

Global Americans

High Level Working Group on Inter-American Relations & Bipartisanship

2017-2018

How Educational Exchange and Collaboration Supports the U.S. Economy and National Interests

Introduction

In 2017, with support from the Ford Foundation, Global Americans convened a High-Level Working Group on Inter-American Relations and Bipartisanship, comprising former policymakers, business leaders, and scholars, to discuss bipartisan and cross-regional ways that the current U.S. administration can build and improve upon the achievements of the past two decades of inter-American relations.

Our group, representing civil society, academia, and the policymaking and business communities in the U.S., Latin America and the Caribbean, has produced an initial series of papers laying out members' consensus opinions on the topics of:

- Economic integration and trade
- Combating organized crime and narcotics trafficking
- Greater U.S.-Latin American collaboration on anti-corruption
- Expanding and improving education exchanges in the Americas
- Extra-hemispheric actors.

Future topics will include rebuilding Venezuela and re-thinking development assistance.

The initial set of policy topics addressed by the working group reflects a long-standing hemispheric and bipartisan consensus on the key areas that have helped to secure U.S. and hemispheric economic, diplomatic and security interests. All of these topics are inter-related. But rather than address them collectively, we decided to narrow our focus to specific, constructive, and actionable issues and recommendations.

Convinced that the countries of the Americas will be able to solve their shared challenges only through collaboration, the members of our high-level working group have made a series of recommendations on each of the topics outlined above. We urge our governments, members of civil society, the media, the private sector, the academia and citizens of the Americas to consider them as a framework for charting the way forward.

This paper addresses the issue of educational exchanges in the Americas. It looks beyond the traditional understanding of student exchange programs funded by the U.S. government through programs such as Fulbright, to scholarly exchanges and working relations among universities and think tanks that have blossomed in recent years—as well as technical training programs, such as those that have been led by Global Ties, with U.S. government support, to help build capacity of the rule of law in Mexico.

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How Educational Exchange and Collaboration Supports the U.S. Economy and National Interests
Executive Summary

In his 2017 speech to the UN General Assembly, President Donald J. Trump declared that America hoped to promote a future in which all nations worked together to promote “human dignity and freedom.” One of the best—and least expensive—ways to do this is through educational exchanges. In 2006, then-Secretary of State Condoleezza Rice made the point: “Every foreign student attending one of our universities,” she said, “represents an opportunity to enhance democracy in America and to strengthen the cause of freedom abroad.”

Unfortunately, the number of international students seeking to study in the United States has been declining. According to Open Doors, a U.S. State Department-funded information resource that produces annual reports on students and scholars studying in the U.S., some 500 institutions of higher education reported a 7 percent decline in international applications in the past two years. There are a variety of reasons for the decline. But one critical factor has been a near-75 percent cut in the State Department funds allocated for such programs in the most recent 2017 White House budget presented to the U.S. Congress.

The decline is likely to continue. In the administration’s FY 2019 budget, proposed cuts in cultural and educational exchanges amount to nearly 75 percent.

This is occurring as other countries actively pursue policies aimed at increasing their own educational exchange programs. The Chinese government, for example, has announced plans to host more than half a million foreign students in Chinese universities and schools by 2020. According to one estimate, the Chinese government will subsidize 80 percent of these students.

Educational exchange is a key tool for meeting U.S. diplomatic and strategic objectives. As many administrations have recognized, educational exchanges are an extremely cost-effective means of promoting U.S. national interests, both by bringing foreign students to institutions of higher education in the U.S., and by sending U.S. students overseas.

Educational and cultural exchanges also benefit the U.S. economy. U.S. international exchange programs currently support an estimated 400,000 U.S. workers across domestic industries ranging from hospitality to telecommunications and health insurance. In 2015-2016 alone, foreign students brought almost \$33 billion in revenue to U.S. businesses. In our hemisphere, it is important to note that the vast majority of U.S.-Latin American educational exchange participants return to their home countries (required under the U.S. Fulbright program), generating a network of goodwill on the part of future political, business and diplomatic leaders that benefits U.S. strategic and business interests.

