse needs of customers.

General Agreement on Trade in Services GATS does not introduce the concept of trade in services but only four modes of service delivery. However, from the concept of trade in goods, it can be understood that trade in services is as follows:

"Trade in services is an act of buying, selling, providing, exchanging services between individuals and organizations for commercial purposes, on the basis of competition" (Hoang Van Chau, 2011).

An exchange of services for a profitable purpose beyond one country becomes an international trade in services (International Tradein Service). Currently, along with the process of globalization, international trade in services is growing strongly. On the basis of the above concept of trade in services, we can understand international services trade as follows: International service trade is the exchange of services between domestic legal entities or legal entities. or a foreign natural person for commercial purposes. International trade in services is also the relationship mentioned in the GATS Agreement, because the nature of GATS is to regulate activities of trading in services between countries.

#### **Export higher education services**

Export is a term used to refer to the trading of goods or services with foreign countries for commercial purposes. Exports play a very important role for each country in the process of international economic integration. Unlike conventional merchandise export, services exports are more complex. The System of Natural Accounts (SNA) developed by the United Nations and the Balance of Payment (BOP) table developed by the IMF International Monetary Fund had a fairly high agreement on the concept of export services. This concept is based on the basic concept of residents and non-residents "Service export is the provision of services by the resident to the non-resident for commercial purposes". In which, "an entity is called a resident of a country if it has an economic interest that transacts significantly for a period of one year or more in that country. Subjects other than residents of that country are nonresidents ”.

We can see that the higher education service export is a form of service export. However, if the definition of higher education exports is on the basis of residents and non-residents, it is very easy to think that education exports include only the second mode of export. earth) that omits the remaining three methods.

Until now, "Exporting higher education services" is still unfamiliar to many people. In the context of the growing higher education market today, "cross-border higher education" is often mentioned more often. Jane Knight (2006), PhD at the Ontario Institute for Educational Research, said:

“Cross-border higher education is education in the case of teachers, learners, programs, providers or learning materials across national borders. Cross-border education may include higher education provided by a public or private institution, for-profit or not for profit; It includes many methods, from face-to-face (such as student study abroad or university branches abroad) to distance learning (using technology such as online learning) ”.

Jane Knight's understanding favors exports under the first three modes (cross-border supply, territorial consumption, commercial presence) without mentioning the fourth mode (presence of natural person).

On the basis of the general concept of service export, the concept of "cross-border higher education" and the characteristics of higher education services, it can be understood that "Exporting higher education services is an export activity. services export abroad, including the cross-border movement of one of the human elements, programs, suppliers, learning materials for the purpose of earning foreign currency. ”.

To better understand the export of services, especially the export of education services, one can learn about the mode of service delivery. There are currently four modes of service export provision:

#### Mode 1: Cross-border supply

Service delivery in this manner is cross-border provision of services, which can be accomplished by providing distance education or online training, provided through the manginternet (e- learning, or in the form of franchising. This method uses telecommunications technology, or in-kind service transfer such as drawings, tapes, etc. across borders. The service is supplied from the territory of one country into the territory of another and only the service is transported across the border, not by the supplier. In other words, the service supplier does not appear in the territory of the country that consumes that service.

To be able to provide distance education services, the information infrastructure must be very good. Without communication technology and the internet this kind of education would not be possible. Currently, all countries are focusing on synchronously building information infrastructure and developing internet systems, so the potential for developing distance training programs is huge. Most prestigious universities have distance learning programs, attracting students from all over the world.

The biggest limitation of cross-border higher education service provision is the quality and reliability of service export establishments. The distance education program requires a separate curriculum, suitable for self-study method and the instructors must have professional knowledge in distance education. Therefore, international students need to be cautious in finding information about the course, consulting and evaluating the quality of reputable organizations as well as reliable consulting institutions before registering and paying for their studies.

#### Mode 2: Consume educational services abroad

This is the most common type of trade in higher education services today. The number of international students is increasing in both the number and composition of enrollment. The outstanding feature of this method is its high cost. Some countries do not allow extra-time work so many international students do not have additional financial resources to support their studies. In addition, the conditions of visa, residence, education quotas, difficulties in accepting an existing diploma of international students ... are major obstacles to the method of exporting higher education. this.



By level of development, this method holds the largest global market share of higher education services and continues to grow. Students who go abroad to study abroad not only because they want to study more deeply their fields of interest, access good quality education programs, but also because they want to experience a multicultural environment abroad. In the current globalization context, the need to explore and learn about countries in the world is increasing, promising the potential to export educational services by consumption method outside the territory.

#### Mode 3: Commercial presence

The export of educational services by the mode of commercial presence is through joint training programs or the establishment of branches abroad. Since then offers study abroad programs. Typically, these fields are either partially affiliated or wholly owned by the foreign entity. The curriculum in this mode is more interactive face-to-face than the cross-border form of cross-border supply.

The number of educational service providers based abroad is increasing. This form is quite popular in developing countries, typically Southeast Asia. Universities in the country sign association agreements with foreign universities, providing training under the model of partners, including teaching methods, exam standards and obtaining certificates at schools foreign. Accordingly, importers can learn and accumulate experience from quality and modern education in the world.

In order to export higher education by this method, schools need to select the right target market partners, and control the quality of associated training strictly so as not to adversely affect the reputation of the school. in that area. Furthermore, market research and research should be conducted carefully before the base investment, to avoid the case already established but the number of trainees is too small, not enough money to operate and pay for teacher. At the same time, it is necessary to carefully understand the policy framework of each country related to foreign investment in the education sector, the degree of commitment to the openness of the education market under the WTO in order to have the best export strategy.

