

**How 'free trade' & investment
treaties attack public services &
why we have to fight them**

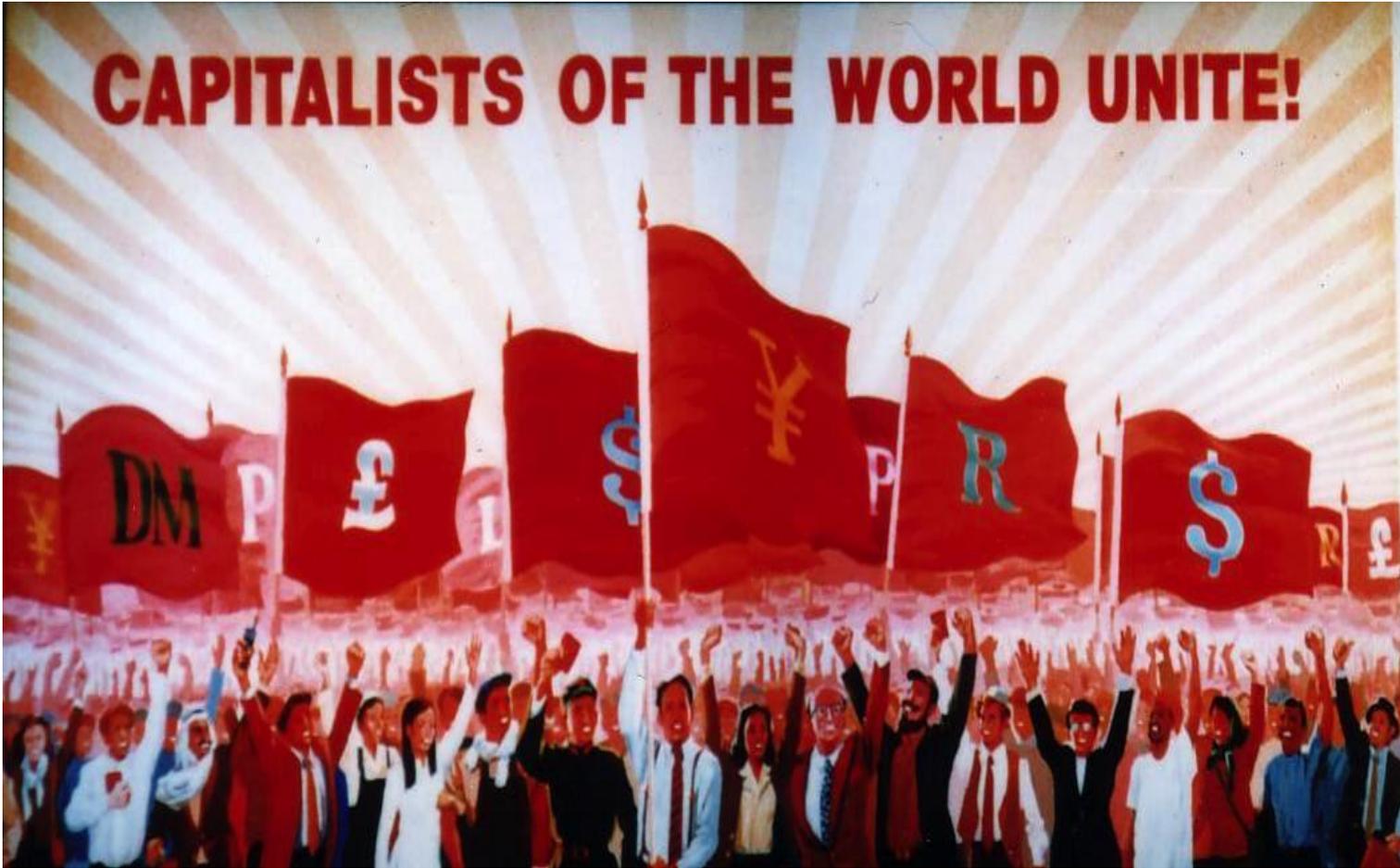
Prof Jane Kelsey

1980s neoliberal greed took over the world

- **Structural adjustment** – SAPs - at home
- **Global rules** to push it further and faster,
then lock it in

New version of colonisation affected all
countries, North and South

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TNCs targetted services as new source of mega-profits

Privatisation (telecoms, electricity, banks)

Corporatisation (airports, railways)

User charges (universities, public transport)

Deregulate, private competitors (hospitals, post)

PPPs & private contracts (toll roads, water, prisons)

Outsourcing (pensions, welfare services)

Offshoring (construction, maintenance, back office)

Global supply chains (ports, customs, logistics)

For public sector workers this means ongoing ...

Job losses

Insecure employment

Deunionisation and labour market 'flexibility'

