GATS and the steering capacity of a nation state in higher education:  
Case studies of the Czech Republic and the Netherlands

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Abstract
This paper looks at the General Agreement on Trade in Services (GATS) as an important part of the international trade law system and explores if and how it affects the steering capacity of a nation state regarding higher education. It offers a new conceptual framework to look on the impact of GATS on higher education within its increasingly complex environment by distinguishing between the 'static' dimension (GATS' rules and disciplines) and the 'dynamic' dimension (stakeholders' standpoints, views and actions). Furthermore, by comparing two case studies conducted in the Czech Republic and the Netherlands, it connects the theoretical framework on GATS and the steering capacity of a nation state with specific national conditions and complements case studies that have been so far carried out in other countries. We concluded that neither through the static dimension nor through the dynamic, was the steering capacity in the two cases affected directly: nation states remain the prime actors regarding higher education. Nevertheless, exercising their power over higher education has become more complex and nation states must take more consequences of their internal policy choices into account, which may be difficult to predict.
Introduction

Building on the General Agreement on Tariffs and Trade (GATT) which has been in existence since 1947, the agreement establishing the World Trade Organization (WTO) was signed on 15 April 1994 together with the General Agreement on Trade in Services (GATS) and the Trade-Related Aspects of Intellectual Property Rights (TRIP). In this large movement towards liberalization of world trade, along with a range of service sectors (business services, communication services, financial services, etc.), educational services were also selected for further liberalization and regulation.

The fact that educational services were included in GATS met with strong opposition amongst various stakeholders. The appropriateness and correctness of such a step has been repeatedly put under scrutiny. Very strong criticism emerged especially from labor unions in public services, teacher’s unions, student associations and civic movements (see for example AUCC, 2001; Education International, 2000; ESIB, 2001; EUA, 2001; Public Services International, 2000). The discussion about the impact of GATS on education and educational policy intensified mainly during the renegotiation round launched in November 2001 in Doha, where the fourth WTO Ministerial Conference was held. During the debate a significant disagreement appeared about higher education’s inclusion in GATS as well as very contrasting assessments of GATS’ impact on higher education on both global and national levels. Some authors claimed during the debate that if implemented GATS might, or would, severely limit the nation state’s capacity to steer higher education (see for example Cohen, 2000; Schugurensky & Davidson-Harden, 2003; Worth, 2000; etc.).

This article is based on a study by Vlk (2006) exploring the relationship between the international trade law system and the steering capacity of a nation state in relation to higher education. In general, the study was meant to contribute to the on-going discussion about the impact of globalization in higher education as well as to the debate about the role of a nation state in its increasingly complex environment. Furthermore, Vlk’s study suggested a new conceptual framework for looking at the ‘static’ dimension (GATS’ rules and disciplines) and the ‘dynamic’ dimension (stakeholders’ standpoints, views and actions), as through both channels potentially the steering capacity of a nation state in
higher education might be influenced, as we will explain in the section ‘Globalization and institutions’. Finally, by comparing two case studies conducted in the Czech Republic and the Netherlands, it made an attempt to connect the theoretical framework on GATS and the steering capacity of a nation state with specific national conditions and to complement case studies carried out in other countries.

The Czech Republic and the Netherlands were selected as suitable countries for conducting case studies mainly for the following reasons. As a necessary condition, each country was either a collective or an individual member of the WTO at the time of its foundation, and both signed up to open up negotiations on GATS in 1994. At the same time, the Czech Republic represents a new EU member state that negotiated the 1994 commitments on its own, whereas the Netherlands is an old member state. The choice was made that one case study should be conducted in an ‘old’ EU member state, mainly to look at the complication of having both the European Commission and the EU member states jointly competent to conclude GATS in 1994. In this case, the Commission negotiates on behalf of its member states under the World Trade Organization even when it comes to higher education services. An unprecedented status is associated with a number of new EU member states. Those acceding to the EU in the middle of 2004 already had made their individual commitments under GATS in 1994. Since their entrance to the EU, they were officially included in the EU negotiation mechanism.

Other factors were also taken into consideration when choosing these two countries. The Czech Republic is an example of a Central and Eastern European country that left a centralized communist regime after 1989 and that radically changed the whole political system. This change has been reflected in all policy areas including higher education. The changes that were experienced by Western European systems gradually and over several decades have been implemented in Central and Eastern European countries at a considerably higher pace, within a much shorter period. The Netherlands, on the other hand, represents a stable democratic country in Western Europe.

Another reason for our country selection was the accessibility of data, persons, legal
materials as well as sufficient knowledge of each system. In this respect the language issue was taken into account as well as existing materials that could be used for study.

Before approaching our main question, we will first devote a few paragraphs to GATS and its main principles. Then, in the third section, we turn to outlining the literature on, first, globalization and the nation state’s steering capacity, second, on models of how nation states steer higher education, and finally on the impact of GATS on higher education. This all leads to the model of analysis, which we outline after that. The analysis of the two country cases using that model makes up the bulk of our contribution. We then discuss what can be learnt from these two cases about the impact of GATS on nation states’ steering capacity regarding higher education. A postscript on higher education in the Doha round was added to round off this article.

**WTO, GATT and GATS**

The WTO is the principal intergovernmental organization for international trade. It was built extensively on its ‘predecessor’, GATT, which was created in 1947. GATT had gradually developed into a specialized agency, yet without having the status of an international organization (Schermers & Blokker, 2001). The main goal of GATT was to reduce customs tariffs and other impediments to trade, as they constituted substantial barriers to further economic growth.

Since 1947, GATT oversaw eight successive rounds of multilateral trade negotiations which culminated in the Uruguay Round. Taking place between 1986 and 1994, the Uruguay Round represented the biggest ever negotiating mandate on trade. The result was ultimately 60 agreements and decisions on more than 500 pages. It was also substantial in economic terms: the world was estimated to gain about $96 billion from the results of the round. Yet the developed countries and regions, such as the United States, Japan and the EU, were expected to benefit most (Harrison, Rutherford & Tarr, 1997; Stiglitz, 2006).

The WTO was established in 1994 and GATS, as already mentioned in the introduction,
entered into force on 1 January 1995. The main objective of GATS remains the same as it had been for GATT – progressive trade liberalization should be achieved through subsequent rounds of negotiations. During these negotiations the WTO member states are expected to take on various levels of obligations to reduce barriers in respective service sectors. As a result of the Uruguay Round, GATS was structured to represent a framework under which liberalization could be pursued in the future with explicit commitments (Hoekman, 2000). Among other things, GATS is supposed to provide a higher level of security to traders and investors (Stiglitz, 2006).