#### Method 4: Presence of natural person

Presence of natural person is the fact that teachers, educational administrators or staff work abroad to provide educational services in that country. Foreign-teaching natural persons can offer short or long-term courses. Much of the movement of natural persons depends on the first or the third mode. Due to many objective factors such as socio-political environment, market demand, work environment, training program duration ... that this model only accounts for a small proportion in higher education exports, not stable in the long term. Foreign lecturers and professors often have difficulty in matters of visa, entry, residence such as regulations on the number of entries, labor regulations, nationality regulations ...

Due to the time and limitation of the thesis, therefore, in my dissertation, I will focus mainly on the mode of providing university services according to the mode of consuming educational services abroad. This is the most common type of trade in higher education services today, bringing a lot of influence as well as in the decision-making of universities and governments of countries when exporting services. education.

### 4. The Role of Higher Education Services Exports for Countries

Currently, all countries are paying top attention to the development and implementation of national strategies for high-skilled labor development to meet the critical needs of the knowledge economy. We can see that, "The foundation of human development is knowledge. The most important contributions come from the University"(Dr. Marcus Storch - Chairman of the Nobel Foundation Council). In the process of globalization today, higher education is not only limited to the borders of a country, but going abroad to learn experiences and fostering expertise is very necessary. The import and export of higher education services benefits both parties - the service provider and the host country.

#### ***4.1. Role in the service provider country***

For many countries, education exports are a huge contributor to national income. According to the 2013 annual report of the United States International Trade Commission, the country's educational export in 2011 was worth US \$ 22.7 billion, including tuition and living expenses of students. For Australia, international students are the third most important source of international export revenue in this country. Export of education services generates about 18.8 billion Australian dollars / year (Source: ABS, 2015), attracting over 7% of international students from all over the world to this country to study.

From there, we can see that the export of education is not only an important industry, but also plays an important role in creating more job opportunities. The number of international students has increased, leading to a larger staff. Of these, 67% have expertise in education, the rest are specialized in administration, finance, commerce and other professions.

In addition to the short-term economic benefits mentioned above, the attraction of high-quality labor, although not directly influencing, has a direct impact, but in the long run, this is an effective solution for many human problems. that many developed countries encounter. Many talented students, after being recruited and studying abroad, tend to stay to work after graduation. In addition, the policy of supporting scholarships for students attracts brainpower for scientific research. In developed countries with very low population growth and a tendency to aging populations, these international students are a potential source of immigration for human development strategies, nation-building.

Higher education exports are not just an ordinary export. When providing educational services, the working methods, manners, customs and practices conveyed in the lessons will be accepted by international students. This means that the culture of the exporting country will follow these students widely around the world. Furthermore, the higher education export has political benefits as well. In cultural diplomacy terms, this is called "soft power". Individuals with good experience living abroad will be sympathetic to and develop business and exchange relationships with that country, becoming non-official ambassadors to the country they studied. Accordingly, higher education exports contribute to support policies on international relations with other countries, enhancing the exporting country's position in the international arena.

#### ***4.2. Role for the host country***

For importing countries, international higher education plays an important role in the overall development.

The first is being able to improve the quality of human resources, improve life. After being trained in foreign professional knowledge and expertise, workers will have higher skills to meet job demands in the global economy. Studying abroad will help students improve their ability to communicate in a multicultural environment, and at the same time have conditions to integrate with other cultures around the world. The experience and qualifications that individuals accumulated will ensure them an ideal working environment with high income and stable quality of life. College graduates often live above the poverty line. From a macro perspective, if each highly educated individual with a stable income, the costs for social problems such as unemployment, crime and poor health will gradually decrease.

Then, thanks to the export of education, it will create an environment for the development of education, especially higher education. The majority of joint training programs and foreign training institutions are usually of international standards, accredited by the school's quality control department or accreditation agency. Multi-modal training models, well-compiled textbooks, spacious facilities plus scientific working methods help students adapt to the international environment. Depending on the major, the training program includes lessons of theory, practice and discussion to help students acquire knowledge fastest, apply immediately to the job.

If domestic training institutions want to compete, they need to improve their quality, invest in building facilities, renovate their curriculum and teaching methods, in accordance with the actual situation. Moreover, lecturers

who have experience studying and working in a foreign advanced education will have teaching methods that are more suitable to students, with higher professional expertise. On that basis, the general standard of higher education in the importing countries will be raised.

The export of services in general as well as the export of university services in particular will promote international cooperation. On the basis of bilateral and multilateral cooperation in education, the importing country has the opportunity to learn from experience and coordinate with experts in developing, researching and developing educational programs. Education forums are the basis to help the parties understand each other better, establish a better friendship relationship, and raise the cooperation between countries to new heights. From the encouraging achievements from cooperation in education, countries can promote cooperation in other fields such as economics, politics, creating conditions for mutual development.

## 5. Conclusion

The trend of higher education liberalization and commercialization has been developing strongly. The GATS Agreement has created an open playing field for all participants in the global higher education market. The US, Australia, China as well as Singapore are among the examples of higher education exports. Some countries have succeeded, others are still in the process of promoting the development of export education services, with the right support policies of the Government, high quality of higher education, strategy. Effective marketing with a stable socio-political environment, these countries have had certain successes in attracting global students. Higher education has become an important export sector, bringing benefits both economically, politically and socially to the above countries. The experience in developing higher education exports of developed and developing countries is a valuable lesson for countries that want to gradually become a higher education service provider.

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