

The Jobs Letter

No. 178

24 January 2003

Essential Information on an Essential Issue

KEY

GENERAL AGREEMENT ON
TRADE IN SERVICES (GATS)

MINIMUM WAGE
AND APPRENTICESHIPS

TEACHER SHORTAGES

THE UN FOCUS ON YOUTH
EMPLOYMENT

THE ALEXANDRIA
DECLARATION

DIARY

11 December 2002

BERL forecasts NZ's annual employment growth will be 50,000 to 60,000 new jobs per year through to 2005.

If all the Auckland police officers currently taking leave without pay came back to work, there would be no police staffing crisis in Auckland, according to the *NZ Herald*. Unpaid leave figures for police are twice as high in the Auckland area as they are in the rest of the country.

A Code of ACC Claimants' Rights will come into effect in February 2003. Minister of ACC Ruth Dyson says the code was designed to restore public confidence in the Accident Compensation Corporation.

France Telecom plans to cut 22,000 jobs.

The US unemployment rate rises to 6%. The country has lost 1.5 million jobs in the two years George W Bush has been president.

12 December 2002

Beneficiary advocate Ian Ritchie resigns from the Palmerston North District Council Low-Income Sub-Committee. Ritchie says that previous support for his Poverty Action Group had been replaced "in most cases by active opposition".

- **Local government leaders** throughout New Zealand are becoming increasingly concerned about an international trade and investment agreement being negotiated by central government that will affect their powers and control of local resources.

The **General Agreement on Trade in Services (GATS)** is an agreement which seeks to open up the "services" market of every World Trade Organisation (WTO) member. In doing so, the agreement limits what national or local governments can do in a particular service sector.

The GATS rules apply to 160 service sectors, **many of which are the responsibility of local government**. Examples affect local government powers to give **preference to local employment**, buy locally made goods or favour local suppliers and regulate services such as waste disposal, building control, water supply, roading and transport.

Many other essential social services are also covered by the GATS agreement — including education, health, electricity supply, telephones, prisons, postal services, and banking. There are widespread concerns that the agreement **will over-ride any national or local regulation** that is deemed to obstruct trans-national providers of these services.

- At its December meeting, the **Christchurch City Council** voted unanimously to strongly urge the Government not to sign away local councils' rights to make decisions about how essential services are provided. According to a report discussed at council meeting, the GATS aim of getting "a progressively higher level of liberalisation" in the service sector could well also cover water, sewerage, waste, management, zoning regulations, even library and other community services such as childcare.

The Christchurch City Council says it is wrong that local government has not had a chance to influence the talks and how they are being approached. It believes local services and rules about essential services should be made locally and that the government must exclude all public services from any GATS agreement.

The council wants the government **to slow down and take another look** at the way World Trade Organisation (WTO) deals have been working so far. It also wants the Government to try to make sure the WTO has no ability to overturn New Zealand laws and practices that protect health, the environment, development and human rights.

- A report on the implication of GATS written for the Christchurch City Council by Social and Economic Policy Analyst Mary Richardson can be downloaded (PDF document, 9pg, 61kb) from www.ccc.govt.nz/Council/Proceedings/2002/December/StrategyFinance/GeneralAgreement.pdf

- The **GATS agreement** was first established in 1994, and is one of many trade agreements run by the WTO. In 2000, a new round of negotiations on GATS began, and these negotiations will reach **a major milestone** on 31 March 2003, when the NZ government is expected to table an offer which will subject more of our services to these rules.

The Jobs Letter

DIARY

13 December 2002

Treasury figures show the government has a positive operating balance of over \$900 million. Minister of Finance Michael Cullen cautions that the current surplus is nothing to get excited about and does not indicate the government will go on a spending spree.

Australian unemployment rises to 6.1%.

The deadline has been extended for another three months for people seeking back-pay or debt-wiping due to Winz incorrectly identifying them as being in a relationship in the nature of marriage between 1996 and 2000.