GATS consists of three interrelated parts. The first is the Agreement itself, which is often referred to as the Framework Agreement. It contains the rules applicable to all WTO member states; they are automatically parties to GATS. The second part consists of the sectoral annexes dealing with issues that are unique to particular economic sectors (movement of natural persons, air transport services, financial services, maritime transport services and telecommunications). The third part is the national Schedules of Specific Commitments.

The Framework Agreement is subdivided into six parts. These parts deal with I) scope and definition, II) general obligations and disciplines, III) specific commitments, IV) progressive liberalization, V) institutional provisions, and VI) final provisions. General obligations and disciplines apply to all measures affecting trade in services. Specific commitments apply only to specific service sectors and sub-sectors listed in member states’ schedules.

Trade in services under GATS is defined by four modes of supply. The agreement distinguishes supply of service a) from the territory of one Member into the territory of any other Member (*cross-border supply; mode 1*), b) in the territory of one Member to the service consumer of any other Member (*consumption abroad; mode 2*), c) by a service supplier of one Member, through commercial presence in the territory of any other Member (*commercial presence; mode 3*), d) by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.
Two of GATS’ general obligations apply to all WTO member states – these are the **most-favored-nation treatment** (MFN) and **transparency**. MFN is GATS requirement that its member states accord immediately and unconditionally to services and service providers of other members treatment that is no less favorable than that it accords to like services and service suppliers of any other state. Transparency refers to the GATS requirement that its member states publish their regulations affecting trade in services, that they notify the Council for Trade in Services of any relevant changes, and that they respond promptly to requests for information from other members.

**Market access** and **national treatment** form specific commitments of GATS. Market access is defined in the GATS treaty as the requirement that a WTO Member State accord to services and service suppliers of other member states treatment not less favorable than that listed in its GATS schedule. National treatment is a GATS requirement that a WTO member state accord to services and service suppliers of other member states treatment no less favorable than what the member grants its own like services and service suppliers.

As a result of the Uruguay Round, each WTO member state tabled a Schedule of Specific Commitments containing horizontal commitments and sector-specific commitments. For each sector or sub-sector, limitations on market access and on national treatment were stated across modes of supply. During the Doha Round, which as we mentioned started with the Fourth Ministerial Conference in Doha in November 2001, the results of the Uruguay Round were renegotiated.

GATS in particular has been intensively criticized. It has been claimed that it was designed to facilitate international business at the expense of democratic governance; a business agenda promoted by international corporations which was in constant tension with democratic principles and priorities embraced by the global citizenry. Furthermore, as the agreement is not confined to cross-border trade, it is said to invade many domestic
policies such as environment, culture, natural resources, health care, social services, and—most relevant for our article—education (see for example Sinclair, 2000a; Stiglitz, 2006).

**Globalization and the nation state**

From our perspective, the WTO multilateral trading system (including GATS) is a significant part of the globalization process. In our view GATS and the negotiations between WTO members constitute an important part of what can be called the economic and political dimension of globalization (McBurnie, 2001). At the same time, we agree with Robertson, Bonal & Dale (2002) that “globalization is the outcome of processes that involve real actors—economic and political—with real interests” (p. 472). The view of globalization used in the study is what Castells (2000b) relates to global economy. In his view the global economy is able to work as a unit in real time on a planetary scale. It is supported by the new infrastructure of information and communication technologies and it has been accelerated by deregulation and liberalization policies of national governments and international institutions. However, according to Castells, the global economy has been shaped not only by technologies and businesses but also by governments of the richest countries and international institutions such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO). At the same time, deregulation of domestic economies, liberalization of international trade and investment, and privatization of public companies have been the major policies, implemented by national governments and advocated by the kinds of international organizations mentioned above, that have been the most important processes at the heart of globalization. GATS, as an agreement under the WTO, is perceived as one specific materialization of such a concept of globalization.

In the 1990s the rules and the institutions of globalization were set up either directly through individual governments or through the policies imposed on them by the IMF, the World Bank, or the WTO. Castells sees the U.S. government as the main ‘globalizer’, and the other governments have followed the trend for deregulation, liberalization and privatization for various reasons. These include a demonstrative break with the
The communist past in the case of Central and Eastern European countries and the crisis of legitimacy of welfarism and government control during the 1980s in Western Europe. What can be seen nowadays as a result of globalization is, according to Castells, a global economy as a network of interconnected parts of economies determining to a large extent the economy of each country (Castells, 2000b). While we have higher education as our subject, our approach focuses on the broadly-defined economic dimension of globalization, the process enabling markets to operate internationally partly as a result of improved communication and regulation.

Now, let us turn to the nation state. Regarding the rule of a modern nation state, we assume that it changes over time. For instance, Atkinson and Coleman (1992) highlight that, mainly as a consequence of the implementation of new macro-economic instruments, many areas of governance have grown in size and complexity. At the same time, political authorities have not been able to embrace all main sectors of public policy (Wallace & Wallace, 2000). As a result, the modern nation state must, on the one hand, maintain a certain level of control over public affairs, and on the other it must share the exercise of public authority with other organized groups (Atkinson & Coleman, 1992).

In our view, the nation state represents a sovereign entity that exercises fundamental powers over its territory and inhabitants. However, intergovernmental, supranational, and non-governmental organizations, as well as other organized groups on both international and national levels, have been increasingly influencing the way the nation state maintains its control over public affairs. In the context of this article, the modern nation state is a traditional European state, based on either Roman tradition such as France or Germany or on Saxon tradition, as is the example of the United Kingdom (for more details see for example Neave, 2001). At the same time, it has been increasingly influenced by processes of regionalization in the form of European integration, in this case the institutionalized cooperation of European states through the creation of the European Coal and Steel Community (ECSC, 1951), the European Atomic Energy Community (Euroatom, 1957), and the European Economic Community (EEC, 1957) (Urwin, 1995). Furthermore the Single European Act (1986), the treaties of Maastricht (1993),
Amsterdam (1999) and Nice (2000) set up the basis for intensive intergovernmental and supranational decision making in a whole range of policy areas (Holzhacker & Haverland, 2006).

**Steering in higher education**

Moving a step closer to our main issue, viz. that GATS is viewed as a potentially undermining the steering capacity of the nation state, this section spells out the concept of steering in the higher education sector in more detail.

