



Education International  
Internationale de l'Éducation  
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## TO ALL MEMBER ORGANISATIONS

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### Briefing Note – Trade in International Services Agreement (TISA)

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Dear Colleagues,

TISA is a set of negotiations being undertaken by some members of the World Trade Organisation (WTO) with the aim of further liberalising trade in services. Initially proposed by the United States and Australia in early 2012, TISA arose in response to the ongoing impasse in WTO trade talks, including talks to expand the General Agreement on Trade in Services (GATS). The agreement is intended to provide legally-binding guarantees to investors and companies to freely access the markets of Parties, create level playing field for foreign and domestic investors, and ensure governments do not discriminate between public and private sector service providers.

#### What countries are involved?

As of June 2013, participants in the TISA negotiations are Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, European Union<sup>1</sup>, Hong Kong, Iceland, Israel, Japan, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Republic of Korea, Switzerland, Turkey, and the United States.

#### What is the state of negotiations?

Exploratory talks were held over the course of 2012 with parties reaching agreement that TISA should not simply be an agreement among the participants but should seek to become a full part of the WTO system and potentially replacing GATS. Formal negotiations began in early 2013. Participants are aiming to conclude an agreement sometime in 2014.

#### What services would be covered by TISA?

TISA is intended to be a broad and comprehensive agreement with no exclusion of service sectors at the outset. Potentially, therefore, all service sectors could be covered, including public services like health care and education. While intended to be wide-ranging in scope, some countries are pushing for a focused set of priorities. A joint Australia-EU paper suggested 10 issues should be a priority: cross-border movement of professionals; domestic regulation and transparency; financial services; professional services; information and communications services; transport and logistics services; maritime services; environmental services; energy services; and government procurement.

#### Will education services be included in TISA?

The broad scope of TISA means education services could be covered directly or indirectly. Education remains one of the least-covered sectors in the GATS because of legitimate concerns that trade liberalisation can constrain the ability of governments to effectively provide and regulate quality education. However, private sector lobby groups and several countries have been pressing for further and deeper commitments. Recently, for instance, the UK government indicated in its international education strategy policy that "[i]n order to ensure the UK is best placed to take advantage of global opportunities in the education services sector, the Government will look actively at how significant trade negotiations, both ongoing and future, could address the market access barriers which our education services suppliers face in some third country markets."<sup>2</sup>

<sup>1</sup> The European Union includes Austria, Belgium, Bulgaria, Cyprus, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

<sup>2</sup> *International Education: Global Growth and Prosperity*. London, UK: Department for Business, Innovation and Skills, July 2013; p. 46. Available on-line at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/227033/BIS-13-1081-International\\_Education-Global\\_Growth\\_and\\_Prosperty-Accessible\\_2\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227033/BIS-13-1081-International_Education-Global_Growth_and_Prosperty-Accessible_2_.pdf)



### **But aren't public services usually excluded from trade agreements like TISA?**

TISA aims to build upon the GATS agreement that contains a general exemption for "services supplied in the exercise of governmental authority". However, this exemption is extremely narrow and open to conflicting interpretations because these services are defined as those that are provided on a non-commercial basis and not in competition with other providers. In other words, if any part of a country's education system is provided on a commercial or for-fee basis, or if there are private schools that operate, education may not benefit from this general exclusion. Given that most education systems do in fact contain a mixture of not-for-profit and commercial, public and private provision, it is unlikely that the education sector in most countries would benefit from this general exclusion.

### **What risks does TISA pose for education?**

Including education services in any trade agreements raises significant concerns. Trade rules are legally binding and can have the effect of locking-in and intensifying pressures of commercialisation and privatisation. For instance, rules around market access can limit the ability of countries that make commitments on education services to limit the entry and regulate the operations of private and for-profit schools and institutions. TISA is aimed at ensuring "competitive neutrality" or a level-playing field between public and private providers, meaning governments could not treat public schools more favourably.

Trade agreements can also adversely affect the ability of authorities to ensure the quality of education provided. TISA, like GATS, is intended to promote free trade in services by guaranteeing open markets for all. However, by granting unfettered market access to all foreign education enterprises, governments could very well usher in a flood of providers of questionable quality.

### **Are there other risks?**

Commitments made in TISA around other service sectors could also have an effect on provision of education. Education systems in many parts of the world have suffered because of the global financial crisis and subsequent recession. Surprisingly, TISA aims to liberalise the financial services sector in ways that will weaken regulations designed to prevent another crisis. According to U.S. Democratic Senator Elizabeth Warren, there are "growing murmurs" about the financial industry's efforts to "do quietly through trade agreements what they can't get done in public view with the lights on and people watching."<sup>3</sup>

### **What is Education International doing about TISA?**

EI is actively monitoring TISA negotiations and related talks to press for the broad exclusion of education and other public services. We are working closely with Public Services International to develop more research and analysis of why TISA is a bad deal for public services.

### **What can national affiliates do?**

If your country is involved in TISA talks, talk to the relevant government officials and explain why education and other public services should be excluded. For affiliates in countries that are members of the WTO but are not engaged in TISA, meet with officials to get guarantees that they will not join the negotiations.

Yours sincerely,

Fred van Leeuwen  
General Secretary

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<sup>3</sup> See C. Dougherty, "Wall Street seeks Dodd-Frank changes through trade talks," Bloomberg News, May 23 2013. <http://www.bloomberg.com/news/2013-05-23/wall-street-seeks-dodd-frank-changes-through-trade-talks.html>