The Voice of the Universities

12 November 2015 CETA and TTIP free trade agreements: some questions about higher education still unresolved

Germany will not assume any new obligations to allow market access to the education sector as a result of the planned free trade agreements between the EU and Canada and the EU and the USA and will retain the option to make legal changes. The HRK has received assurances on this issue from Matthias Machnig, State Secretary at the Federal Ministry for Economic Affairs and Energy and from Dr. Georg Schütte, State Secretary at the Federal Ministry of Education and Research.

They were responding to a letter from Prof. Dr. Horst Hippler, the President of the German Rectors' Conference (HRK) in which he expressed the concern of universities that the private dispute settlement procedures with extended options for court action by foreign investors (originally planned as part of CETA and TTIP) would make it impossible for federal state parliaments, for example, to make legal modifications to the universities' scope of action.

In their reply, the Secretaries of State told the HRK President that the legal situation in accordance with the General Agreement on Trade in Services (GATS) of 2005 would be retained. They assured him that there would be no private investor-state dispute settlement procedure. At the same time, Mr. Machnig emphasised that the planned agreements would not result in constraints on the "necessary measures to realise the public interest". The parliaments would have the same scope for political action and the legislator would retain the right to regulate the law.

The HRK had also called for the continued recognition of education as a public utility and that it continues to be funded primarily by the state in the obvious interests of society.

"The universities have welcomed the statements from the Secretaries of State," said HRK President Hippler, who reported on the correspondence to the HRK General Meeting in Kiel on Tuesday. "They will refer to them as the debate continues."

The universities have not received a satisfactory response to their reservations concerning the use of negative lists for national treatment. The HRK's view is that the negative lists force the German side to set out exactly which areas of free trade regulations should not be affected at the negotiating stage. The HRK is asking for the positive lists (as in the GATS agreement) to be retained. These name only those areas which should be explicitly open to free trade. "It is a small, but important difference." said Hippler.

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He criticised the lack of transparency that has marked the negotiations up to now. "This approach leaves room for speculation and encourages mistrust. When, for example, we find differences between the version of the treaties on education in the CETA agreement with Canada that has already been negotiated and the EU's negotiating position on TTIP, we will continue to ask for the reasons for these differences. We expect clear responses and demand much greater transparency. The universities must be represented on the bodies of experts advising on the negotiations at national and European level, and also on the Regulatory Cooperation Councils provided for in the agreements."