The US and Chile are poised to sign an agreement that abolishes all import tariffs. Chile has similar agreements with the EU, Canada, Mexico and South Korea.

16 December 2002

The Poverty Indicator Report says that as many as 90% of the people who use foodbanks are in debt, most often to Winz.

17 December 2002

Growth forecasts: Wespac Bank predicts the NZ economy will grow by 3% over 2003. The BNZ says the figure will be 2.8%. BERL forecasts 3.5% to 4%.

Nearly half of full-time Australian workers are doing unpaid overtime according to an Australian survey. On average, those doing overtime say they are putting in one extra day of work each week.

18 December 2002

In the UK, tax and pension rules that discourage people from working after they turn 65 years old are being scrapped. Faced with unaffordable pension obligations, the British government is altering legislation with the intention of encouraging people to augment their pension income by continuing to do paid work.

Christchurch Councillor Alister James, chairman of the Council's Strategy and Finance Committee, says that as new sectors are added to the GATS agreement, the government can limit the amount of access overseas providers have. James: "But all limits and exceptions must be set when a country initially offers a sector. After that, you can only get new limits if you negotiate compensation with all the countries which have a right to enter that market. That would be virtually impossible, so you can see it's really important to get it right before a sector becomes part of the GATS system."

- In Auckland, both the **North Shore City** and **Waitakere City** Councils have voiced support for the Christchurch's stand on the GATS agreement. They are also calling for fuller transparency and better consultation with local government over the issue.

North Shore City Strategy and Finance Committee Chairperson Tony Holman says the council is "far from impressed" with the **lack of government consultation** so far. Holman: "GATS is anti-social, anti-environmental and anti-triple bottom line, not to mention anti-local enterprise, ownership and sovereignty. We don't need to look too far to see the folly of many free-market experiments in our community..."

- In its briefing papers to the Minister of Foreign Affairs and Trade, Phil Goff, **Local Government NZ** (LGNZ) expressed its concerns about the GATS negotiations and **sought an assurance** that the government would take a strong stand against suggestions that local authority planning regulations would fall within the scope of the agreement.

Local Government NZ: "It is inconceivable that local regulations, adopted and applied in a transparent and objective manner should be subject to international agreements that might have the effect of thwarting the decisions of communities about how they wish their town or city to develop..."

LGNZ's concerns were sparked when a sister organisation in Canada, the Federation of Canadian Municipalities (FCM), said that it had **legal advice** which suggests that GATS **may constrain municipal regulatory powers** and delivery of public services, particularly where public-private partnerships, contracting out, or other commercial elements are involved. The legal advice also suggested that the agreement's "transparency" objective may also require delay and effort in order to justify local authority regulatory decisions.

- **Australian local authorities** are also voicing concern about lack of consultation by the federal government over negotiations surrounding the GATS agreement. The New South Wales Local Government Association Conference in November passed resolutions asking for **local government exclusion from the agreement**. Melbourne City Council and Yarra, Port Philip, Moreland Council in Victoria and the Marrickville, Waverly and Leichhardt Councils in NSW have all passed resolutions critical of the possible impact of GATS on local government services, and calling for full disclosure and information on the negotiations.

All Australian opposition parties, Australian Labour Party, Democrats and Greens now have policies critical of GATS, and have called for a Senate inquiry into GATS and for the details in the agreement negotiations to be made public.

- **Professor Jane Kelsey** will next week launch a new report on what GATS means for New Zealand and its public services. The launch is being hosted by Wellington City Councillor **Ray Ahipene-Mercer**, and will take place in the Wellington City Council Chambers at 5pm on Wednesday 29th January 2003.

Professor Kelsey is author of a series of books about New Zealand's experience of globalization, including the best-selling "*The NZ Experiment*". She is a trustee of the free trade watch-dog group **Arena** (Action, Research and Education Network of Aotearoa) which argues that the GATS agreement will lock-open

The Jobs Letter

DIARY

19 December 2002

The minimum wage is to rise from \$8 to \$8.50/hr for adults and from \$6.40 to \$6.80/hr for young workers.

