

SECTION 1: INTRODUCTION

Ruth Rikowski

The idea for the theme of this issue of *Information for Social Change* (ISC) emerged originally from attending an inspirational Globalise Resistance Conference in February 2001, at Hammersmith Town Hall and then reading *The Battle in Seattle: Its significance for education*, written by Glenn Rikowski and published in March 2001. Glenn's book focused on the World Trade Organisation's (WTO) education agenda and the privatisation of education in England. It also explored the significance of education for anti-capitalist struggles. ISC members thought that a similar analysis of information and libraries would be worthwhile.

Thus, I became the editor of this Globalisation and Information issue and began undertaking some research. I soon discovered that the facts supported many of the worst fears and concerns that we had. In particular, I found that the International Federation of Library Associations and Institutions (IFLA) had a resolution on the WTO on its web site. Furthermore, various other library associations also had WTO resolutions and they were all very concerned about the likely effects of the WTO and the GATS (General Agreement on Trade in Services) on libraries. The basic fear was that at some time, in the not-too-distant future, libraries and information will become commodified and will operate in the market place and that this will override concerns for the 'public good' (as described by IFLA).

Globalisation and Information is an expansive topic, so the issue has been divided up into different subject areas. These are 'Globalisation and the WTO', the 'GATS', 'Libraries' and 'Information and Knowledge'. The section on 'Globalisation and the WTO' considers the meaning of 'globalisation' and what the WTO is. This section begins with **Bill Lehm's** article 'One law for the rich...' Lehm's article links up the privatisation of public services with the Blairite 'modernisation' programme. He is particularly concerned about how restrictive and unjust the law is today, and he says:

It seems that there are so many Acts restricting your ability to act that you have fewer ways to act without breaking the law than you ever had before.

He also refers to the Schengen Information System (SIS) which is a computerised information exchange system based in Strasbourg. SIS is a list of people who could be perceived as being 'potential troublemakers'. Later in the article he refers to Paul Robinson who worked in the University College London library and was arrested at the anti-capitalist protests in Gothenberg. Robinson was later given a one-year prison sentence. Lehm speaks about the unjust way in which Paul Robinson has been treated, and concludes with a critique of a legal system that favours business interests against those of ordinary people.

Glenn Rikowski's article provides an analysis of globalisation and an account of the history and development of the World Trade Organisation. He also demonstrates a general approach for relating the GATS to the mechanisms and enablers that ensure particular public services in particular countries fall in line with the GATS imperatives. Rikowski calls these mechanisms and enablers the 'national faces of the GATS', and argues that the GATS change the nature of (transfigure) particular public service developments so they support the realisation of GATS directives.

Victor Rikowski (who is 14 years old) explores globalisation from a child's perspective. He feels very concerned about the future of our planet. Victor is particularly concerned about the HSBC bank that goes into his school and the extent to which HSBC might make a base in other schools. Thus, he is focusing on the likely privatisation of our public services. He fears that the millionaires will rule the millions and that this will have a devastating effect on our planet (especially in regard to environmental issues). He concludes:

As Dave Nellist said..."Help the millions and not the millionaires"...However, global capitalism continually says, "Help the millionaires rule the millions", and this has to be stopped...

There are two articles in the section on the GATS. The first, by **Clare Joy** explains how the GATS effects many different areas of our life – indeed, it covers 160 different services. As Joy says, these services include libraries, medical and dental services, refuse collection, higher education, postal delivery, railways, department stores, radio stations, mobile phones and financial services. She then describes different aspects of the GATS, such as the 'bottom-up' and the 'top-down' approach. She also emphasises the point that once a government signs up a service, it could face a challenge from the WTO if it implements legislation that favours local suppliers over foreign suppliers. Joy highlights the threat to democracy posed by the GATS.

Anneliese Dodds, referring to the GATS in relation to higher education and libraries, notes that: 'Once HE and library services are placed under WTO control they will in effect be so forever.' She adds:

The charges used by many libraries for particular services (book recall, hiring of music and videos, use of the Internet etc) may also open this sector to the GATS regulations.