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These programs build diplomatic and political goodwill across the globe in ways that the U.S. governments can leverage for its long-term national interest, and create links and opportunities that further U.S. business interests overseas. As a rising China seeks to promote itself as a competing global power to the U.S.—in part through example, economic pull, and education—it is now more important than ever that the U.S. maintain and even increase its programs to build on the decades of goodwill already developed through educational exchanges since the 1960s.

Confronting this challenge requires a concerted effort from U.S. policymakers and members of congress, along with leaders of educational institutions and businesses to speak out in defense of these seemingly small but enormously important programs. The goal should not be confined to restoring those programs which have been terminated—but expanding them. That’s essential to sustaining U.S. educational advantages globally and maintaining competitiveness through widening markets for U.S. business in the hemisphere.

To that end, here are our principal recommendations.

- 1) **Fully Fund Educational Exchange Programs.** Congress should fully fund the State Department’s Bureau of Educational and Cultural Affairs (ECA) budget, restoring the funding cut from the previous budgets.
- 2) **Expand English-Language Study Opportunities.** The administration should expand opportunities for English-speakers in the U.S. to study abroad in Latin America and the Caribbean by increasing opportunities to learn Spanish and Portuguese.
- 3) **Engage Former Participants.** The State Department’s ECA Bureau should tap the network of exchange program alumni across the hemisphere who have participated in exchanges to recruit new students and use this network to deepen cross-border relationships.
- 4) **Reinforce Multinational Hemisphere Exchanges.** The U.S. should work with Latin American and Caribbean countries to create a program that could ensure academic exchanges throughout the hemisphere. That effort could build on the foundation created by the 100,000 Strong in the Americas Innovation Fund, which continues to succeed because of its private-public sector design and flexible model.
- 5) **Businesses Need to Speak Out.** The risk of cutting back U.S. educational engagement is not limited to geopolitical issues, but also affects U.S. economic competitiveness. Businesses and private sector leaders need to speak out in defense of these programs, including the risks that the proposed executive orders on immigration will have on their capacity to invest, grow and generate employment.

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How Educational Exchange and Collaboration Supports the U.S. Economy and National Interests Report

Educational exchanges have long been recognized as a critical “smart power” tool for strengthening and expanding U.S. influence overseas. Speaking to the UN General Assembly in 2017, President Donald J. Trump underlined the point by laying out his own vision of America’s role in promoting shared values of “human dignity and freedom.” As then-Secretary of State Condoleezza Rice said in 2006, “every foreign student attending one of our universities represents an opportunity to enhance democracy in America and to strengthen the cause of freedom abroad.”

In addition to helping to promote freedom and democracy, exchange programs have widened domestic and international investment opportunities for U.S. businesses. The experience of studying in the U.S. develops long-lasting personal and business connections that can withstand efforts by U.S. rivals and competitors to diminish U.S. influence.

There are reasons to be concerned that the U.S. is failing to meet the competitive challenge posed by other nations. Even as the Chinese government has announced a plan to host more than half a million foreign students in Chinese universities and schools by 2020—according to one estimate, 80 percent of them will be subsidized by the Chinese government— the administration’s FY 2019 budget proposes to cut cultural and educational exchanges by almost 75 percent.

The administration has defended these downsizing efforts by arguing that many countries are now sufficiently well off to support their own citizens to study in the U.S. But the U.S. should not just be educating the privileged—something China clearly understands; more than one million Latin Americans participate in Chinese government-funded Confucius Institute programs every year.

Preserving—and expanding—the rich variety of U.S. educational exchange programs should not be considered a dispensable option. Educational exchanges are not only a powerful tool of soft power; they build long-term political capital. The personal and professional relations between faculty (current and former), and alumni of these programs become even more important when official relations between governments worsen. Studies have demonstrated that positive feelings toward the U.S. correlate strongly with personal interaction with the country. This is true not only among the individual participants, but also more broadly for the web of relationships former students develop in their home countries. These relationships repay the additional investment many times over.