Treasury predicts the unemployment rate to be 5.3% during 2003/04. It also forecasts the government will achieve financial surpluses for the next several years.

Minister of Finance Michael Cullen indicates that tax cuts may be made for low and middle-income families. However, he says any tax cuts would not be made before the 2004 budget and they would have to be preceded by consistent government surpluses.

Demand for skilled labour in Australia is 7.7% higher than it was at this time last year, according to the Australian Department of Employment.

The World Bank warns that there is a significant risk that the global economy is sliding into recession.

20 December 2002

The NZ GDP figures for the September quarter indicate there has been 3.9% increase in economic activity in NZ over the last year.

25 December 2002

Christmas Day

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Research sources for the main items in The Jobs Letter are available in our internet edition at www.jobsletter.org.nz

New Zealand's services to foreign transnational companies. Kelsey: "Unsurprisingly, corporations have been the driving force behind this agreement. The service industry is big business and heavily dominated by multinationals based in rich countries. These companies want to operate freely within every country of the world. But many services sectors are still owned and regulated by governments. Opening up the trade in services will provide a bonanza for those businesses."

"The GATS agenda threatens affordable access to basic services. It is linked directly with the new fashion to promote public private partnerships (PPP) for essential services. If multinationals are seeking to make a profit out of water, health and education, people without purchasing power are likely to lose out. Recent water privatisation in Puerto Rico has meant that poor communities have gone without water while US military bases and tourist resorts enjoy an unlimited supply. A system governed by people's ability to pay will not bring desperately needed services to the world's poorest people..."

- In April 2002 the drafts of the EU's GATS requests for 29 countries were sensationally **leaked to GATS campaigners and the press** and posted on the internet at www.gatswatch.org. It was the most significant trade negotiations leak since details of the Multilateral Agreement on Investment (MAI) were exposed to public scrutiny in 1997 ... exposure which eventually sunk that free trade initiative.

Running to over 1000 pages, the leaked documents represent a **wish-list of the rules and regulations that EU corporations want eliminated** to ease their entry into service markets worldwide. The document asks that the 29 countries open up their postal services, water supplies, finance and banking, electricity generation and supply and telecommunications services to European transnational companies. The EU also wants all these countries to lower or abandon their vetting of foreign investments in all services sectors.

- The leaked EU document of **specific "requests" to New Zealand** relating to GATS can be downloaded (PDF document, 29pg, 62kb) from the Arena website at www.arena.org.nz/gatseu1.pdf

According to these papers, the EU's "requests" of New Zealand include:

- removing the requirement for Overseas Investment Commission approval of foreign investments in services, including purchase of rural land;
- removing the right to prefer local purchasers in any future privatisations, such as NZ Post, TVNZ, Kiwibank or universities;
- not giving preference to New Zealanders engaged in research and development work in natural sciences, social sciences and humanities and interdisciplinary areas, including rights to government subsidies;
- no limits on security operators, such as private prison companies, in establishing their businesses, buying land or having full control of such activities;
- committing postal and courier services to full, private international competition and ownership
- removing the limit on any single overseas company owning more than 49.9% of Telecom
- no restrictions on foreign ownership or access to contracts for water collection, purification or distribution, waste water, refuse disposal, sanitation
- no preference for local owners or providers of maritime transport and port services, rail transport maintenance, air transport sales and marketing and ground handling.

