

International threats to

**PHIL BRADLEY
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report on
the General
Agreement on
Trade in Services
(GATS) adopted by
the World Trade
Organisation
(WTO) in 1994 and
the effect GATS
commitments
have on schools,
vocational and
higher education
services.

It is significant that at the 2007 AEU Federal Conference, Mr Fred Van Leeuwen, General Secretary of Education International, stated in his opening remarks:

We know that solidarity through EI works, we know that it must be kept alive and that it must be nurtured. If we want democracy and social justice to globalise like our economies have, if we want to prevent the world from being governed solely by the dictates of so-called free markets and trade agreements, we must hold on to that concept.

In a world where corporations are increasingly replacing countries as the most powerful economic entities, there is a serious threat that some trade agreements will offer the operation and/or ownership of essential services such as education, health and water to transnational companies. These agreements are likely to be in terms that will not allow governments to properly regulate these services to protect the environment or human rights. Poor countries are particularly at risk of being unfairly disadvantaged, including by Australia.

The General Agreement on Trade in Services (GATS) was adopted by the World Trade Organisation (WTO) in 1994, and now includes commitments relating to education services by and for about 40 member nations. Most Australian Education Union members are probably still unaware that Australia has made GATS commitments in respect to private secondary, vocational and higher education services. Any national and sub-national government rule or regulation that affects trade in services for which a country has given commitments is subject to GATS, and is open to a possible legal challenge from other WTO member nations, who may claim they have been prevented from competing to provide such services due to unfair national trade barriers. GATS restrictions if breached can result in WTO-endorsed trade sanctions.

Government procurement and services in the exercise of government authority are explicitly excluded from GATS. Such government services are however narrowly defined as "any service which

is supplied neither on a commercial basis nor in competition with one or more service suppliers". As public education in Australia already involves considerable competition with private providers, especially in secondary schools and TAFE, this public provision is being increasingly exposed to potential threat under GATS and other trade agreements. For example under one proposal, government funding could be claimed by foreign owned education providers, to ensure (they would say) a fair competitive tendering system.

GATS is a lot more than a traditional free trade agreement, as it covers every possible way of providing a service internationally, including investment and labour mobility.

GATS identifies and covers the following four "modes of supply" or ways of trading services:

- (i) *Cross-border services.* (eg. on-line education, training and accreditation programs offered in other countries.)
- (ii) *Consumption abroad.* (eg. students undertaking an education or training program in another country.)
- (iii) *Commercial presence.* (eg. direct investment to establish and operate schools or colleges in another country.)
- (iv) *Presence of natural persons.* (eg. trainers and assessors who travel abroad to teach courses in another country.)

The GATS agreement relates not only to eliminating so-called barriers to trade and investment, but also relates to the encouragement of domestic liberalisation by the use of privatisation, contracting out of public services and deregulation.

The WTO's Doha Round of expanded trade negotiations was suspended in July 2006 due to both the failure of the EU and the US to agree on agricultural issues and the resistance by a block of developing countries to demands for further market access concessions. Negotiations, however, have recently resumed. Concern about this resulted in the following resolution being carried by the 2007 AEU National TAFE Council AGM and subsequently by the 2007 AEU Federal Conference:

public education



GATS and other international trade agreements are increasingly undermining public education. An issue of immediate concern is a proposed new GATS discipline on licensing and qualification requirements for professions and trades.

The AEU is to inform its members of this threat to public education and lobby all major political parties, sitting Independents, State/Territory governments and local government associations to urge them to oppose any proposed international agreements which could result in the privatisation of public services such as public education.

Any rules developed on professional licensing and qualification requirements could apply for example to teacher training. Rules could also be developed that would regulate the accreditation of education institutions. Some countries are con-

cerned that such rules would constrain their ability to regulate education and other social services to meet domestic policy objectives and standards.

Other developments could impose risks to public education. These include a growing plethora of bilateral trade agreements (such as the proposed China-Australia "Free" Trade Agreement), and the Asia-Pacific Economic Cooperation (APEC) summit on 8-9 September this year in Sydney. This meeting will involve leaders of some of the world's most powerful countries discussing economics and trade liberalisation, with little if any consideration of protection of human rights, labour rights and the environment. Civil society groups are currently planning an alternative APEC forum to express their concerns and to present opposing points of view.

For further information about international

trade issues, members are encouraged to visit the Australian Fair Trade and Investment Network website: www.aftinet.org.au. For material specific to GATS and education services, see www.nteu.org.au and click on the Campaigns section. ❖

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