The concept of government steering in higher education is characterized as government trying to influence the decisions and actions of other actors according to its goals by using certain tools and instruments (Maassen & Van Vught, 1994; Jenniskens, 1997). Among the instruments, usually funding, regulation, planning and evaluation are distinguished (Huisman, Maassen & Neave, 2001). Westerheijden (1998) highlights quality assessment as a new steering instrument appeared in the 1980s.

In the context of higher education, Maassen and Van Vught (1994) presented two models of government steering: the *state control model* and the state *supervising model*. The policy instruments in steering higher education are mainly instruments of funding and of authority. A similar conceptual framework was used to identify the relationship between the model of governance and the changes taking place in higher education systems in at least two dozen countries all over Western Europe as well as in Africa, Asia and Latin America (see Neave & Van Vught, 1991, 1994). In order to increase the explanatory value of the model of state steering, the dichotomy of the state control model and the state supervising model was replaced by a more refined alternative. Gornitzka and Maassen (2000) used Olsen’s (1988) typology to reflect different democratic ideas and views on the role of the state, societal actors and government agencies. Their four steering models are: the sovereign state, the institutional state, the corporate-pluralist state, and the classical liberal state (state supermarket model). In the *sovereign state steering model*, higher education is seen as a governmental instrument for reaching political, economical and social goals. The role of higher education is to implement the state’s higher education policy agenda. The *institutional steering model* refers to a
situation in which higher education institutions are given a special responsibility to protect academic values and traditions against political turbulences. The state usually does not interfere with academia. The corporate-pluralist state steering model assumes that there are several competing and legitimate centers of authority and control with respect to higher education. Finally, under the supermarket steering model the role of the state is minimal; it makes sure that the market mechanism in higher education is not distorted. Empirically, in selected West European countries (Gornitzka and Maassen (2000) identified a general tendency towards the supermarket steering model. However, no model was observed in its pure form. Rather, in most countries mixes of various steering models were observed, which they called a hybrid steering approach. This gives the framework in which we will analyze the steering capacity for our two case studies and to which we shall return explicitly at the end of the article.

**GATS and its impact in the existing literature**
How does GATS affect steering in higher education? This issue has been explored and studied by scholars, but has the issue been approached systematically? In general, GATS and its impact were discussed either on the national level or globally. The impact of GATS with respect to the United Kingdom was discussed by the AUT (2003), Nunn (2001), Rikowski (2003) and Worth (2000). Allport (2002), NTEU (2001), Ziguras, McBurnie and Reinke (2003a, 2003b) focussed on Australia; AUCC (2001, 2003) focus on Canada; and the impact of GATS on South Africa was elaborated by CHE (2003) as well as Pillay, Maassen and Cloete (2003). Furthermore, Schugurensky and Davidson-Harden (2003) studied potential implications of GATS for countries in Latin America and Ziguras (2003) compared four countries (New Zealand, Australia, Singapore and Malaysia). Mundy and Iga (2003) compared US and Japanese approaches to education services under GATS.


It appears from the published work that almost all elements of higher education systems are potentially impacted by GATS according to commentators. First of all it includes national higher education systems as a whole, mainly public sectors. At the same time individual higher education institutions are subject to influence (autonomy). Furthermore, individual students (access) and academics (employment, academic freedom) are also perceived as potentially affected. Although rarely found in the discussion of the impact of GATS, there are commentators attributing at least some positive effect to GATS; Schugurensky and Davidson-Harden (2003) admit that GATS might provide some potential advantages for the countries that decide to export educational services. Also, Mundy and Iga (2003) show that Japan used GATS to generate internal changes in Japanese higher education. Altbach (2001), along with Mundy and Iga, also argues that the USA stands to benefit significantly. Ziguras (2003) makes the same case for Australia.

Finally, some authors attach to GATS rather limited or no impact on higher education. Sauvé (2002), for example, states that GATS does not have the potential that has been attributed to it by its main critics. As he stated it, GATS is not the driving force behind the explosive growth in international trade in educational services. Ziguras (2002) argues that GATS neither puts pressure on governments to fund public and private institutions equally, nor prevents them from implementing policies and regulatory measures to steer private sectors in order to achieve particular social and cultural objectives. Similarly, each country is free to decide nationally to what extent it will publicly finance higher education for its own citizens.

With respect to the approaches and methods used, the studies discussing the impact of GATS on higher education vary immensely regarding their scope, focus, depth of analysis, descriptive tools, the way in which individual components of the main model
are connected, and the approach used to identify the impact itself. Many contributions contain very strong and resolute propositions, although the problems are only slightly tackled on the surface and not deeply analyzed. What is mostly absent is a solid link between GATS—its general rules and specific disciplines—and a particular national environment. A sufficient description of domestic conditions and an enumeration of relevant legal settings, which would allow to identify more precisely existing or potential collisions with major GATS principles, very often have been absent in the contributions so far, although a few contributions provide useful approaches in that respect (see Ziguras, 2003 or Ziguras, McBurnie and Reinke, 2003b).

Selected analyses of GATS’ legal implications on higher education are rather modest in their conclusions and discuss various possibilities that might be under consideration. Nevertheless, it is obvious that the impact of GATS’ obligations differs across individual countries. It depends very much on the conditions in the particular national environment. This again shows that to assess the impact of GATS, a very detailed discussion is required of the national legal and public-policy conditions as well as the elaboration of mechanisms incorporating GATS commitments and general disciplines into the national legislation. The following section suggests a new perspective through which impacts of GATS on the nation state can be studied.

Globalization and institutions – a new approach to look at GATS and the nation state

Based on our conceptualization of globalization, we assume that globalization as such indeed exists and influences the institution of a modern nation state. The question is whether a regulatory framework to liberalise higher education reduces the regulatory power of states or whether nation states are still the main actors managing world problems on behalf on their societies (see for example Beck, 2000; Castells, 2000a or Strange, 1996 for the former and Carnoy & Rhoten, 2002; Cerny, 1997 or Clark, 1999 for the latter standpoint). We claim that although the nation state continues to be very powerful, some of its capacities have been changed or shifted and are nowadays shared with other players, such as international and supranational agencies. The relationship
between globalization and the nation state, however, is not a one-way projection. It must be seen as process of interaction. Nation states have shaped global forces, and those have in their turn influenced nation states.

