

'TRADE IN SERVICES'

A fiction that opens up a whole new world

Services are often described as things you can buy and sell but can't drop on your foot. There is a whole international classification system for services that have a commercial dimension. These basically cover

Business	Communication
Construction and engineering	Distribution
Education	Environment
Finance	Health and social services
Recreation, culture and sport	Tourism and travel
Transport	

This is big business. Transactions across international borders in lucrative sectors like finance, entertainment, telecommunications, electricity, information technology, education and consultancies are worth about **US\$1.4 trillion** each year.

The fewer restrictions they face, the easier it is for transnational corporations (TNCs) to access markets and the greater their potential for profit.

A sample of US mega-corporations shows who have most to gain:

accounting:	PriceWaterhouseCoopers
audiovisual production & distribution:	AOL Time Warner
distribution:	Wal-Mart
education & training:	Microsoft
energy exploration & provision:	Exxon
environmental clean up & protection:	Waste Management
express delivery:	DHL
legal services:	KPMG Legal
telecommunications:	AT&T
tourism:	Hyatt.

These powerful TNCs work through national and international lobby groups, and are often privileged parties to their government's game plan. Their governments then put pressure on other countries.

Where poorer countries are the targets, this is done partly through the IMF and World Bank. They can make loans conditional on governments implementing policies of unrestricted foreign investment, privatisation, deregulation, etc. The major powers (US, EU, Japan, Canada) are the biggest shareholders and have the most influence over those institutions.

Opening richer countries' services to TNCs is not so easy. Sometimes governments do it voluntarily, as in NZ, but even that's reversible. Hence the attraction of binding international rules.

Most services serve a deep-seated social and public role. Redefining 'services' as 'trade transactions' allowed free trade and free market rules to dominate policy thinking, ahead of social needs and public benefits.

Even 'services' like the local phone service, hospital and school that are not 'traded' across the border were caught up by this new mindset and affected by its rules. The impacts on national sovereignty, economic welfare, political autonomy and cultural integrity were seen as acceptable and inevitable.

The result was a set of binding international rules, negotiated in secret, that aims to create a global free market in services – dominated, of course, by the big TNCs – that is known as the GENERAL AGREEMENT ON TRADE IN SERVICES, OR GATS.

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