

instruction in the local language. Please find examples of Institutional Development Projects in Appendix 2.

### **WHAT BARRIERS NEED TO BE LOWERED IN THE EDUCATION INDUSTRY IN CENTRAL AMERICA?**

Since the majority of the consumption in this sector takes place abroad, measures restricting the mobility of trainees may require particular attention. Trainees usually face direct restrictions such as immigration requirements and foreign currency controls. Similarly, representatives of the education industry have indicated various indirect barriers. These include in particular the difficulties faced by students in translating degrees obtained abroad into national equivalents, a process which often appears to be based on subjective criteria. In this regard, the development of agreements concerning standards for professionals training, licensing and accreditation might significantly benefit trade in this fashion, as foreign-earned degrees become more acceptable.

With respect to establishing commercial presence, potential barriers include the ability to obtain national licenses (i.e. to be recognized as a diploma/certificate granting educational institution), measures limiting direct investment by foreign education providers (i.e. equity ceiling), nationality requirements, needs tests, restrictions on recruiting foreign teachers, and the existence of government monopolies and high subsidization of local institutions. For instance, while allowing foreign educational providers in their market, some countries in Central America do not legally recognize them as education institutes, restricting the granting of credentials to domestic students. In some cases, students enrolled in these institutions might not qualify for benefits such as financial assistance.

The types of restrictions mentioned above are also relevant to the presence of natural persons, particularly those requiring immigration requirements, nationality conditions, needs tests, and recognition of credentials. For example, most countries in Central America limit the inflow of foreign instructors through various regulations concerning length and stay, payments of taxes, and needs tests.

### **CONCLUSION**

NAIT knows that the crucial role of education is fostering economic growth, personal and social development as well as reducing inequity. El Salvador, Guatemala, Honduras, and Nicaragua seek to ensure that their populations are well equipped to contribute to, and participate in, the process of social and economic development. NAIT realizes that education will help these countries face the challenges of technological change and global commercial integration. Through its capacity to provide skills and enable effective participation in the work force, and with the accessibility of a free trade agreement between Canada and these countries, NAIT would assist El Salvador, Guatemala, Honduras, and Nicaragua to accomplish a crucial economic adjustment through the training of their human resources.