Once we accept that globalization has an impact on the nation state, the next question is how this happens. For this purpose we use the approach suggested by Djelic and Quack (2003): national institutions are vigorous and resistant; however, they change in time. Djelic and Quack “reinterpret globalization as contributing to that process of change – not destroying national institutions’ frames but rather pushing along their evolution and transformation” (p. 3). At the same time globalization for them is mainly about the ‘rules of the game’ and the negotiations and renegotiations of these rules. Inevitably, the processes of negotiation and renegotiation means change of existing rules and emergence of new rules at multiple scales.

Djelic and Quack argue that globalization can be perceived as a process of institution building and institutional change, which is influenced by the interaction of various domestic and foreign actors. In terms of institutional change—which in fact means the adoption of transnational rules on the domestic level—Djelic and Quack distinguish trickle-down and trickle-up trajectories in the national societal space. The trickle-down trajectory is a top-down process with an indirect impact of transnational rules on the national level. As an example we can use the Lisbon convention on the recognition of qualifications concerning higher education in the European region as a binding international treaty affecting the way qualifications are recognized in a particular state. At the same time, the national setting can also be influenced in another way. A trickle-up trajectory appears when actors at the transnational level initiate (collective) action aimed to change the rules of the game. These changes may affect national actors who via bottom-up processes push through changes in the national setting. For instance, the European association of student unions initiated actions against incorporating higher education into the GATS, and its members, national student unions across Europe, undertook activities in their countries to influence the national governments.
The following figure demonstrates the two trajectories discussed above. It shows GATS commitments and general rules affecting the steering capacity of a nation state provided that they lead to changes in the national legislation on higher education. Another way in which the steering capacity of a nation state can be impacted is through stakeholders who initiate changes on the national level for which they may be influenced by stakeholders operating on a supranational or global level.

![Figure 1: Djelic and Quack's framework applied to GATS](image)

Based on: Djelic and Quack (2003).

**Figure 1: Djelic and Quack’s framework applied to GATS**

**Case studies**

The theoretical and conceptual considerations outlined above are now applied in our two case studies. Our case studies covered the period of 2000 until 2005. This period saw the apex of activity regarding GATS, in the negotiation halls, in publications, and on the streets.

**The Czech Republic**

The Czech Republic was one of the WTO member states that made several commitments in higher education services already at the end of the Uruguay Round in 1994. The
commitments were limited to privately funded higher education, although a private sector was not legally established until 1998 in the Czech Republic. Unlike in some countries, the GATS renegotiation process attracted almost no attention among either the general public or academia. Issues such as GATS in education or export of higher education did not appear in any strategic or policy document. Neither was it subject to any public debate. Only students participated through the international ESIB activities. However, no student activities were recorded in the Czech Republic.

Why higher education’s inclusion into GATS was not perceived as an important issue in the Czech Republic can be explained by several factors. In general, higher education in the Czech Republic was a ‘self-sufficient’ system. It did not depend on either export or import. The number of students willing to pay for their education—both going to study abroad or attending institutions established by private providers in the Czech Republic—was rather insignificant as the majority of Czech students preferred to obtain their academic training in public higher education institutions for free. At the same time, there was no governmental scholarship scheme supporting Czech students to obtain their degrees abroad.

In general, no governmental policy was developed supporting higher education export or import. There were several reasons why Czech higher education did not have the capacity to attract a significant number of foreign students in the period studied. First, the institutions had not been able to meet student demand within the country and the resources to expand were rather limited. Second, high quality study programs taught in English were still lacking. Third, higher education was not perceived as a potential export commodity and further discussion was not stipulated by any other ministry (Ministry of Finance, Ministry of Foreign Affairs, Ministry of Industry and Trade, etc.) or by the general public.

Also, the overall perception of higher education should be mentioned. After 1989 a massive privatization process took place in former Czechoslovakia as part of the political and economical transformation. As a result of right-wing government liberal policies, the
Czech economy became one of the most open in the world. Interestingly enough, higher education was left out of the liberalization scheme and developed as a highly autonomous system within the society. Supply and demand, investment approaches, student choice and other market-related categories were hardly applied or even deeply discussed in strategic ministerial materials such as the *White Book on Education* in 2001 or annually updated plans on development of higher education. The free provision of higher education by state and public institutions was considered part of the social system. The introduction of student fees faced strong opposition throughout the population. Although large private benefits of attaining higher education were documented in the Czech Republic too, it seemed that higher education was perceived mainly as a public good.

These facts should be borne in mind when the impact of GATS on the Czech higher education system is discussed. Partly due to domestic political and social factors and partly due to the fact that Czech higher education has not been part of the ‘export-import business’, the feeling that foreign traditional or non-traditional providers could mean a potential threat to the ‘monopoly’ of public higher education institutions or to the quality of the system did not emerge. Therefore, a discussion on the renegotiation of higher education under GATS has not taken place in the Czech Republic in the period of study.

From the studied documents and conducted interviews it appears that besides the Ministry of Education and the Ministry of Industry and Trade no other stakeholders were involved in the GATS renegotiation. One additional commitment (rather insignificant) in mode 3 on national treatment was made by the Ministry of Education and added to the final schedule. For such a small change consultation with other players was not considered necessary. No actual process of negotiation between the Ministry and other stakeholders could be traced, neither in ministerial materials, nor was it mentioned during the interviews.

With the exception of trade unions and students, stakeholders were not involved in any kind of activities related to liberalization of services within the WTO context on either the national or European (international) level. Students participated mainly through the
European organization of student unions (ESIB), although no activities were undertaken in the Czech Republic. The teachers’ trade union discussed liberalization of services in a broader perspective within the European Trade Union Confederation (ETUCE). Its representatives also participated during the demonstration against services liberalization in Brussels in March 2005.

The Ministry of Education itself did not see any difficulties with foreign higher education institutions providing their services in the Czech Republic. It perceived competition in the marketplace as desirable, while any potential negative developments could be minimized by delivery of relevant information and a system of accreditation and mutual recognition. Competition from abroad was supported for similar reasons by the Chamber of Commerce as well as by private providers’ representatives. Trade unions were much more reserved with respect to this issue. They assumed that there was enough potential within domestic higher education institutions to meet the demand.

The higher education legislation was neither modified due to commitments made in 1994 nor to general obligations arising from GATS. All major changes in the higher education landscape, including the introduction of private providers in the market after 1998, were caused mainly by domestic developments and were partly initiated by the Bologna process. International developments such as liberalization of services, export and import of higher education, and related issues, were not relevant factors, neither in the legislation and decision-making process nor in policy implementation. No reference was made to GATS or to liberalization in general in any strategic ministerial or governmental document on higher education.