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Nowhere is this more evident than in Latin America and the Caribbean. Various U.S. government-funded initiatives have brought tens of thousands of students to the United States to study in U.S. institutions of higher education as well as supported U.S. students and scholars to study, teach and conduct research across the region. Those connections have created academic, governmental, civil society, and personal relations that have expanded understanding and positive U.S. influence in the region.

Despite conventional wisdom, Latin America and the Caribbean is one of the most pro-American regions in the world, in large part a result of these educational and human interactions. Conversely, the contacts and language skills developed by U.S. students studying in the hemisphere have benefited the U.S. economy by developing new opportunities for U.S. investment in the region.

The U.S. should therefore not only protect existing exchange programs in our hemisphere, but seek ways to strengthen and expand them, including through the promotion of exchange programs across the hemisphere, such as the new effort by *Tecnológico de Monterrey* (Mexico), *Universidad de los Andes* (Colombia) and *Universidad Católica* (Chile) that allows students to study in any of those universities and those credits to transfer.

The public-private model

Student-oriented programs represent just one component of an approach to international exchange with deep historic roots in our hemisphere. For example, the State Department's ECA bureau has seven distinct programs: Policy (including Cultural Heritage and Alumni Outreach); Academic Exchange Programs; Citizen Exchanges; English Language Programs; Global Education Programs; International Visitors; and Private Sector Exchange. The bureau now funds some 55,000-exchange programs, and approximately 300,000 individuals participate in privately funded programs annually.

The efforts began in 1940, when Nelson Rockefeller initiated the first international exchange program by inviting Latin American journalists to the United States. That effort was later consolidated as the International Visitor Leadership Program (IVLP) supported by U.S. funds. Alumni of the program include nearly 70 current or former heads of state or prominent government officials in the Western Hemisphere, including Juan Manuel Santos (Colombia) and Felipe Calderón (Mexico)—both strong allies of the United States.

Another example of this type of exchange is the work of a Harvard-affiliated organization called Laspau. In collaboration with governments in the region and entities such as the Fulbright Program of the U.S. Department of State, the Institute for International Education (IIE), USAID, and the Organization of American States, as well as private companies and foundations, Laspau has facilitated higher education opportunities for more than 18,000 individuals. This network

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of scholars has a unique commitment to returning and applying the knowledge they gained abroad in ways that benefit their home countries. Many alumni have built successful careers as academic and business leaders, scientists, artists, and government officials. They include: Marcela Paredes, the current Minister of Education in Panama and former President of *Universidad Tecnológica de Panamá*; Idelin Molinas, the Executive Director of the *Consejo Nacional de Ciencias y Tecnología* in Paraguay; and Jorge Alva, the President of *Universidad Nacional de Ingeniería*—the largest public university in engineering in Peru—and President of the Association of University Presidents in Peru.

In 2014, the administration of President Barack Obama created the 100,000 Strong in the Americas Innovation Fund, a public-private sector partnership designed to facilitate collaboration among higher education institutions in the Americas. Based on the recognition of the link between “broader educational opportunity and greater regional prosperity,” the program—funded largely by businesses and coordinated by U.S. embassies throughout the hemisphere—initially aimed to double the number of U.S. students studying abroad in Latin America and Latin American students studying abroad in the United States. In addition to delivering on a trusted mechanism of academic mobility, what it has revealed is a hemisphere-wide momentum and shared vision how higher education builds problem-solving networks, provides opportunity, and generates prosperity. Since its start, the initiative has created 147 grants that have been awarded to 290 institutions of higher education in 25 countries across the hemisphere and in 41 U.S. states to foster student exchange and education.