- **Minimum Wage Rises.** The Minimum Wage Amendment Bill will lift minimum wage rates by 6.25%, significantly more than the average rate of wage increases last year. The adult rate will rise from \$8 to \$8.50 per hour. The youth rate will rise from \$6.40 to \$6.80 per hour, which maintains the youth rate at 80% of the adult rate. The rises will increase

The Jobs Letter

DIARY

27 December 2002

The first grants under the Industry Cluster Development Programme are announced. Industry NZ is partly funding industry grouping to engage facilitators in the following areas: kumera growing; wood processing in Northland; boat building Northland; film production attraction in Auckland; fashion design; organic agriculture in Waitakere/Rodney; computer technologies for the disabled, aged and educational markets; agricultural biotechnology in Waikato; timber processing and furniture manufacturing on the East Coast; wool growers of the Central North Island; value-added timber product exports in the Hawke's Bay; oil and gas technologies in Taranaki; textile, apparel, carpet and footwear companies in Kapiti/Horopohenua; a centre of design-led engineering in Wellington; seafood industries in Nelson Marlborough; small software companies in Canterbury; the export of functional foods from Aoraki/South Canterbury; bio-technology Otago; forest growing and wood processing in Otago/Southland; and to develop international leadership for the sustainable use of natural resources in Canterbury.

Brenda Archer of the Public Health Association argues that Family Support and the Child Tax Credit should be updated and adjusted for inflation. Archer: "We inflation adjust state pensions for people over 65 years of age, why don't we apply the same rules to children?"

1 January 2003

New Years Day

the pay packets of about 27,400 adults and 7,100 young people. The new legislation also **removes the exemption** of employers having to pay the minimum wage to employees who take 60 or more credits of training per year. This exemption **also included apprentices**.

- Business NZ warns that paying apprentices the minimum wage **may discourage employers** from taking on apprentices. Executive director Anne Knowles says that the point of exempting apprentices was that employers incurred added costs when training apprentices and that if the cost of training became too high, employers will say "no" to apprenticeships.

Knowles also says that increasing the pay rate for unskilled people reduces their incentive to up-skill themselves. She claims that research shows that every increase in the minimum wage is **accompanied by a drop in employment**, and that the situation is compounded for young people, who are most likely to be unskilled and most afflicted by unemployment.

Federated Farmers also cautions the government that raising the minimum wage is no substitute for growing the skills base of young NZ'ers. Vice-president Charlie Pedersen says the government needs to focus on the **skill shortages of young NZ'ers** entering rural industries. He says Federated Farmers would never support employees being underpaid but there needs to be a stepping-stone into rural industries that encourages employers to carry the risk of employing and training staff. Pedersen says farmers are **crying out for skilled young workers** and that no amount of tinkering with the minimum wage is going to help that.

- Council of Trade Union Secretary **Ross Wilson** points out that employment has grown steadily alongside the increases in the minimum wage over the last several years. The CTU calls the rise in minimum wage rates "good news" but the amount **falls short** of the CTU target of \$10 per hour, or about half the average wage.
- The Education Gazette is carrying 316 ads for teaching positions or notifications of job description changes, up from 170 ads it ran this time last year. The Post Primary Teachers Association president Jan McCutcheon says the inflated ad numbers indicate the **current teacher shortage is the worst on record**. McCutcheon says the shortages will have to be managed by through larger class sizes, unqualified teachers and multi-level classes.

The number of people training to be teachers has risen but the newly qualified candidates are only beginning to come through. McCutcheon points out that although teaching training numbers are up, many teachers do not stay in the profession. 30% of the new teachers hired in 1999 had quit by 2001.

- The **Universal Income Trust** is sponsoring a **nationwide tour** to educate the public about the social, environmental, and economic benefits of universal income systems. The Trust proposes that every New Zealand citizen be provided an unconditional living wage — a proposal supported by many eminent economists. The Trust maintains that the Universal Income proposal would end "unemployment" as we know it, and lead to a fairer distribution of employment opportunities amongst job seekers.

The tour of free public workshops, demonstrations and displays will visit Christchurch, Dunedin, West Coast, Wellington, Taupo, Tauranga, Hamilton, Manukau City, Auckland Central, Hawkes Bay and Palmerston North throughout February and March. The presenter is Patrick Danahey, a researcher and author from Nelson. For more information, visit the Universal Income Trust website at www.geocities.com/caeruit or contact Patrick Danahey at email ceres7@netaccess.co.nz

The Jobs Letter

DIARY

2 January 2003

Central Otago orchardists are having difficulty finding reliable staff to pick and process their harvests, according to Anne Hanning of the Central Employment Trust.