Concerning current national legislation, it does not seem to be in conflict with any GATS provisions on the commercial presence mode. Any foreign provider seeking to establish a higher education institution in the Czech Republic has to meet the same conditions as a domestic service supplier.

Decreasing the barriers for higher education providers, focusing on export, opening the
system to more institutions and other related issues did not rank among the priorities of the existing governmental higher education policy. It was mainly focused on finding a way to increase funding for the existing public institutions as a vehicle to improve the quality of the system. In general, higher education policy has been so far clustered almost exclusively around issues arising on the national level such as tuition fees, employability of graduates, quality assurance, and the implementation of the bachelor/master structure. Taking into account all the above mentioned features of the Czech system and the discussed developments, there is no particular reason why existing higher education providers or other stakeholders should have been disturbed by higher education being renegotiated under GATS.

In sum, we can conclude that the way the Czech government steers higher education to date has been influenced more by other factors than by GATS or liberalization policy in general. The main driving forces behind the changes in the relationship between the state and higher education institutions after 1989 were decentralization and democratization of the system, and later also implementation of the Bologna process. These processes resulted in a very high level of autonomy and self-governance of higher education institutions. Changes in legislation and governmental measures in areas such as accreditation or funding were initiated by other rationales than general liberalization policies. GATS rules and the renegotiation round in particular played no role in higher education policy and therefore can be said to have had no impact on the steering capacity on the nation state in the Czech Republic till 2005.

The Netherlands
The GATS renegotiation process was given considerable attention in the Netherlands, although the discussion started later than in e.g. Australia or Canada. The range of stakeholders participating in the whole process was fairly large, and many were active not only vis-à-vis the others but also within their own constituencies. The students seemed to be the most vocal and the most critical participants during the debate.

GATS and its potential consequences seem to be important to the Dutch higher education
system for two reasons. The first is an increasing effort of the Netherlands’ government and (some) higher education institutions to make the national higher education system more attractive for foreign students both by attracting students to the Netherlands and by positioning Dutch higher education institutions abroad as higher education providers. The second reason why GATS was taken seriously in the Dutch environment was uncertainty about GATS’ consequences for the existing Dutch funding system (with its traditionally already hybrid characteristics including private, mainly church-associated, higher education that existed since the late 19th century and that have been funded from the public purse since the early 20th century) as well as for the policy plans regarding introduction of an “Open Bestel” (“Open System”).

The Open System policy illustrated the tendency to introduce more market-like mechanisms (i.e. liberalization and privatization) into higher education. The rationale of the Open System could be summarized as follows: a more market-like approach in higher education by allowing more competition between various providers in the system would lead to a more student-oriented (i.e. demand-driven) attitude of institutions, which would raise the quality of education. In such a system, (private) higher education institutions that until then did not receive any public funds would also become eligible if they met certain criteria. As the Open System was a controversial policy, it was introduced at first only by small-scale experiments, starting in 2007/2008.

The parallel process of the GATS negotiations and the Open System experiments made the situation in Dutch higher education complicated on the one hand, and unique on the other, especially if one realizes the similarity of rationales behind both phenomena. Nevertheless, the link between the two processes was not always perceived. In many cases the discussion on GATS served as a lever for changes on the national level. Yet it was hard fully to explore and interpret the consequences of GATS’ principles for a possible mainstreaming of the Open System experiments over time.

The GATS topic seemed to have been introduced to the Netherlands along two main lines. The first was represented by the Ministry of Economic Affairs (MoEA) which was
assigned, as in other countries, the role of a national negotiator and a coordinator in areas such as trade, trade in services, General Agreement on Trade and Tariffs (GATT), GATS, etc. There were standardized procedures in force in the Netherlands, such as the national Inter-ministerial Council for Trade Policy that had dealt with various issues since the existence of GATT. The MoEA was working on trade-related matters across all levels, including the WTO itself, the EU, as well as regular contacts with other Dutch ministries. Since the establishment of the WTO, the MoEA was the most involved and the best informed actor concerning GATS and associated topics. The Ministry of Education, Culture and Science (MoECS), which is responsible for higher education policy, became involved in the whole debate on GATS much later – only after 2000 when the renegotiation (Doha) round started.

The second line involves individuals or collective actors who obtained knowledge of GATS through various international channels. Due to their intensive participation on both European and international levels, some Dutch stakeholders quickly became familiar with the topic, and GATS started to appear in domestic speeches and discussions. It appeared first during the second half of the year 2001, after the issue had reached the public agenda in some other countries.

International events and actions, such as the joint declaration of the university organizations EUA, AUCC, ACE and CHEA from September 2001, and the ESIB (European association of national student unions) newsletter on commodification from November 2001, were important sources of early information for Dutch actors. Meetings such as the OECD Forum in Washington in May 2002, the UNESCO Forum in Paris in October 2002, the OECD Forum in Trondheim (2003)—to name only a few—were actively visited or monitored by Dutch participants and helped them broaden their views. Most Dutch actors acknowledged that their first contact with the GATS debate was made by visiting international seminars and conferences, being informed by their foreign colleagues or reading the international press.

Although some among the sixteen stakeholders and experts whom we interviewed said
that the discussion on the national level had not been not intensive enough, the issue was
given considerable attention in various circles. The Ministry of Education, Culture and
Science invited selected representatives to a high level meeting to discuss GATS and
related issues in October 2001. GATS and liberalization of higher education as a topic
appeared in the Dutch press, such as the major newspaper *NRC Handelsblad*, and in the
magazine *Transfer* issued by the Dutch international cooperation agency for higher
education, NUFFIC. NUFFIC also organized a conference in March 2002 partly devoted
to GATS. Noticeable too was a debate organized by the Dutch student union LSVb in
Amsterdam in February 2003, again to mention only a few major events.

GATS became a controversial topic on the Dutch higher education scene; for a short
period it even topped the national agenda. GATS and its consequences for higher
education were discussed within and between a number of institutional actors as well as
in the Parliament and the Government (Vlk, 2006). The phenomenon found its
proponents as well as opponents. Also a few independent observers, mainly from the area
of higher education research, contributed to the debate. Furthermore, GATS was often
mentioned in discussions and documents dedicated to the *Open Bestel*.

