

## NO SURRENDER

### Take Action

Read more about the GATS and stay up to date on the current negotiations by visiting [www.nupge.ca](http://www.nupge.ca)

Contact your Member of Parliament and demand that the federal government open up the debate on the GATS, tell us exactly what is on the negotiating table and bring more Canadians into the process.

Speak out and make a presentation to your provincially elected representative and your municipal government to show how their right to govern and make decisions may be limited by the GATS. Download a copy of a model presentation at [www.nupge.ca](http://www.nupge.ca)

Join the NUPGE corporate greed patrol and target a corporation that is pushing for GATS expansion. Check out: <http://www.nupge.ca/privatization/privatization.htm>

Encourage other union activists, your co-workers, family members and neighbours to find out more about the GATS and its potential impact on their lives. Order and distribute the National Union publication **A Primer on the GATS** by calling 1-613-228-9800.

Urge your union to use the collective bargaining process to protect and strengthen essential public services.



### NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

B. C. Government and Service Employees' Union  
Health Sciences Association of British Columbia  
Alberta Union of Provincial Employees  
Saskatchewan Government and General Employees' Union  
Manitoba Government and General Employees' Union  
Ontario Liquor Board Employees' Union  
Ontario Public Service Employees Union  
Brewery, General and Professional Workers Union  
Canadian Union of Brewery and General Workers  
New Brunswick Government Employees Union  
New Brunswick Public Employees Association  
Nova Scotia Government and General Employees Union  
PEI Union of Public Sector Employees  
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The National Union of Public and General Employees is an affiliate of the Canadian Labour Congress and a member of the Public Services International



# GATS ATTACK



World Trade Organization headquarters, Geneva, Switzerland

## ON PUBLIC SERVICES

What is the **GATS**  
What does it have to do with you

March 2003 Ottawa

## What is the GATS and the WTO

### Corporations come first.

The General Agreement on Trade in Services (GATS) is an international trade agreement first negotiated in 1994 - the first ever set of multilateral, legally-enforceable rules governing international trade in services. It operates under the World Trade Organization (WTO) umbrella to cover over 160 distinct 'services'.

The World Trade Organization (WTO) is the powerful international body headquartered in Geneva. It was set up in 1995 to deal with the rules of global trade. The WTO has the sole purpose of implementing a more liberalized international trade system and enforcing trade agreements, such as the GATS.

The GATS seeks to remove government 'barriers' that restrict corporate profit making through trade in services. Since most of what our governments do qualify as 'services', the GATS has potentially staggering consequences for public programs and services delivered by all levels of government in Canada.

The scope of the GATS is far broader than traditional rules governing trade in goods. Indeed, the subject matter of the GATS – services – is immense. It has been described by some trade experts as covering everything "from birth (midwifery) to death (burial); the trivial (shoe-shining) to the critical (heart surgery); the personal (haircutting) to the social (primary education); low-tech (household help) to high-tech (satellite communications); and from our wants (retail sales of toys) to our needs (water distribution)." This includes the public delivery of services like health care, education, water, social services, food inspection, postal services and public broadcasting.

The GATS applies to all measures affecting services taken by any level of government, national, provincial or local. No government action, whatever its purpose, is beyond the GATS scrutiny and potential challenge. The GATS intrudes into vital areas of public policy-making that are only indirectly related to conventional international trade. The GATS restricts democratic policy-making - international commercial interests rank above any other interest. The European Commission has characterized the GATS as "... first and foremost an instrument for the benefit of business."

### What's at Stake

#### The GATS attack on public services.

The GATS is currently being revised – part of the commitment countries made under the initial GATS was to work towards 'progressive liberalization of trade in services'. Member countries were to have made their requests for new provisions by June 2002 and their offers for what they are prepared to do by March 31<sup>st</sup> of 2003. Negotiations have started and they are scheduled to be completed by January 1, 2005.

The negotiations will involve intense horse-trading designed to make it easier for corporations to take over Canada's public services by, for example:

1. Expanding GATS Article VI, which would further weaken the ability of governments to enforce existing regulations or introduce new ones to protect the public interest.
2. Tightening the *National Treatment* rules which could prevent governments from

restricting things like child care or any public service to the non-profit or public sectors, and require governments to make any funds allocated for public services also available to private for-profit corporations.

3. Requiring governments to grant unlimited market access to foreign corporations.

The GATS is already a threat to our right to have public services. An expanded GATS increases this threat. That's something we just can't afford.

## What is the position of the Canadian government

### The awful truth.

The Canadian government has tried to assure us that the GATS exempts essential public services like health care and education. However, the truth is the GATS exempts services only if they are supplied "in the exercise of government authority" and are not commercial or in competition with other service providers. These terms are not defined. They will be determined by secretive WTO panels. Most public services are a mixture of factors, with some private sector involvement at various stages, so almost all could be challenged.

Other countries are currently pushing to have all public services included in the negotiations. Indeed, recently leaked documents outlining the requests of the European Commission demonstrate that essential public services are on the table during current negotiations. Further, lobbyists for American insurance companies have publicly declared that they will pressure countries to expand the GATS to allow for complete foreign ownership of hospitals and the full privatization of public health care systems.

Contrary to the Canadian government's denial, if the new GATS rules come into force, we will see rapid privatization of public services in Canada. Once the new GATS rules are entrenched, it will be almost impossible to reverse the privatization process. We must mobilize now to stop the expansion of the GATS.

## What should the Canadian government be doing

### Quality public services for all.

The Canadian government should take the lead in blocking any effort to expand the coverage of the GATS or weaken the ability of governments to impose restrictions on the trade in services.

The Canadian government should insist on the unfettered right of governments at all levels to use public policy tools to achieve public policy objectives. Private for-profit corporations should have no right to challenge public policies simply by arguing that they are 'unfair trade barriers'.

The Canadian government must use the current round of negotiations to strengthen Canada's ability to deliver quality public services. Simply put, the Canadian government must ensure that the GATS does not take away the ability of governments to govern; that is, the decisions of democratically elected governments should not be subjected to the rule of the WTO on behalf of multinational corporations.