As a result of similar efforts elsewhere and growing global integration, despite the most recent decline, 85 percent more international students are currently studying at U.S. colleges and universities than were reported a decade ago. International students now represent just over five percent of the more than 20 million students enrolled in U.S. higher education. At the same time, study abroad programs by American students have more than tripled in the past two decades. Those exchanges have helped foster linguistic, cultural and educational skills that have nurtured U.S. economic global competitiveness.

Educational exchanges are important to U.S. and hemispheric interests

Educational exchange programs generate revenue and jobs for U.S. businesses. It is estimated that international students contributed approximately \$32.8 billion to the U.S. economy from 2015 to 2016 and supported more than 400,000 American jobs. Those included jobs across a range of sectors, including higher education, accommodation, dining, retail, transportation, telecommunications, and health insurance. The ILVP alone injects \$57 million annually into the U.S. hospitality and airline industries.

Rigorous studies of participants’ attitudes toward the U.S., and perceived benefits of U.S. hosts toward participants have consistently shown the positive impact of these exchanges. A 2003

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survey of more than 3,000 foreign Fulbright scholars conducted by SRI found that 99 percent of scholars said they gained a better understanding of U.S. culture, 96 percent gained a better understanding of the American political system, and 95 percent have maintained contacts with U.S. citizens they met while on the program. On the U.S. side, a 2004 study conducted by T.E. Systems of 486 families and institutions that hosted foreign Fulbright participants in Iowa revealed that 88 percent of those hosts believed that the exchanges helped to “share U.S. values and beliefs with foreigners.” And 42 percent of those Iowans interviewed in the study believed that the visiting students generated greater revenue for the local community.

In all, the Department of State Education and Education and Cultural website lists 48 programs for education and professional exchanges, including the Community College Initiative, Future Leaders Exchange, Global Undergraduate Exchange Program, and *Jóvenes en Acción*. The benefits of these programs have been tested by Carol Atkinson (2010) and go beyond the experiences of just the single beneficiary. As Harvard professor Joseph S. Nye (2014) has written, “The ideas and values that America exports in the minds of more than half a million foreign students who study every year in American universities and then return to their home countries [...] tend to reach elites with power.”

The Trump administration’s 2017 executive orders (EO) on travel and immigration have already affected the willingness of scholars and students to travel to the United States for scholarship. The order, along with uncertainty in broader immigration policy, will negatively affect educational and professional exchanges.

The number of international students applying to U.S. schools is declining, even among those who are not directly affected by the travel ban. This will have an economic impact, as well as reduce diversity on campuses across the country. China is actively courting exchange students overseas, including from Latin America and the Caribbean. The Chinese government has announced plans to host more than half a million students in Chinese universities by 2020. China has also committed to providing members of the Community of Latin American and Caribbean States (CELAC) with 6,000 governmental scholarships, 6,000 training opportunities, and 400 opportunities for on-the-job master programs by 2019. Additionally, the “Bridge to the Future” program invites 100 young leaders from Latin America to China per year to participate in training programs and workshops with the goal of gaining influence among Latin America’s elite; the program aims to host 1,000 young leaders by 2024.

Universities have been major contributors to U.S. global prominence during the 20th century. A reduction in support for educational exchanges and a tightening of immigration policies has put this strategic asset at risk and could weaken the much-admired and world-leading U.S. university system. Bringing foreign students to U.S. universities has demonstrably enriched those institutions. Losing those students to other countries will benefit those countries’ educational systems and economies at the expense of the United States.

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Educational exchange is among the most cost effective ways to project influence around the world. At a time when the challenges to U.S. global leadership are greater than at any time since the fall of the Soviet Union, safeguarding and revitalizing our educational exchange programs is more important than ever before.

The individuals who have participated in those exchanges are the best arguments for their importance to U.S. national interests. Here are just two of the hundreds of similar stories.