The dynamic dimension (trickle-up trajectory), which as we mentioned involves
stakeholders and their involvement in the discussion, was rich in the Dutch case. The
Doha negotiation round drew noticeable attention from various stakeholders. GATS
found both opponents and proponents in the Dutch context. Mainly the student unions
(LSVb and ISO) advocated critical standpoints vis-à-vis the ‘commodification’ of higher
education, GATS and the WTO itself. This position originated as a result of consultations
with ESIB – the National Unions of Students in Europe. Also the Association of
Universities of Professional Education (HBO-Raad) as well as the Association of
Universities in the Netherlands (VSNU) expressed their objections to GATS, yet the
standpoint of the latter was less critical. On the other side, mainly the Ministry of
Economic Affairs was in favor of liberalization and privatization policy in higher
education as much as in other sectors. The Confederation of Netherlands Industry and
Employers (VNO-NCW) in general was in favor of liberalization in all sectors including
public services. Finally, the position of the Ministry of Education, Culture and Science can be said to have oscillated between opposing and favoring liberalization and privatization, depending somewhat on the political and personal preferences of the ministers in charge. Intensive interaction took place among the stakeholders during which individual positions were explained and certain misunderstandings cleared up. In the end, despite continually diverging views on GATS and its potential consequences, the most important players supported the decision not to make further commitments in higher education.

As stressed above, stakeholders’ involvement was fairly intensive in the Dutch context. Although it did not result in any significant direct changes in the steering capacity (e.g. legal regulation), its impact might be seen rather in an indirect way. Hence the argument is that it did affect the state’s decisions, albeit indirectly. The discussion on GATS and its potential consequences on higher education in the Netherlands influenced the debate on the Open System. It gave the government additional arguments to push for experiments, and at the same time put stakeholders (mainly the opponents) on the defence.

Furthermore, the stakeholders’ interaction during the GATS discussion resulted in better understanding of each others’ positions and in the decision not to make further commitments at the moment. Nevertheless, it is highly likely that the Dutch commitments would not have been extended anyway, even without any opposition from stakeholders, as they were already rather generous since the end of the Uruguay Round.

Neither the commitments made in 1994 nor the renegotiation round made an impact on existing Dutch higher education legislation. The 1994 commitments only reflected the then existing access of foreign higher education providers to the Dutch market which was already possible according to the legislation. Higher education legislation was not modified subsequently because of GATS’ general disciplines or individual Dutch commitments. Despite some doubts related to the hybrid character of the system, i.e. higher education institutions may have private status and be at the same time publicly funded, the existing system did not seem to be in conflict with the GATS principles in
2005. Rather, the measures which are planned to be taken in the future in the direction of the *Open System* might have certain consequences if the GATS’ principles are applied. Therefore, principal GATS rules, such as the most favored nation status or the national treatment, should be carefully confronted with any future legislation changes or policy implementations, especially in the Netherlands where the boundaries between public and private higher education are already rather blurred.

The relationship between the state and higher education institutions in the Netherlands seems to have been influenced more by other factors (i.e. the drive for more national competition in the higher education sector) than by GATS or the GATS renegotiation round, although the discussion on GATS contributed to the national debate on higher education. However, the belief of most actors we interviewed was that the policy change towards a more open market and increased competition in the field would certainly have taken place despite the GATS renegotiations. Ideas which were conceptualized afterwards in the *Open System* experiments, appeared already before the GATS discussion was launched in the Netherlands. The main policy drivers were concerns about the perceived lack of competition and lack of quality in the system, access, overall efficiency, consumer orientation, etc.

In sum, it was more or less a coincidence that GATS was renegotiated at the same time when significant policy changes (*Open System*) in Dutch higher education were being considered for change. While liberalization was ‘in the air’, we could not find causal links between the two: the *Open System* discussion had started independently of the GATS discussion (and continued after GATS came to a temporary standstill). However, once it had gained access to the agenda, the GATS topic was then used in the national discussion as a lever for change.

**Comparison of the Czech and Dutch Cases**

At the beginning of this comparative section, a few facts should be mentioned about higher education systems in both countries, mainly concerning the steering mechanisms and related issues. The Dutch system can described as a hybrid model showing many
characteristics of the corporate-pluralist steering model moving steadily towards a supermarket model due to increasing liberalization. The Czech Republic would best fit an institutional steering model, however, it too is a hybrid case and the intention of the state is to move it more towards a supermarket model.

The instruments used to steer higher education were rather similar in both countries. In the Netherlands these included funding, quality assurance mechanisms (since 2003 in the form of accreditation), long-term planning through the quadrennial Higher Education and Research Plan and the minister’s authority to intervene if necessary with respect to study programs (limiting the establishment of new programs for reasons of macro-efficiency, and limiting access to study programs in exceptional circumstances through a *numerus fixus* or *labor market fixus*). The Czech state was limited in its steering capacity, according to its own statements, to funding (but that included access to all study programs, as the state funded a certain number of places for entrants per study program per year), and quality assurance in the form of accreditation and long-term planning.

Governmental steering in Dutch higher education gradually moved from setting conditions to focusing on the performance of institutions and students. As a result, quality assurance was performed in an ex-post manner and the funding mechanism was mainly output oriented. In the Czech Republic, the system in 2000 rather prescribed the behavior of institutions. Quality assurance emphasized ex-ante control, and the funding mechanism was to a large extent input oriented. However, around the end of the period under study changes have been implemented towards a more output-oriented approach, with funding based on the number of bachelor program graduates. In this respect we can see the Czech system converge somewhat to the steering mode in the Netherlands. Yet, both systems remain hybrid, although moving at various paces and using various means in the direction of a supermarket model.

An interesting difference between the two cases can be observed when it comes to stakeholders and their involvement in higher education policy-making. In Dutch higher education various stakeholders outside academia (Ministry of Economic Affairs,
Confederation of Netherlands Industry and Employers, etc.) are actively involved. Important higher education topics usually are intensively discussed among all with an interest in higher education. Major issues are also debated in governmental advisory bodies, such as the Education Council, the Advisory Council for Science and Technology, and the Social-Economic Council. In the Czech Republic most interaction takes place between the Ministry of Education and the higher education institutions directly. The impact of employers, Ministry of Industry and Trade and other stakeholders on higher education policy is very limited, although the situation apparently started to change recently.

The legal frameworks for higher education, applicable at the time when this study was conducted, were rather detailed in both analyzed countries. Czech legislation explicitly distinguished between public, state and private higher education institutions. Besides general rules, specific provisions of the Higher Education Act (111/1998) applied to each sub-sector. In general, the internal organization of public and state institutions and a number of formal procedures were prescribed in detail by the legislation. In the Netherlands, the Higher Education Act (WHW, 1993) was of a more general nature in some respects. It distinguished between public and private institutions next to ‘recognized’ (private, non-government funded) higher education institutions. Institutional governance structures were prescribed for all government funded higher education institutions.

