

A 'Coup de GATS'

In 1994 the US and Europeans pulled off a huge coup by getting 100+ governments to agree to a set of binding global rules to govern services.

All the standard ploys were used: bullying, threats of walkouts, divide and rule, bribes of promised tradeoffs that didn't materialise, offering safeguards that weren't, starting small to open the doors to the real game plan . . .

This occurred under the guise of the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT) from 1986 to 1994, which created the World Trade Organisation (WTO).

The groundwork had been laid at the rich countries' club known as the OECD. But they wanted to get wider coverage by linking into the rules for international trade. Hence the idea to piggyback on the GATT negotiations that set down international rules to govern trade in goods.

This was a naked push to extend the reach of the biggest transnational companies (TNCs). As early as 1981 their club - the International Chamber of Commerce - endorsed GATT negotiations on services. They wanted rules to

- * bypass restrictions on foreign investment**
- * guarantee access to the services markets in other countries**
- * stop governments discriminating in favour of domestic services providers**
- * stop them structuring their services 'markets' in ways that reduce the opportunities for TNCs**
- * stop favouritism for one foreign country's TNCs over another's.**

In 1981 the OECD Ministers agreed to consider the idea. Then 13 years of dirty dealing began.

Those pushing the deal gave no thought to what this meant for poorer countries. It quickly became a battle between rich 'North' vs poorer 'South' countries. **In 1983 UNCTAD, (the UN's trade & development arm) challenged the move as a 'Northern agenda' that would benefit TNCs that already dominated global markets at the expense of 'development'**. The G-77, especially the 'least developed countries', India and Brazil, initially blocked the proposed negotiations.

The US, in typical style, said it wouldn't talk about issues important to other countries unless services were on the agenda. The result was a 'parallel' process that nevertheless formed part of a 'single undertaking' - meaning any agreement on textiles or other issues pushed by poorer countries was conditional on agreement on services.

The final agreement, signed at the end of the Uruguay Round in 1994, fell short of what the major powers and their TNCs wanted. Key rules only apply to those services that a government has agreed will be covered. Other important rules apply to all services.

Most importantly, the agreement adopts the 'free trade' agenda through 'progressive liberalization' - in other words, ongoing reduction of barriers to TNCs.

To ensure that happens the agreement required new negotiations after 5 years. Those began in January 2001 and are well advanced. A promised review never took place.

Like all such negotiations, they are taking place in secret at the WTO in Geneva. And the NZ government is in it up to their eyeballs.

We've already gone too far!

**Stop the SECRECY! Stop the Dirty Dealing!
Stop the GATS!**