6 January 2003

Australian job ads dropped 13.7% between November and December and are at the lowest point in six years. ANZ Bank chief economist Saul Eslake says the slump points toward a significant slowing in job growth in Australia during the first few months of 2003.

7 January 2003

China is phasing out guaranteed lifetime-employment for its 30 million public servants. In a huge change to Chinese employment policy, the 1.3 million state-owned institutions are to draw-up employment contracts for all workers.

8 January 2003

Australian phone company Telstra may cut another 1,000 jobs from its NDC engineering and maintenance division. Telstra has shed 40,000 jobs over the past six years.

AT&T, America's largest toll-carrying telephone company cuts about 3,500 jobs.

The combined unemployment rate in the EU remains at 8.4%.

10 January 2003

90 United Airlines staff will lose their jobs as the airline announces it is ending its New Zealand service in March.

12 January 2003

Taupo has a chronic shortage of cleaners. Glenda Reid of the Taupo Accommodation Association says every motel in town is struggling with worker shortages.

- With an estimated **70 million young women and men around the globe unemployed** — accounting for 40% of the 180 million workers officially unemployed worldwide — the need for employment creation that focuses on young people is undeniable. The **Millennium Declaration of the United Nations** resolved to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work”.

To this end, the UN Secretary-General Kofi Annan has joined with the heads of the World Bank and the International Labour Organisation (ILO) to bring together a **high-level panel of 12 eminent people** drawn from private industry, civil society and economic policy. Last week, this expert group met in Geneva, Switzerland, to continue their work to develop and promote national strategies for creating jobs for young people.

- A major goal of the expert panel is to stimulate thinking on how to **place employment creation at the centre of macroeconomic and other public policies**. In a background paper prepared for last week's group meeting, the expert panel points out that employment creation policies have often been neglected in favour of macroeconomic policies aimed at stabilisation, fiscal prudence and budgetary balance. The panel doesn't disagree that sustainable, long-term economic growth is the best way to create employment ... but it points out that “improved economic growth in and of itself is often not enough, particularly when special groups such as youth are concerned.”

The panel recommends that added attention needs to be paid to **increasing the employment intensity of economic growth**, especially in the rapidly expanding sectors of the economy. It says that governments should consider putting in place incentive structures that would promote employment-intensive growth through directing investment to sectors that are most employment intensive.

- The background paper also pleads for the **public sector to play a more fundamental role** in job creation for young people — as a direct employer, and also by hiring youth in public administration or for public works projects.

The paper: “Public works projects have traditionally been an important source of new jobs, particularly for vulnerable groups such as youth. Moreover, labour-intensive public works, which have been used for both regular infrastructure development and as a means of responding to crisis situations, have been demonstrated to have a positive impact on economic development. For example, labour-intensive public works projects have been shown to be cost-effective and competitive when compared with equipment-based methods in the rehabilitation, maintenance and development of infrastructure, including rural roads, environmental rehabilitation, irrigation and urban slum upgrading schemes.

“ A potential area of concern, however, is that the construction, rehabilitation and maintenance of infrastructure in some countries has been taken over by multinational public works enterprises which use more capital-intensive rather than labour-intensive methods, resulting in a loss of domestic capacity and employment.”

— *UN Expert Group Meeting Background Paper: Jobs for Youth* (17 December 2002) by the Department for Economic and Social Affairs, United Nations, available for download (11pg, 125kb) at www.un.org/esa/socdev/poverty/youth_back.pdf

- The United Nations focus on finding jobs for young people was given a boost in September last year with the **Youth Employment Summit** held in **Alexandria, Egypt**. The summit gathered over 1600 delegates from 120 countries to launch of a “**Decade of Action**” on youth

The Jobs Letter

DIARY

14 January 2003

Pipfruit orchardists in the Nelson region are concerned they will not have enough workers to harvest their bumper crop. There are about 1,700 registered unemployed people in the Nelson-Tasman region, about one-third of the number of staff that orchardists need.