Government funding was a crucial steering mechanism in both the Netherlands and the Czech Republic. Only institutions listed in the legislation were eligible for government funding. However, in the Czech Republic, a clear line was drawn between state and public institutions, on the one hand, and private providers on the other. The former were explicitly entitled to receive money from the state budget. The latter were not. Yet upon meeting certain criteria (namely being a public utility organization), they could also apply for a subsidy from the state budget. In the Netherlands, state funding was granted to both public and privately founded (mostly protestant/catholic church-related) higher education institutions. Recognized (i.e. private, non-government funded) higher education providers
had to rely on private financial sources. Table 1 summarizes the main characteristics of Czech and Dutch higher education as discussed.
Table 1 – Main characteristics of higher education in the Czech Republic and the Netherlands

<table>
<thead>
<tr>
<th>Historical background</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
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<tbody>
<tr>
<td></td>
<td>First established in 1348</td>
<td>First established in 1578</td>
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<td></td>
<td>Since 1948 till 1989 a part of the communist bloc</td>
<td>HE developed as a typical Western European system in a democratic society</td>
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<td></td>
<td>After 1989 a sudden shift from a centralized system into an autonomous one</td>
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<tr>
<th>Composition of HE</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>(student enrolments)</td>
<td>9% - professional education 91% - academic education</td>
<td>63% - professional education 37% - academic education</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public &amp; private HE</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>(student enrolments)</td>
<td>93% - public (including state) 7% - private</td>
<td>88% - public 12% - private (estimated)</td>
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</tbody>
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<thead>
<tr>
<th>Government steering</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
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<tbody>
<tr>
<td></td>
<td>Corporate-pluralist steering model with some elements of the institutional state</td>
<td>Corporate-pluralist steering model with a number of elements of a supermarket model</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Steering mechanisms</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
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</thead>
<tbody>
<tr>
<td>Quality assurance: ex ante accreditation</td>
<td>Quality assurance: ex ante and ex-post accreditation HE and Research Plan (4 year cycle)</td>
<td></td>
</tr>
<tr>
<td>Long-term plans of the Ministry State funding (mainly input based)</td>
<td>State funding (mainly output based) Macro-efficiency (planning)</td>
<td></td>
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<thead>
<tr>
<th>Legal framework</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
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<tbody>
<tr>
<td>Distinguishes state, public and private higher education institutions</td>
<td>Distinguishes public and private (governmentally funded) vs. recognized private (non-government funded) HE institutions. Governance structures are described in a rather general way for government-funded HE institutions.</td>
<td></td>
</tr>
<tr>
<td>Rather detailed provisions on internal organization of institutions.</td>
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<thead>
<tr>
<th>Governmental funding</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and state institutions only, private upon meeting certain criteria</td>
<td>For public and private (government funded) institutions</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Higher Education as a market</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
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</thead>
<tbody>
<tr>
<td>Unmet demand for HE</td>
<td>Supply and demand match</td>
<td></td>
</tr>
<tr>
<td>Public institutions charge no tuition fees</td>
<td>Tuition fees for both public and private institutions</td>
<td></td>
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<tr>
<td>No targeted effort on either export or import of HE</td>
<td>Increasing focus on HE export The Open Bestel experiments</td>
<td></td>
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<thead>
<tr>
<th>Stakeholders</th>
<th>The Czech Republic</th>
<th>The Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement of other stakeholders in HE policy-making is rather limited</td>
<td>Broader range of stakeholders actively involved in HE policy-making</td>
<td></td>
</tr>
</tbody>
</table>
With respect to the main issue of our article—the impact of GATS on the steering capacity of a nation state—*de iure* impact was not found in either case study, neither through legal provisions (static dimension/trickle down) nor through stakeholders’ involvement (dynamic dimension/trickle up). Neither the regulation of higher education (through the legal framework) nor the steering model changed as a result of GATS’ national commitments or its general disciplines and rules.

In more detail, with respect to the formal legal setting, i.e. the trickle-down trajectory, no impact of GATS could be traced in either case study. No changes initiated by GATS’ commitments or general disciplines had to be made in the national legislation that would influence the steering capacity of the nation state. Neither were there any request and offer processes in the wake of GATS. In short: the conditions in 2004 remained in that respect the same as in 1994. In both countries, the Czech Republic and the Netherlands, GATS so far has not meant a concrete or direct challenge to the steering capacity of the nation state under existing conditions.

The *direct* impact of stakeholders, i.e. the trickle-up trajectory, was not significant either in both countries, despite very different dynamics. In the Czech Republic no strong stakeholder involvement was found with respect to GATS; stakeholders neither supported nor opposed the Agreement. The national schedule of commitments was only very slightly modified by the Ministry of Education, without much public discussion. In the Netherlands, in contrast to the Czech Republic, the discussion on GATS was quite intensive. Standpoints varied across the stakeholders: some opposed GATS very strongly (for example students), others emphasized the potential positive effects of GATS on higher education. We observed that GATS served as a lever for change in the Dutch environment (i.e. as an argument for launching *Open System* experiments), which also means that the intense discussion did not lead to reversing the policy at the time. However, the main rationales behind changes in higher education in the Netherlands were not inspired by GATS *per se*. More significant was mainly the general tendency of the Dutch government to deliberately introduce less regulation and more competition into the
Conclusions Concerning the State’s Steering Capacity

Based on the literature analyzed and the two case studies conducted, in Figure 2 we model the position of two contemporary European states together with various actors and factors that in mutual interaction influence (to different extents) the steering capacity of a nation state. As it is impossible to capture the whole, immensely complex environment, the figure includes only the most important elements. The central object, the steering capacity of a nation state in higher education, is positioned in the middle of the figure. This steering capacity is usually most directly influenced by the ministry responsible for higher education though under privatization and liberalization processes, steering has often been influenced by other actors on the national level including the economics and finance ministries.

