

AT WHOSE SERVICE? The General Agreement on Trade in Services (GATS) and its consequences for sustainable development

International Conference, Bonn, 21 to 22 May 2001

Introduction

GATS is a largely unknown acronym – it stands for an international agreement on trade in services. This agreement – the General Agreement on Trade in Services (GATS) – is a result of the 1994 Uruguay Round, which created the World Trade Organisation (WTO). Like the more widely known GATT (General Agreement on Trade and Tariffs), which regulates the trade in goods, it aims to improve conditions for trade and investment via multilaterally agreed rules, stabilise trade relations via political commitments on the basis of the most-favoured nation principle and achieve progressively higher levels of liberalisation via subsequent rounds of negotiations.

The GATS covers in principle all types of services, including in sectors relating to the environment, culture, natural resources, healthcare, education, social security and tourism. Only those services which are supplied in the exercise of governmental authority and neither on a commercial basis nor in competition with commercial providers are exempt from the GATSTM regulatory scope. Unlike the GATT – where barriers to trade arise primarily from conventional customs policy measures – GATS intervenes into domestic regulations in a far-reaching way. In particular its horizontal provisions, i.e. provisions applicable to all service sectors, frequently affect central and sensitive areas of national regulatory sovereignty, covering laws, ordinances, guidelines and standards at national, regional and local levels. In view of the large number of service sectors affected by GATS and the extensive opportunities for intervention, there is a need for an intensive public debate on a potential further liberalisation of the trade in services – as is already being negotiated in the context of the 'built-in agenda'TM. New sectors such as water, energy and transport, in which publicly-owned companies and government regulations have played an important role to date, are to be included under the Agreement. This will have far-reaching consequences for the environment, the supply of public goods such as education and healthcare, and the development prospects of southern hemisphere countries. Despite this, the GATS negotiations are rarely noticed outside a limited group of experts.

Against this backdrop, an international conference entitled, in At whose service – The General Agreement on Trade in Services (GATS) and its consequences for sustainable

developmentll was initiated within the framework of the Environmental Research Plan project, irIntegration of environmental and sustainability criteria into the new WTO negotiationsly. The conference was prepared and staged by the Working Group on Trade of the Forum Environment & Development; the Forum Environment & Development was also the contractor in the aforementioned project. The conference aimed to promote exchanges at technical and policy levels on GATS™s implications for sustainable development. Different aspects of GATS were dealt with in presentations, and discussed at length with the around 80 conference participants from Germany and abroad. This included environmental and development policy issues of the liberalisation of trade in services as well as cultural policy issues and the debate on the relation of GATS and democracy. A summary of the GATS conference of the Forum Environment & Development as well as the speakers™ contributions are published in the following.