TiSA
The (proposed) Trade in Services Agreement

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‘Trade and Health’
WFPHA Congress

April 2017

Outline

- History
- Countries
- Annexes and disciplines
- Promises and concerns; beneficiaries and losers
- Implications for health
- Challenges for public health professionals

History

- Pre WTO
  - services? what services?
- Services in WTO (GATS, 1994)
  - stalled extension of GATS (from 2001)
- ‘Really Good Friends of Trade’ (23) from 2013
  - transferring provisions from TPP
  - creating a template for wider application
- 21 Rounds of Negotiations
  - Texts highly confidential but leaky
  - April 2013 to December 2016)
- Further progress uncertain
  - The Trump Factor
  - EU vs USA

Countries

- The 23 TiSA parties currently comprise: Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, European Union (representing its 28 Member States), Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Republic of Korea, Switzerland, Turkey and the United States
- USA, Europe and Australia the main drivers

Sectoral ‘annexes’

- financial services
- professional services
- telecommunications
- transport
- freight
- tourism
- postal services
- e-commerce
- energy
- environment
- health

Specific ‘disciplines’

- domestic regulation
  - necessity test
- transparency
- location
- public procurement
- direct distribution
- subsidies
- ratchet
- status quo
- negative lists
- national treatment
- state owned enterprises
- movement of natural persons

Promises and concerns: winners and losers

Promises

- Increased volumes of services trade
  - removing discriminatory barriers to cross border trade in services
  - off shore commercial presence
  - mobility for service professionals
- Economic growth for net services exporters
  - employment and investment
  - reduced prices through competition
- Trickle down benefits (the 'rising tide' which raises all boats)

Beneficiaries

- Corporations involved in trade in services
  - especially finance
- Countries who 'export' services
  - US: finance, ICT, postal services
  - EU: finance
  - AU: education

Concerns

- Global market concentration; extended reach of global behemoths
- Privatisation of public services, including health and health insurance
- Fewer jobs, lower wages and poorer conditions
- Weakened privacy protections (off shore data)
- Weakening of nation state regulatory capacity (status quo / national treatment / ratchet / negative lists)
- Increased barriers to economic development for less developed countries (proscribing support for infant industry / barriers to technology transfer / prohibition of performance requirements on foreign investors / restrictive joint enterprise requirements)

Losers

- SMEs and national services companies (competing with global suppliers)
- Workers (including would-be workers)
- Public service providers and users (health, education, communications, etc)
- Developing countries

Implications for population health and health care

- Privatisation of health care and health insurance
- Medical tourism globalised and supported by national health insurance
- Reduced barriers to brain drain (from S -> N)
- New barriers to regulation of gambling, advertising,
- Fewer decent jobs
- New barriers to the funding of public health care systems
- Continued widening of economic inequality within and between countries
- Continuing instability in the global economy (risks of GFC)

Challenges for public health professionals

- Research and analysis
  - understanding the details of TiSA (and other trade agreements)
  - making sense of the underlying macroeconomic dynamics
- Recognition of a 'trade and health' as a legitimate field of teaching, research, and community engagement
- Support for international networking among health scholars and with activists in other sectors
- Education of the public health profession (including students) and the community more widely
- Participation in community mobilisation against trade agreements designed to entrench corporate impunity

- http://www.tisauncovered.org
- http://www.bilaterals.org/tisa
- https://wikileaks.org/tisa/core/analysis/Analysis-TiSA-Core-Text.pdf
- http://thedailyblog.co.nz/category/bloggers/professor-jane-kelsey/

- Thanks

Ten things you need to know about TiSA

1. It’s massive, but excludes most low income countries
2. Negotiations are secret
3. Almost all services will be affected
4. De-regulation is the aim
5. Hidden privatisation agenda
6. Re-regulation not an option
7. Race to the bottom on quality, safety, more temporary workers
8. Online privacy at risk
9. Limited regulation for future services
10. TiSA could be signed this year

AFTINET, 12 January 2017

Service sectors

- **Business services and professional services**
  - Accountancy services
  - Advertising services
  - Architectural and engineering services
  - Computer and related services
  - Legal services
- **Communication services**
  - Audiovisual services
  - Postal and courier, express mail services
  - Telecommunications
- **Construction and related services**
- **Distribution services**
- **Education services**
- **Energy services**
- **Environmental services**
- **Financial services**
- **Health and social services**
- **Tourism services**
- **Transport services**
  - Air transport services
  - Land transport services
  - Maritime transport services
  - Services auxiliary to all modes of transport
- **Movement of natural persons**

WTO, 2017

Five observations (OWINFS)

- 1. The TiSA negotiations are in trouble. Despite attempts to strip out some of the most extreme proposals, the shading on the texts shows that very little has been agreed in almost any of the services areas. The fact they cancelled the proposed ministerial meeting in December where they planned to sign the final agreement shows this is another over-ambitious unbalanced deal that deserves to go the same way as the Trans-Pacific Partnership.
- 2. The main thrust of TiSA comes through the e-commerce, telecommunications, financial services and localisation rules and countries' commitments to allow unfettered cross-border supply of services. Together they would empower the global platforms who hold big data, like Google, without effective privacy protections, and tech companies like Uber, who have become notorious for evading national regulation, paying minimal tax and exploiting so-called self-employed workers. Given the backlash against global deals for global corporations TiSA will simply add fuel to the bonfire.
- 3. The effectiveness of opposition to TiSA has led governments to conclude that they cannot sell some of the more extreme proposals, which have thus been dropped from previous leaked texts. But the fetters on the rights and responsibilities of governments to regulate in the interests of their citizens from what remains would still go further than any single other agreement. There are no improvements on the inadequate protections for health, environment, privacy, workers, human rights, or economic development. And there is nothing to prevent developing countries becoming even more vulnerable and dependent in an already unequal and unfair global economy.
- 4. Several proposed texts from the failed Trans-Pacific Partnership (TPP) agreement have been transferred to TiSA – including state-owned enterprises; rights to hold data offshore (including financial data); e-commerce; and prohibitions on performance requirements for foreign investors. While these texts originated with the United States, they appear to be supported by other parties to the TPP, even though those governments were reluctant to agree to them in the TPP and will no longer be bound by that agreement. That suggests the TPP may become the new norm even though it has only been ratified in two of the 12 countries, and that was done on the basis of U.S. participation that no longer applies. TPP cannot be allowed to become the new "default" position for these flawed agreements.
- 5. What happens with TiSA will ultimately depend on the U.S. and the EU. In some places in the text, the U.S. is largely silent, as with maritime services or temporary movement of labor, and it does not like aspects of proposed handcuffs on domestic regulation. But the U.S. is the aggressor for state-owned enterprises and financial services, among other chapters. The EU is resisting promises never to regulate new services that are not yet invented. It so far refuses to agree to allow offshore holding of data without effective protections for privacy. And it sees no value in the road transport annex. But the documents show it has made very aggressive proposals along with Canada that would have stopped foreign investors being required to hire local workers, thankfully rejected by others. The EU is supporting access for contract workers supplying services, subject to a local need test, despite major concerns in Europe about social dumping. The two dominant players in the negotiations are collaborating to reach agreements on postal and delivery services and state-owned enterprises.

Our World Is Not For Sale (via Bilaterals.Org), 29 Jan 2017