

GATS

Parliamentarians' call from Europe to oppose the liberalisation of public services under the WTO's aegis and for transparency of negotiations in progress

The General Agreement on Trade in Services (GATS) received a renewed impetus at the WTO's ministerial conference held in Doha last November. As a result, negotiations on services at the WTO have reached a decisive stage. Public services essential to our countries are threatened by these negotiations. They will have serious consequences for sectors which will be liberalised and to which the WTO's disciplines will then be applied.

Negotiations started with a "requests" stage, ended on June, 30th 2002, during which each country addressed its requests for liberalisation to other WTO members. Then came the "offers" stage, which will end on March, 31st 2003, when all member states are supposed to have defined the sectors they accept to liberalise on their territory. Finally, the full negotiations will start, first bilateral, then multilateral and will last until 31 December 2004. Concessions to any member state must be granted to all, under the "most favoured nation" clause.

Thanks to leaks, relayed by the Press and some NGO's on 16 April 2002, the extremely detailed requests lists the Commission addressed to 29 of its principle trading partners have become public knowledge. These requests to trading partners in rich countries (United States, Canada, Japan, etc.) or less developed ones (Brazil, Philippines, Indonesia, South Africa, etc.) concern the liberalisation of major service sectors such as water supply, waste treatment, energy, transportation, scientific research and postal services. Whereas we know thanks to these leaks what the commission's requests are, we still do not know what requests the EU's trading partners have submitted for liberalisation inside Europe, because the Commission refuses to publish them.

The European Commission claims that public services in Europe are not and will not be affected by the GATS and that it will not accept to open these European markets. Strictly speaking, it is true that the GATS does not require reciprocity. Yet how can this be seen except as the first step in a perverse logic and as a dangerous precedent?

We have every right to ask why the Commission, in the name of the European Union, has requested public services liberalisation from these 29 major trading partners. Why ask others to open their public services within the WTO framework, if we think this is bad for ourselves?

Europe has in fact good reason to make no « offers » to liberalise its public services within the framework of the WTO. The WTO'S "national treatment" rule would require European countries to treat every third country company that wanted to operate in a given sector exactly as it treats existing national providers of public services. Member states whose public services are subsidised or which benefit from special treatment would be theoretically obliged to provide the same treatment to third country investors or, if it refused, be liable to proceedings before the WTO's Dispute Settlement Body (DSB). Withdrawing from this agreement will be almost impossible, and could only be envisaged at best three years after the entry into force of the agreed liberalisation, and even then only if an equivalent "compensation" is accepted by the WTO and its members. This ratchet effect will add to the risks of irreversibility. Finally, the Commission claims that public services are not threatened, since everything depends on the "offers" we make to our trading partners. But the draft offers are kept secret. We have no knowledge of the offers the commission will make on our behalf, even though these are now being prepared. Members of the European and national Parliaments will only have their say at the very end of the process, when negotiations are completed. At best, the European and national Parliaments will then be allowed to ratify or to reject the entire agreement.

Cooperation, not liberalisation

The Commission has held broad consultations with transnational corporations through private meetings with the European Services Forum (85 major European services corporations). The Commission cannot, however, represent only these private interests of multinationals interested only in the profitable and solvent markets.

In our view, the European Union's role is not to push for the deregulation of public services abroad, particularly in developing countries, but to strengthen co-operation and to promote technology transfers to help southern countries in essential areas such as access to water, to renewable energies, to health, to education. Public services are essential elements of the social model and of each country's cohesion: every country, with its citizens and elected representatives must remain free to choose must be able to make its own choices concerning them. Every country must furthermore maintain control over the conditions under which potential foreign partners may participate and over the rules applying to areas where criteria of long-term investment, equal access, and user safety must prevail over short-term profitability concerns.

Perverse logic and a dangerous precedent for Europe itself

The GATS explicitly mandates "successive rounds of negotiations (...) with a view to achieving a progressively higher level of liberalization (...) [ART XIX] as a means of providing effective market access". The logic of the GATS consists in causing each partner to make concessions to the others in exchange for concessions it has itself requested, so that liberalised sectors are progressively extended and become, indeed, nothing but markets.

Transparency and democratic control

We are especially worried because the GATS negotiations have been undertaken in total secrecy, with no democratic oversight whatsoever. Nothing justifies the fact that parliamentarians are not informed concerning these ongoing negotiations. It is, furthermore, unacceptable that European and national parliamentarians, citizens, public service trade unions and NGOs should only be informed afterwards, when everything has already been decided, so that so-called « consultations » of the European or national parliaments become more formalities. Transparency should be the rule.

We are now entering a crucial stage of these negotiations.

We, members of the European and the EU national Parliaments, demand:

- that the European Parliament be kept informed, and be called upon to give its opinion before any decision is taken concerning the « offers » of liberalisation currently being prepared by the Commission. The parliament should intervene before these offers are submitted to the Council of ministers via the "133 Committee" and before they are sent to other WTO countries [deadline 31 March 2003];
- that all liberalisation requests addressed to the European Union by other WTO member countries be communicated by the Commission to the European Parliament;
- a debate in plenary session of the European Parliament with the Commission, and each national Parliament, in public session, with its government, on the mandate granted to the Commission for services negotiation;
- that the European Union ceases to ask for the liberalisation of third countries' public services under the aegis of the WTO;
- that the European Union asks for the abrogation of GATS article I.3,c, so that the definition of "A service supplied in the exercise of governmental authority", that is to say all those which do not fall under the agreement, is not restricted and allows each member state genuinely to protect public services like education, health, energy, water, postal services, public transport, etc...;
- that there be no more binding GATS commitments until a full and independent economic, social and environmental impact assessment is conducted.

105

Members of the European Parliament

110

Members of National Parliaments

have already signed this call

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