- Juan Sebastian Betancourt is a wheelchair-bound young man from Colombia who studied for a Masters degree at Florida International University from 2013 to 2015 under the Fulbright program. He called it a “once in a lifetime experience,” added: “You would be surprised about the level of cultural insight, perspective and general understanding you get from the process.” Juan returned home after his Fulbright to start a business that helps improve wheelchair-access in local business and government buildings.
- Everardo Rivera returned to his home country of El Salvador after completing his Fulbright year in to eventually become provost at the *Escuela Superior de Economia y Negocios* (ESEN). “I feel a huge responsibility because of the opportunity that I was given,” said Everardo. “I want to give back and share my experiences with younger generations.” He’s now educating a new generation of his compatriots to build a better future for his country.

As repeated administrations have recognized, educational exchanges are an extremely cost-effective means of promoting U.S. national interests, both by bringing foreign students to institutions of higher education in the U.S. and by sending U.S. students overseas. They not only strengthen U.S. leverage overseas; they benefit the domestic economy. Hosting international students brings close to \$33 billion dollars to the U.S. economy every year, and provides employment to 400,000 U.S. workers in a variety of industries. Moreover, these programs build diplomatic and political goodwill across the globe in ways that can leverage long-term U.S. national security interests in promoting a safer, more prosperous international community.

The imperative to build and strengthen these soft-power tools is particularly critical as other countries actively seek to compete with the U.S. for global influence. A rising China is the foremost example of this trend, but other countries such as Canada and Taiwan have already profited from the uncertainty about the future of U.S. educational exchanges by siphoning off students who might otherwise study in the United States.

Our Recommendations

- 1) In the face of increased competition from other nations to attract foreign students, the U.S. Congress and the administration **should fully fund** State Department's Bureau of Educational and Cultural Affairs (ECA) budget. This should include a focus on underprivileged groups including Afro-Latinos, indigenous Americans, and low income communities.
- 2) U.S. policymakers, educational institutions and business leaders must work to ensure that **the Trump Administration's immigration executive order** does not discourage qualified exchange students from coming to study in the United States.
- 3) The administration should **expand opportunities for English-speakers in the U.S.** to study abroad in Latin America and the Caribbean by increasing opportunities to learn Spanish and Portuguese. One immediate goal should be to expand the Department of Education's Title VI programs that support regional study centers in U.S. universities. Such an expansion would improve the capacity of U.S. workers to compete in the global economy.
- 4) The State Department's ECA Bureau should place **greater emphasis on engaging, coordinating and working with alumni of student exchange programs** to exploit research, exchange and networking opportunities. Exchange alumni represent an untapped source that could strengthen cross-border relationships.
- 5) The State Department should **conduct a thorough examination of existing programs to explore ways to strengthen their relevance** to the needs of new generations of foreign students, and fine-tune existing funding to ensure the best mix of educational exchange and professional exchange for U.S. taxpayers and U.S. national interests.

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- 6) The U.S. administration should **work with Latin American and Caribbean countries to create a program of pan-hemispheric educational exchange**. Such a program would allow students from participating universities in the hemisphere to study at an institution of and receive credit at their home institution. No such effort exists in the Western Hemisphere, despite the plethora of exchange programs—mostly between the U.S. and Latin America and Caribbean countries. Exchanges between Latin American and Caribbean institutions are even rarer. A modest effort already underway in Latin America involves collaboration between the *Tecnológico de Monterrey* (Mexico), *Universidad de los Andes* (Colombia) and *Universidad Católica* (Chile) that allows students to study in any of those universities and those credits to transfer. The U.S. should participate in and reinforce this initiative by building upon the 100,000 Strong in the Americas Innovation Fund to expand mobility across the region, rather than confine its efforts to bilateral cooperation between U.S. and Latin America and Caribbean institutions of higher education.

- 7) **Businesses Need to Speak Out.** The risk of cutting back U.S. educational engagement is not limited to geopolitical issues, but also affects U.S. economic competitiveness. Businesses and private sector leaders need to speak out in defense of these programs, including the risks that the proposed executive orders on immigration will have on their capacity to invest, grow and generate employment.

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