

GATS RULES – NOT!

The General Agreement on Trade in Services (GATS) forms part of the supra-national system of global economic policy making built around the IMF, World Bank and World Trade Organization.

It aims to limit the rights of present and future governments to make their own laws and policies to meet their national needs. This is a one-way street – GATS commitments are meant to be forever.

The GATS was part of a package deal of agreements that resulted from the Uruguay Round. Others covered goods, agriculture, intellectual property rights. It came into effect in January 1995. No government had the right to opt out. So any country that is or becomes a member of the WTO has to obey the GATS rules. As of 1 January 2002 that covers 144 countries, almost the entire world.

GATS applies to all levels of government: central, regional or local governments and authorities, and even non-government bodies that are exercising delegated authority.

It is administered by the World Trade Organisation (WTO) in Geneva. The WTO is an umbrella body created in 1995 to oversee the agreements produced by the Uruguay Round. It has an ideologically-driven secretariat which says it is a servant of member governments,

but really pulls the strings behind the scenes in concert with the superpowers. 'Mad Mike' Moore has been the head (Director General) of the WTO from 1999 to 2002.

In theory every WTO member has an equal vote. In practice it is dominated by the world's most powerful countries, the US and European Union (EU), who constantly use their economic and political power to get their way.

A special Council on Trade in Services is the governing body for GATS. A secretariat oversees the agreement and services the Council.

The GATS draws boundaries around the kind of 'measures' a government can adopt on these services. 'Measure' covers policies, laws, regulations, administrative practices, subsidies and grants, licensing requirements, national interest tests, quality controls and standards, and more.

The reason a government adopts such measures is irrelevant, with a small number of exceptions. These exceptions cover protection of public morals; maintaining public order; protecting human, animal or plant life or health; preventing fraudulent practices; protecting privacy; equitable collection of taxes. Even these can be disqualified if they involve unjustifiable discrimination against services provided from another country or act as a disguised restriction on them.

There are no exceptions for measures designed to meet legitimate goals of environment and conservation, local economic development, indigenous rights, employment, consumer choice, etc.

Parts of the agreement apply to all services in a WTO member country. Other parts only apply to services the government has agreed will be covered. Once a country has signed up, the rules are binding.

The GATS has its own enforcement mechanism. A WTO member can complain that another is breaking the rules to the cost of its services TNCs. The complaint is heard by a panel made up mainly of trade lawyers and former negotiators. All this takes place in private.

If a government is found to have breached the agreement, the panel can authorise the complaining government to impose trade sanctions to the same value of what it has supposedly lost.

Arena says:

We've already gone too far!
Stop the SECRECY! Stop the TAKEOVER! Stop the GATS!