The NZ economy imported \$987 million more in goods and services than it exported in the year to November.

15 January 2003

ACT MP Muriel Newman accuses the government of failing the long-term unemployed. Newman says there are now 6,166 people who have been unemployed for over ten-years, an increase of 10% since Labour has been in government.

Minister of Employment Steve Maharey explains the rise in the number of long-term unemployed by saying that half of the people had not been unemployed for ten years but had been on non-work tested benefits such as the domestic purposes or sickness benefits. Maharey reports that 92% the long-term unemployed are currently involved in some activity designed to support their return to the paid workforce.

16 January 2003

Sealord, NZ's largest fishing company appears unlikely to keep its promise of creating 700 jobs within five years. The new jobs were part of a promise Sealord made to government to gain approval for the sale of 50% of the company to Japanese seafood company Nissui. Two years on, Sealord has created only 150 jobs.

A drop in numbers on the unemployment register in the Hawkes Bay has the region's Fruitgrowers Association concerned about labour shortages for the upcoming harvest. The association has appealed to the Minister of Immigration to allow foreigners on visitors visas to legally work in the region's horticultural industry, a concession that was granted last year.

17 January 2003

188 previously unemployed Northlanders have been placed locally in seasonal fruit harvesting work, according to Winz Northland.

employment ... with the goal that that an additional 500 million young adults, especially youth facing poverty, will have productive and sustainable livelihoods by the year 2012. (For more information, see www.youthemploymentsummit.org)

On September 11, 2002 — a year after the terrorist attacks on New York — the delegates at the Youth Employment Summit issued “**The Alexandria Declaration**”, a summary and statement of principles arrived at during the five-day conference. As the Egyptian Minister of Youth Dr Aly Hillal commented at the closing ceremony: “A year ago, a nightmare took place ... but a year later the youth of the world gathered in Egypt to dream of a better world in which peace, justice and democracy prevail. Youth are asking that their voices be heard, and that their role be recognized as active actors rather than beneficiaries ...”

- The **sole New Zealand delegate** to the Alexandria Summit was **Sen Thong**, a 21-year old Wellington University student who is a Wellington City Youth Councillor. Thong is also founder and editor of *Back2Basics* — NZ's first Hip Hop magazine.

Thong is keen to develop a network of young people who want to contribute to the Alexandria Summit's “Decade of Action” on youth employment. He particularly wants to make contact with other young people involved in Youth Councils around NZ. (email sen_thong@hotmail.com)

As part of his ongoing involvement with this initiative, Thong has **developed a website** to gather resources for promoting youth employment initiatives in NZ.

It can be found at <http://projects.takingitglobal.org/nzykr>

- In America, President George Bush has announced unprecedented plans to **shift almost half of government jobs to outside contractors**. Bush argues that this large-scale privatisation will reduce government costs and improve services, and lead “a market-based government unafraid of competition, innovation, and choice.”

Business leaders say the new initiative will revitalize the entire “**outsourcing industry**”, which has been hit over the past year by sluggish growth and overcapacity. Peter Bendor-Samuel, CEO of the Everest consulting group in Dallas: “The scale of this is beyond anything that's been contemplated before ... this is a quantum leap forward in the size of the outsourcing market.”

- US labour groups **are upset** by the plans and Bobby Harnage, the president of the American Federation of Government Employees, says Bush has “declared all-out war on federal employees.” He says the initiative will strip government workers of civil service protections.

Harnage sees the new policy as a major expansion of a trend that has been taking place in US government at all levels for the last two decades. State and local governments as well as Washington have been hiring private companies to pick up trash, run prisons, collect traffic tickets and do much of the other mundane business of government.

- President Bush's administration is vague about how much money this initiative might save. The President's Budget puts the savings in the order of 20% and other officials say 30% — enough to **save many billions of dollars** a year in a \$2 trillion Federal Budget. But Paul C. Light, an expert on the federal bureaucracy at New York University, says that firm evidence of savings in the long run is sketchy, in part because private contractors sometimes won the business with low bids and then **pushed their prices up** after the government work force has been disbanded.

