

## ***ATTENTION --- Civil Society Activists Around the World!***

Although the Battle of Seattle was successful in preventing a new comprehensive round of global trade talks from going ahead, this did not mean there would not be trade negotiations at the WTO. On the contrary, a whole new set of WTO talks on global trade in 'services' began in February, 2000, with formal negotiations due to begin this spring after a crucial stocktaking session is completed at the end of March. These so called GATS negotiations [General Agreement on Trade in Services] could have a dramatic and profound effect on a wide range of public services and citizens' rights all over the world.

Below is a statement, *Stop the GATS Attack Now!*, which has been prepared by an international network of civil society organizations working on WTO issues. As with previous initiatives like *No New Round!* and *Shrink or Sink!*, we hope this statement will help to launch and link together a series of country-based campaigns on the GATS negotiations all over the world.

We would greatly appreciate it if your organization would consider signing-on to this statement as soon as possible. The procedures for doing so are outlined below. It is our intention to collect sign-ons from civil society organizations in as many countries as possible before formally launching the statement in mid-March prior to the GATS stocktaking meetings in Geneva later that month. So, please let us know soon if your organization can sign-on!

### **Instructions on how your organization can sign the letter:**

(This is an organizational sign-on letter only. We will not be adding individuals to it)

- 1) Send an e-mail to [polarisinstitute@on.aibn.com](mailto:polarisinstitute@on.aibn.com)
- 2) In the subject line type in "GATS Attack signatory"
- 3) In the body of the e-mail list the organization & country (contact information such as address, phone & fax is also appreciated) that you are signing on. Those who wish should mention how many people the organization represents.

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### ***Stop the GATS Attack Now!***

As civil society groups fighting for democracy through fair trade and investment rules, we reject the outright dismissal by the World Trade Organization [WTO], some of its member governments and allied corporations of the vital concerns raised by civil society before, during and after Seattle. The smoke and pepper spray had barely lifted from the streets of Seattle when the WTO launched new negotiations to expand global rules on cross border trade in services in a manner that would create vast new rights and access for multinational service providers and newly constrain government action taken in the public interest world wide. These talks would radically restructure the role of government regarding public access to essential social services world wide to the detriment of the public interest and democracy itself.

Initiated in February 2000, these far-reaching negotiations are aimed at expanding the WTO's General Agreement on Trade in Services [GATS] regime so as to subordinate democratic governance in countries throughout the world to global trade rules established and enforced by the WTO as the supreme body of global economic governance. What's more, these GATS 2000 negotiations are taking place behind closed doors based on collusion with global corporations and their extensive lobbying machinery.

The existing GATS regime of the WTO, initially established in 1994, is already comprehensive and far reaching. The current rules seek to phase out gradually all governmental "barriers" to international trade and commercial competition in the services sector. The GATS covers every service imaginable – including public services –in sectors that affect the environment, culture, natural resources, drinking water, health care, education, social security, transportation services, postal delivery and a variety of municipal services. Its constraints apply to virtually all government measures affecting trade-in-services, from labor laws to consumer protection, including regulations, guidelines, subsidies and grants, licensing standards and qualifications, and limitations on access to markets, economic needs tests and local content provisions.

Currently, the GATS rules apply to all modes of supplying or delivering a service including foreign investment, cross-border provisions of a service, electronic commerce and international travel.

Moreover, the GATS features a hybrid of both a “top-down” agreement [where all sectors and measures are covered unless they are explicitly excluded] and a “bottom-up” agreement [where only sectors and measures which governments explicitly commit to are covered]. What this means is that presently certain provisions apply to all sectors while others apply only to those specific sectors agreed to.

The new GATS negotiations taking place now in the World Trade Organization are designed to further facilitate the corporate takeover of public services by:

- 1) Imposing new and severe constraints on the ability of governments to maintain or create environmental, health, consumer protection and other public interest standards through an expansion of GATS Article VI on *Domestic Regulation*. Proposals include a ‘necessity test’ whereby governments would bear the burden of proof in demonstrating that any of their countries laws and regulations are the ‘least trade restrictive,’ regardless of financial, social, technological or other considerations.
- 2) Restricting the use of government funds for public works, municipal services and social programs. By imposing the WTO’s *National Treatment* rules on both government procurement and subsidies, the new negotiations seek to require governments to make public funds allocated for public services directly available to foreign-based, private service corporations.
- 3) Forcing governments to grant unlimited *Market Access* to foreign service providers, without regard to the environmental and social impacts of the quantity or size of service activities.
- 4) Accelerating the process of providing corporate service providers with guaranteed access to domestic markets in all sectors - including education, health and water – by permitting them to establish their *Commercial Presence* in another country through new WTO rules being designed to promote tax-free electronic commerce worldwide. This would guarantee transnational corporations speedy irreversible market access, especially in Third World countries.

