



Servicing big business

A lot is at stake for the world's people and environment in the WTO's services negotiations, which cover such sensitive issues as energy, tourism, education, and drinking water. Disturbingly, the European Commission's negotiating strategy in the General Agreement on Trade in Services (GATS) talks is openly and aggressively geared toward serving corporate interests.

During preparations for the current round of GATS talks, which started in 2000, the Commission asked the European services industry to organise itself into a lobby group comparable to the powerful US Coalition of Service Industries (USCSI). The European Services Forum (ESF) was born. The banking interest Barclays, PricewaterhouseCoopers, water giant Suez, and numerous other large European multinationals came together with far-reaching support from then Trade Commissioner Leon Brittan and his staff. A high-level official from the Commission's trade directorate told industry representatives, "The European Commission is [...] going to rely heavily on the European Services Forum. [...] We are going to rely on it just as heavily as on member state direct advice in trying to formulate our objectives."¹

These were not empty words. In fact, industry may have had even more influence on the GATS process than the EU governments. The ESF certainly played a crucial role in forming the EU's list of demands for services liberalisation presented to other WTO member states in July 2002. The Commission asked the ESF to channel "industry's input to this exercise, both in terms of finding out where the problems currently lie and in making specific requests. Without ESF input the exercise risks becoming a purely intellectual one ..."² In a later memo, the Commission stressed to the companies "the importance to provide within the following days any input you may have, as we are currently finalising the draft requests that will be transmitted to Member States very soon."³

The Commission tried hard to keep details of the EU's liberalisation requests secret, even after they were approved by the EU member states in June 2002. While parliaments and civil society organisations had to guess at the specific contents of the EU requests, business had been closely involved in the drafting process! Objections voiced by a large number of European trade unions and civil society groups were meanwhile systematically ignored. Only

after the requests were leaked in the spring of 2003, did serious scrutiny of the EU's GATS agenda become possible.

Privileged power arrangements between big business and government, of which the Commission's close cooperation with the ESF is a particularly crude example, are at fundamental odds with democratic policymaking. EU trade policymaking desperately needs far more open, transparent, and balanced processes if global economic justice and environmental sustainability goals, rather than corporate expansion, are to be served.

Recommended reading:

Behind GATS 2000: Corporate Power at Work, Erik Wesselius, GATSwatch, June 2002.

Notes:

- 1 Robert Madelin (DG Trade), "Preparing for GATS 2000: The European Commission Approach", speech at the conference *How to Open Service Markets Worldwide*, London, September 21, 1999,
 - 2 Joao Aguiar Machado, European Commission, letter to the European Services Forum, October 22, 2001 (on file at Corporate Europe Observatory).
 - 3 European Commission memo dated January 14, 2002 (on file at Corporate Europe Observatory).
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For links to the referred documents, see: <<http://www.wtocancun.com/esf.html>>

Text: Corporate Europe Observatory

Cartoon: Khalil Bendib