THE ALEXANDRIA DECLARATION

WE THE PARTICIPANTS in the first Youth Employment Summit (YES 2002), meeting at the Bibliotheca Alexandrina, in Alexandria Egypt, hereby reaffirm our profound commitment to a decade-long global campaign for the creation of hundreds of millions of additional opportunities for sustainable livelihoods for youth all over the world. A paradigm shift on Employment is needed. Quality is as important as the quantity of jobs created. The poor, living on less than a dollar a day, cannot be locked into a life of deprivation. We must move from unskilled to skilled occupations, from low paying to high paying jobs, from subsidized public employment to sustainable productive livelihoods.

WE RECOGNISE that these goals can only be met if all actors agree to address a number of important issues: peace, fair trade, market access, technology transfer, capital flows and poverty eradication. This will require redoubled efforts from the entire international community, and donors must meet their commitments and give special attention to projects and programs for youth employment. Convergence and greater synergies between different initiatives and programs dealing with youth employment will benefit youth.

While national governments have a special responsibility for according overriding priority to youth employment and for creating the necessary policy framework, we recognize that all segments of society must collaborate to empower youth to become the artisans of their own future.

TO THAT END, we engage ourselves to support vigorous action in each of the following areas:

Employability: To ensure access for all youth to appropriate education and training followed by adequate support during the transition to work, regardless of their location or background. We cannot confront the challenges of tomorrow with yesterday's skills. Educational institutions must show unprecedented imagination and vision, using new tools for new times. They must impart marketable skills, promote self-esteem and shape a worldview that embraces the new, opens up to the other, and rises to the challenge of the untried.

Employment Creation: To adopt those policies that will encourage job-led economic growth, reduce the bias towards capital, and foster the institutional structures that can provide the advantages of scale at both the production and marketing phases of micro-enterprises supported by micro-credit. The corporate sector has a major responsibility in supporting micro-enterprises and self-employed youth through mechanisms of franchising, outsourcing and buy-back arrangements.

Equity: To provide equal opportunities for all to realize their full potential. Education, health and nutrition are fundamental rights for all. Special attention must be given to the needs of the disabled, the rural, and the marginalized groups in society, and above all, to young women, whether in education or when entering the labor force for the first time, and who in many parts of the world still suffer from discriminatory barriers. No society has truly advanced by depriving itself of the talents and abilities of half of its population.

Entrepreneurship: To engender the special creativity of youthful entrepreneurs, who see social and economic opportunities where others only see problems. Entrepreneurs, whether they are working in the villages or in the capital markets, are the visionaries who generate livelihoods for themselves and for others. We need to encourage, nurture and support their quest for the new and the untried.

Environmental Sustainability: To seek sustainable employment opportunities based on attention to water, land, energy, the atmosphere, biodiversity and eco-system management. It would be shortsighted to destroy our environment in the quest for transient employment opportunities.

Empowerment: To harness the uncommon opportunities of the ICT revolution to include the excluded and reach the unreached in terms of knowledge and skill empowerment. The whole constellation of institutional arrangements from credit to resource-use, from marketing to connectivity and content, must be structured in a way that empower youth in their quest for sustainable livelihoods.

WE RECOGNISE that solutions to problems must be homegrown and responsive to the particular socio-cultural and economic context. But we can all learn from the experiences of others, and derive strength from our common purpose. Thus national campaigns through the YES Country Networks must be embedded into a global campaign that will help share knowledge and experience. The Global Knowledge Resource of the campaign should help make the best practices of the few into the common practices of the many.

The cost of inaction on the issues of youth employment are too dreadful to contemplate. We must act now to start the process of creating this better future. We shall act now and in the future.

The goals are inspiring, but the tasks are enormous. To those who ask, can it be done? We say with youth organizations and networks spearheading this global campaign... **YES!**

It can be done. It must be done. It will be done!