The chief beneficiaries of this new GATS regime are a breed of corporate service providers determined to expand their global commercial reach and to turn public services into private markets all over the world. Not only are the services industries the fastest growing sector of the new global economy, but also health, education and water are shaping up to be the most lucrative of all “services.” Health care is considered to be a 3.5 trillion dollar market worldwide, while education is targeted as a 2 trillion and water a 1 trillion dollar annual market. The chief executive officer of U.S. based Columbia/HCA, the world’s largest for-profit hospital corporation, insists that health care is a business no different than the airline or ballbearing industry and vows to destroy every public hospital in North America. Investment houses like Merrill Lynch predict that public education will be globally privatized over the next decade, declaring that untold profits can be made through the process. Meanwhile, water giants like Vivendi and Suez Lyonnaise des Eaux of France are working hand-in-glove with the World Bank to compel many Third World governments to privatize their water services.

Through powerful lobby machines like the U.S. Coalition of Service Industries and the European Services Forum, these and other transnational corporations have effectively set the agenda for the GATS 2000 negotiations.

If achieved, this corporate GATS 2000 agenda will amount to a frontal attack on the fundamental social rights enshrined in the United Nations Universal Declaration of Human Rights and its accompanying Covenants and Charters. Not only will foreign-based, for-profit corporations be able to access public dollars to takeover public hospitals and schools, but regulations on health and education standards will be undermined by global trade rules under the WTO. Chains of foreign-based, for-profit corporations would be able to invade the childcare, social security and prison systems in all WTO member countries. Our parks, wildlife and old growth forests could all become contested areas as global corporate ‘service’ providers compete with one another to exploit their resources. Meanwhile, unlimited access to foreign-based corporations would have to be given regarding municipal contracts for construction, sewage, garbage disposal, sanitation, tourism, and water services.

For many Third World countries, this invasion of peoples’ basic rights is not new. During the past two decades or more, the structural adjustment programs of the International Monetary Fund and the World Bank have been used to force many governments in the South to dismantle their public

services and allow foreign-based healthcare, education and water corporations to provide services on a for-profit basis. Under the proposed GATS rules, developing countries will experience a further dismantling of local service providers, restrictions on the build up of domestic service providers, and the creation of new monopolies dominated by corporate service providers based in the North. By dramatically increasing market control by foreign service corporations and by threatening the future of public services, the GATS 2000 agenda would trigger a global assault on the commons and democracy both in the North and the South. Moreover, the binding enforcement mechanisms of the WTO will ensure that this agenda is not only implemented, but rendered irreversible. The time has come to 'Stop the GATS Attack!'

We, therefore, call upon our governments to immediately invoke a **moratorium** on the GATS 2000 negotiations and devote the remaining two years of the scheduled talks to carrying out the following tasks:

[a] conduct a full and complete assessment of the impacts of the current GATS regime and the implications of the proposed GATS 2000 rules on domestic social, environmental and economic laws, policies and programs with citizens' groups in all member countries

[b] reaffirm the role and responsibility of governments to provide public services ensuring the basic rights and needs of their citizens in the new global economy based on the Universal Declaration of Human Rights and related U.N. Covenants and Charters;

[c] declare the existing GATS regime by removing components like Article VI and the Working Party on Domestic Regulation that give foreign governments and transnational corporations the power to ratchet down public interest laws, policies, and programs such as quality standards for health care and safety standards for transportation;

[d] guarantee the right of governments to require ironclad safeguards for public services [e.g. healthcare, education, social security, culture, environment, transportation, housing, energy, and water] that may be threatened by global trade and investment rules;

[e] provide concrete incentives and resources, especially for governments in the South, to fulfill their universal obligations (see 'b' above) by further developing and strengthening the provision of public services based on peoples' needs rather than on ability to pay

[f] develop mechanisms for effective participation by citizen organizations in both the formulation of their government positions and in the negotiation of any global trade and investment rules in the future regarding cross border services;

[g] secure the rights and responsibilities of governments to enact and carry out laws and regulations protecting the environment and natural resources, health and safety, poverty reduction, and social well-being. rules on domestic social, environmental and economic laws, policies and programs with citizens' groups in all member countries;

Finally, we call on our governments to end all IMF, World Bank and Multilateral Development Bank pressure on developing countries to privatize public services, especially in the area of education, health and water.