The state’s steering capacity of higher education is exposed to two directions of pressure. The upper cluster in our figure represents the pressure for change in public services in general. It is associated with liberalization, privatization and introduction of markets to the public sector. The focus is mainly on efficiency, competition and consumer-oriented behavior of providers. The underlying assumption is that more competition on the market leads to better quality of provided services, higher responsiveness and thus to greater consumer satisfaction. The focus on consumer satisfaction means that consumers should have the main say (as consumers themselves know what best satisfies them). In other words, higher education should be demand-driven. The World Trade Organization (WTO) constitutes the most important institutional player in this cluster on the global level. The European Commission is a significant regional player advocating open markets and increasing competition. On the national level, the above-mentioned principles are most often advocated by the ministries of finance, economic affairs, or trade and industry (in the Netherlands also to some extent by the Ministry of Education); they are reflected in national liberalization, deregulation and privatization policies. Economists, industry, businesses and for-profit providers as a rule support this perspective.
Figure 2: Factors and actors influencing the steering capacity in higher education

The lower cluster is associated with the traditional higher education system; it attempts to maintain the existing framework and resist the changes advocated by the upper cluster. It stresses the cultural, social and public missions of education. The historical contribution of a traditional higher education system to national development efforts is highlighted. Public provision of higher education is regarded as guaranteeing higher quality than private provision. The focus is on access, equity, cooperation and networks. Excellence and quality are the desired key values of the system. Higher education is mainly supply driven and oriented towards providers. This perspective of higher education is mostly
shared by traditional public universities, academics, students (mainly at public universities) and labor unions.

In our figure, the European Commission is positioned above the national level, representing pressure for more competition and more open markets. However, with respect to GATS and higher education, the position of the European Commission vis-à-vis member states is not clearly supra-nationally ‘above’ them as certain competences are shared. According to the European Court’s opinion from 1994 the Community and its Member States are jointly competent to conclude GATS. Moreover, the European Commission is not a homogenous body. For example, the European Commission is a key player in important developments influencing higher education systems such as the Bologna process and the Lisbon strategy. Interestingly, the Bologna process can be positioned closer to the ‘traditional’ cluster as it highlights cooperation among participating (public) parties. The Lisbon strategy, on the other hand, is much more focused on competition and economic growth, and therefore can be placed closer to the upper cluster. Yet these two strategies seem to become more and more integrated as far as the EC’s policy is concerned. Another lack of homogeneity in the EC concerns the distance that often exists between its roles in trade and in education.

However, in the Czech case study the role of the European Commission and its liberalization policies was rather insignificant when it came to higher education. In contrast, the Bologna process and accompanying measures were given considerable attention by both the Ministry and higher education institutions. On the Dutch side, the relationship between the national and European policy levels was more complicated, but in summary the situation was rather that the Dutch government in the period studied was more liberalization-minded than most other EU countries, so that the final EU position’s (a comprise) role in the national policy debate on GATS was not very strong there, either.

**Conclusions**

Based on Castells (2002) and our figure 2 we can claim that higher education nowadays consists of complex networks embracing an increasing range of stakeholders at local,
regional, national and global levels. Policy-making, decision-making, policy-implementation and evaluation in higher education are influenced by interconnected developments often initiated across national and sectoral borders (Van der Wende, 2002). Increasing numbers of stakeholders and developments come from outside academia and outside the education sector. As a result, the steering capacity of a nation state in higher education has become more complex to exercise. Increasing complexity, global trends and the growing variety of stakeholders involved on all levels (supranational organizations such as the EU, intergovernmental and non-governmental organizations as well as student unions, labor unions, etc.) have made the ability of the nation state to steer the higher education system less obvious, without necessarily taking options for the nation state away completely.

Besides, global and national levels in higher education are increasingly interconnected and influence each other through multinational agreements in more general fields like trade in services. If a particular national decision is made or a national policy is applied on the national level, it might have significant consequences when it comes to international obligations. For example, subsidizing selected foreign providers might eventually open the door for others to claim the most-favored-nation principle under the WTO framework. In other words, although the nation state still regulates and steers its national higher education system, its decisions might be confronted with its international obligations and consequences in unexpected ways.

The pressure for change in higher education (steering) in many cases comes from a national tendency to introduce market-like mechanism, intensive competition, further liberalization, etc. This can be considered as a deliberate and intentional choice by the nation state to limit its steering capacity, replacing it partly by market-type steering mechanisms. At the same time, the process of European integration is another important development, influencing higher education policies and the steering capacity of a nation state in higher education. Furthermore, the steering capacity is also increasingly being shaped by other inter-governmental institutions such as UNESCO, the WTO, the World Bank or OECD. Therefore, we claim that the steering capacity of a nation state in higher
education has become more complex to exercise, or as we called it above, the ability of the nation state to steer the higher education system has become less obvious.

Finally, we can address the general expectation among stakeholders, mainly the critics, that the steering capacity of a nation state in higher education has been weakened due to GATS. The findings of the two conducted case studies reported here do not support a strong version of this assumption. Despite the increasingly complicated environment described in the previous paragraphs, our in-depth case studies rather support the claim that it is still the nation state, either by its domestic policies or partly by its participation in international agreements (such as GATS) or supranational structures (such as the EU), which ultimately decides how the national higher education systems will function. The choice to deregulate and liberalize the higher education market is a deliberate choice of a national government which by doing so may intentionally reduce its steering capacity. The nation state as the most important player still constitutes and shapes its steering capacity in higher education, although it seems that, because of increasing interconnectedness of various policy levels, the steering capacity has become increasingly complex and less obvious to exercise than before. International treaties and organizations such as GATS and the WTO imply additional consequences to policy choices which may be hard to predict for policy-makers at the national level. What has decreased, therefore, is not so much the steering capacity of the nation state, but rather the certainty about effects of policy-choices (although there never may have been much certainty about consequences of choices in our complex societies).

Postscript on the WTO Doha Round
Much has changed since the start of our study in 2002. The greatly heated debates on GATS and higher education that characterized the first years of the Doha Round, and that were an important object of analysis in this study, have given way to (at least temporary) silence, following the decision of the WTO (27 July 2006) to suspend this so far unsuccessful round of trade negotiations. However, after Hong Kong, some movement towards benchmarking could be seen (Oxfam, 2005). Apart from the political naming and
shaming, and as efforts to re-launch the round may be in preparation, it is too early to say how disappointment and the (dis)ability to claim victory are exactly spread across proponents and opponents. The more so as the UN’s millennium goals for development that this trade negotiation round promised to support seem even harder to achieve without agreements on free trade at all. This unsuccessful result coincides in time with more difficulty in general to make progress at the global and multilateral level; multilateralism generally is under pressure. Bilateral and regional agreements may gain popularity as alternatives. Therefore we cannot predict what the role of international organizations and multi-lateral agreements will be in the next phase of globalization. Nevertheless, it has been most valuable to conduct this early research into the possible interference between global, regional and national regulatory frameworks, as a first step to gain insight into the complex area of global public governance, which in our view will become more relevant for higher education in any case.

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