Loss of protections & entitlements

Added costs, but lower incomes

Migration for remittances

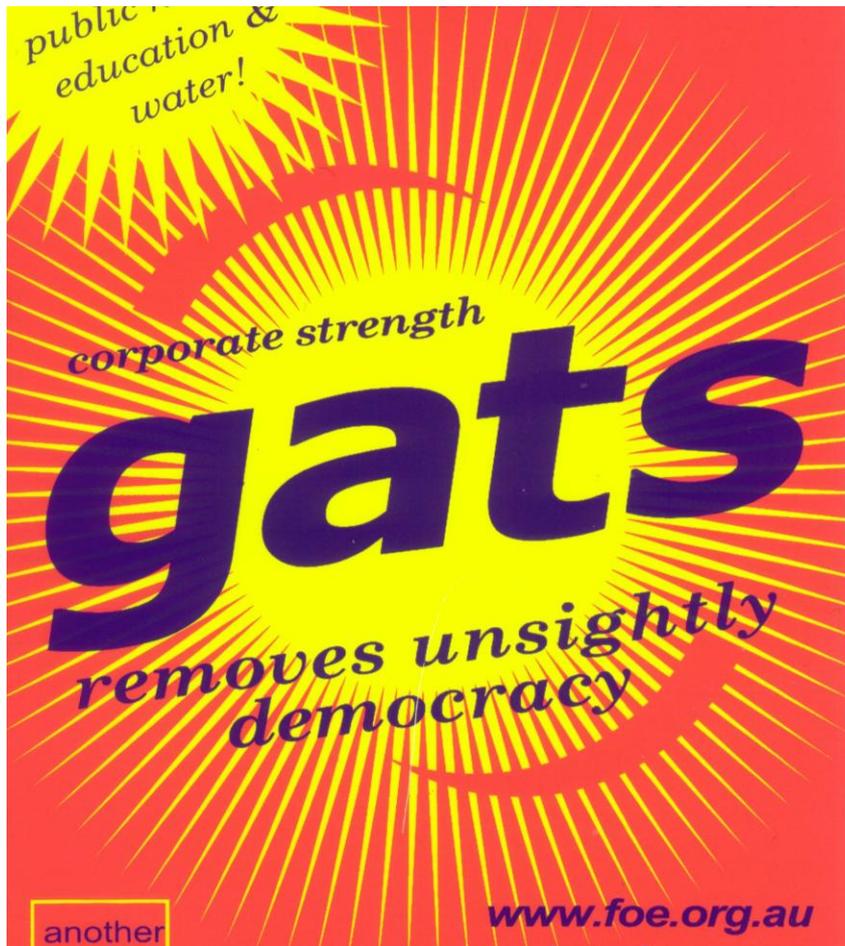
New global rules at WTO called

General Agreement on Trade in Services GATS

(1995) aims to remove

- preferences for local services over foreign firms including for public services, eg subsidies
 - public monopolies
 - caps on private competition
 - limits on foreign investment or TNC control
 - restrictions on money flowing across borders
- and requires light handed regulation

Key areas of concern



Public services
Education services
Environment services
Local government
Broadcasting
Foreign investment
Sovereignty

What are the big problems?

- GATS has no social objectives, it's only about business
- Competition in services will be for profit
- Profit is often at odds with access, equity and quality of service
- Profit comes from reducing labour costs
- Multinational companies will be the big winners
- Workers and communities lose out

Attempts to extend GATS failed

GATS was limited in rules and coverage

South governments had resisted US demands

Moves to deepen rules & expand scope failed

Doha round of WTO talks got stuck in mid-1990s

Big fight back ...

Public sector unions played important role

Resistance by unions, migrant workers, women, other social movements, NGOs



Major fight back at Hong Kong meeting in 2005



New lines of attack

Free trade agreements – by and for US/EU TNCs

Investment treaties – Bill of Rights for TNCs

- Between individual countries
- Bigger blocks of countries

Most dangerous current attacks are called the

Trans-Pacific Partnership Agreement

and

Trade in Services Agreement

What/who is driving the TPPA?



What is the TPPA?

A US-driven mega-deal that aims to

1. Reassert US presence in the Asian region
2. Globalise rules for US corporate profits
3. Create gold standard rules for Asia Pacific FTA



12 countries – US plus Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam

What is different about TPPA?

This agreement goes further **behind the border** than any agreement has done ...

Rules define

what, who, why, how policy decisions are made
with special rights to TPPA firms

subject to surveillance & **enforcement**
by **states and corporations**



**WHAT TPPA MEANS FOR
PUBLIC SERVICE WORKERS AS ...**

People

- Affordable medicines
- Internet
- Credit and financial crises
- Corporations have more power than people

HOLD HER
STEADY,
JOHN

DON'T WORRY,
BOYS. SHE'S
HALF-ASLEEP
ANYWAY.

CORPORATE
INTEREST

CORPORATE
INTEREST

NZ
DEMOCRACY

Dear Kiwis,
Please wake up to
the **TPPA** trap.
itsourfuture.org.nz





UR JOB IZ NEXT...

#I5!



For workers ...

- Offshoring of jobs through global supply chains
- Government procurement opens way to TNCs
- Can't stop TNCs taking money home without paying workers wages, pensions, redundancy
- Can't lower labour standards to attract TNCs...
- but no protection for raising labour standards
- Weak references to ILO Conventions

For the public sector ...

- Government procurement & PPP contracts favour TNCs at expense of public sector and local private firms
- Foreign services TNCs rights to enter & operate,
- negative list, must say what is excluded
- Cross-border supply of services without local presence
- 'Disciplines' on state-owned enterprises,
- US wants to shut SOEs down cos unfair to US firms (and unions!)
- Investors will fight proposed or reversed privatisations
- TNCs sue governments under investor-state dispute powers

Citizens

BEHIND CLOSED DOORS



What is the state of the negotiations ?

Trend to releasing text & greater openness

TPPA reverses that

Obsessive secrecy agreed between parties

Text will not be released until it is signed

Background papers not released for 4 more years



There is a fight-back and we are winning!



New deadline is end of 2013

Yet another deadline likely to be missed

Medicines, internet, SOEs, environment are stuck

Lots of other problems, including market access for agriculture & textiles

How can we make sure they can't conclude the deal?

What can we do to stop our governments

- adopting the final deal
- joining it afterwards?