VOICES

on THE GLOBAL AGREEMENT ON TRADE IN SERVICES (GATS)

“Services are the public tangible manifestation and expression of our shared values as citizens. How we choose to heal our sick, teach our kids, protect our water, connect to one another through transport and communication are expressions of our collective vision for society.”

— Naomi Klein, author of **“No Logo”** and **“Fences and Windows”**

“In the GATS agreement, “services” are defined with extraordinary broadness as pretty much anything you couldn’t drop on your foot. The uninitiated might think that getting healthcare free at the point of delivery is a right in Britain. To the WTO, it is a commercial service. Everything from the funding of students to the management of landfill sites is a service. According to the United Nations, 60 per cent of the world’s cross-border corporate mergers and acquisitions in 1999 were in the service sector. Services are what the clever corporate money is into.”

— Nick Cohen, columnist for **New Statesman (UK)**

“Services industries are vitally important to New Zealand’s economy, and an increasing component of trade. According to figures from Statistics New Zealand, our services exports have increased by 55 % since 1997. Last year services exports were almost 25% or \$10,033 million of total exports earnings, and are growing faster than goods exports.

“We expect the WTO GATS negotiations to create opportunities for New Zealanders to increase their exports in innovative industries such as engineering, architecture, education, consultancy, environmental management and tourism. New Zealand’s services requests reflect the creativity and diversity of New Zealand’s services exports, and our strong belief in their value to foreign consumers...”

— Jim Sutton, **New Zealand Trade Negotiations Minister**

“New Zealand’s services industries are internationally competitive and have been pressing the Government to seek the reduction of trade barriers in negotiations with Singapore and Hong Kong. Negotiations in the GATS could open up new global opportunities for financial services, consulting, engineering, education and postal services.

“GATS is the most misunderstood of all the WTO rules. The GATS does not require governments to privatise essential services like education or water or to offer government subsidies to private providers. Under GATS countries are free to continue

to regulate in the national interest and to maintain exceptions. But they cannot not expect other countries to liberalise when they are not prepared to do so. That applies particularly to Europe where many services sectors are still heavily protected”.

— Stephen Jacobi, **Executive Director, New Zealand Trade Liberalisation Network**

“The leak of European Union “requests” of New Zealand confirms what Arena and many international critics have claimed: that the GATS is a Trojan Horse for the takeover of core public and essential services by transnational companies aligned with the EU and US. Once commitments are made, governments can only change their minds at a price which almost none can afford. The backlash we are already seeing from these documents is another nail in the coffin for the WTO’s attempt to dictate how governments meet their people’s needs ...”

— Professor Jane Kelsey, **Arena Network**

“Decision-making on [domestic regulation] is passing from democratically-elected governments (including local governments) to appointed tribunals and dispute-settlement panels at the WTO in Geneva. It could be argued that a trade panel determining the appropriateness of “regulations” from safety standards for manufactured goods to the licensing of hospitals to public water quality testing, is undermining governments’ sovereignty.

“Governments can complain about the laws or regulations of other governments to a panel of trade law experts. There is no right for local authorities to complain or defend themselves in these situations. A local authority being challenged would have no right to present to the panel its reasons for passing a particular regulation nor could it comment on the practicality of “less burdensome” options.”

— from **Christchurch City Council report on GATS and the potential repercussions for local government**

“The establishment of an international agreement is of course not, in itself, a cause for concern. The reason the GATS has such major implications is because it relates to the ‘rights’ of service companies from one country to operate in another country. This trade agreement is no longer about border taxes (tariffs) and quotas. It is about requiring that domestic regulations are not ‘unnecessary barriers’ to trade or are not overly ‘burdensome’. The GATS therefore intrudes further into domestic regulatory policies than any other trade agreement and has massive implications for how governments intervene in markets and for democratic decision-making. “

— from **“Serving (Up) the Nation” guide to the WTO General Agreement on Trade in Services published by the World Development Movement (www.wdm.org.uk)**