

technology and commerce. Despite many competitive advantages including price, Canada, in fact, has lagged the field in this, with much more aggressive marketing coming from the USA and Australia, targeting particularly the affluent Asian market (much of which is still affluent such as Taiwan.)

So instead of exporting goods, the G7 will increasingly be exporting knowledge. This is progress. Not so long ago, many would have argued that in so doing they would also be exporting the seeds of their own destruction by giving the skills to the developing world to make them self-efficient and not buy imported products. This argument is akin to the one which holds that outward foreign investment exports jobs; fortunately taken seriously by few today. There is a more sinister motivation for this which appeals to many governments in the developing world, as expressed to me recently in Brazil. Student political views tend to be to the left of centre whereas the necessary economic programs and reforms tend to be to the right. In many cases, students thus provide a vocal opposition which in the freer democratic environments most governments are fostering, can become a strong political force, as, for example in France in the 70s or more recently as in Korea and Japan. There is an attraction where painful and unpopular steps have to be taken in defusing local opposition by having the brightest potential opponents immersed in exacting studies abroad !

As capacity has to be expanded to cater for the influx of foreign students one will see an increasing role of the private sector in funding this in the host countries, mainly by multinationals who want to see the level of training upgraded in the countries sending the students, so they can recruit better trained staff for their local operations. We are already seeing much greater partnership in higher education between the universities and business and this has to continue.

Now what about the poorest countries, those that can barely afford to import what they need, let alone send their brightest students, their hope for the future, to foreign universities ? Well, maybe its not too much to hope that under the heading of education we can also include economics, management and governance. With fewer and fewer exceptions — Indonesia apparently being one of them — the developing world has been coming to realize that there is no long term substitute, given the mobility of capital and the huge array of alternatives facing investors. for sound economic policy, transparency and strong governance in market based economies. Many of the more successful developing economies rely heavily on education and training abroad for this, and their leadership and senior financial posts are usually filled with exceptional individuals with such a background, often obtained on scholarships. The Chilean relationship with the University of Chicago is an extreme example. Chile was close to the bottom of the Latin America heap then, but for the last 18 or so years, it has never looked like slipping back. The message is clear, you can escape the debt/poverty/no foreign investment trap with