...and refers to the possibility of 'impoverished and biased information provision.' Dodds provides many insights regarding the WTO and the GATS throughout her article, and concludes that:

Universities and libraries are simply too important to be handed over, through GATS regulation, to governance by a small number of often inept and ideologically-driven WTO bureaucrats.

Ruth Rikowski opens the section on 'Libraries' with 'The Corporate Take-over of Libraries'. She begins with a brief glimpse at the history of the public library service in the UK and then proceeds to illustrate how this is under threat with the GATS. Rikowski shows how the corporate takeover of libraries can be placed within three categories – commercialisation, privatisation and capitalisation. She provides some examples to illustrate how this is already happening. PFI has been introduced into various sectors, for example, and income generation has been taking place for a number of years. Within this framework, Rikowski then considers Best Value, library standards and the Peoples Network – which are all mechanisms that will enable the GATS to take effect in our public libraries. She then highlights the fears and concerns of various NGOs and library associations (such as IFLA and the Canadian Library Association) in relation to the GATS. Rikowski concludes with some thoughts for the future, emphasising the need to think as well as take action.

Fiona Hunt considers the WTO and how it could effect libraries. She presents a possible scenario whereby a public library is supported by local taxes. An information services company then enters the market and demands the same level of subsidies and tax support that the public library gets. She argues that the government would probably cut or eliminate public funding in order to avoid these types of claims, thus she holds the same opinion as Dodds in this respect. She also argues that the GATS could affect the professional qualification requirements. Hunt concludes her article by expressing the concern that perhaps, in the future, only the rich will be able to afford information and then makes various suggestions about what people could do to try to stop all this from happening.

The section on 'Information and Knowledge' begins with **Shahrazad Mojab's** article 'Information, censorship and gender relations in global capitalism'. Mojab begins her article by dispelling the myth that the Internet and the Information Superhighway will solve most, or at least many, of our problems, particularly in relation to censorship. She then notes the mechanisms that have been put in place to curtail our liberties since September 11th 2001, and says that:

This includes a well financed machinery of surveillance, which allows the government to wiretap telephone calls, read faxed and e-mailed messages, computer files, and every other communication of any and every citizen.

She speaks about women and censorship in particular, and says that not only does it deny "women access to information, but also limits their participation in the creation of knowledge, and denies them the power to utilize knowledge." Shahrazad speaks about the need to challenge patriarchy. Returning to globalisation, cyberspace and women she notes that:

The cyberspace is much like the realspace that creates it. The fact that many individual women or groups can set up their own websites does not change power relations in the realspace.

She concludes with some suggestions about what to do in the future. This includes creating theoretical and empirical knowledge about gender-based censorship and making this knowledge available to policy makers.

Alex Nunn invites us to examine the knowledge economy and, allied to this, the extension of 'commodification to ever more areas of life to the point where even our own bodies might be the vehicle for capital accumulation.' Nunn alerts us to the current pre-occupation with the 'knowledge economy' and notes that:

...the 'knowledge cacophony' is actually an attempt to mask the reality of a continuation of capitalist social relations and the extension of commodification to ever more areas of social life.

Later, Nunn refers specifically to higher education (HE), saying that it can be seen as the 'lynch pin' of the knowledge economy strategy. He refers to Public Private Partnerships and Private Finance Initiatives in higher education, the reduction of state funding and the encouragement that universities are given to look for private sector sources of funding. He cites the University of Phoenix as an example of the direction in which HE might be going. This is a private for-profit university that offers distance education through an online interface. Nunn then warns us about the dangers posed to the public library service through the implementation of the GATS. As he indicates:

Public libraries could find themselves in ever more competition with for profit knowledge institutions and if the GATS framework were extended to libraries then that competition would be intensified through the ending of public subsidies to public library provision.

Patrick Ainley invites us to consider the concept of the 'Learning Society'. He says that the government and the CBI define the 'learning society' as 'one that systematically increases the skills and knowledge of all its members to exploit technological innovation and so gain a competitive edge for the services in fast-changing global markets.' He then describes how we are witnessing 'rampant qualification inflation' as it seems that more and more people want and need to get qualifications, and that this is leading not to a 'learning society' but to a 'certified society'. In the 'Learning Society' today: 'knowledge and skills are individualised and limited to portfolios of information and competence, while learning is separated from leisure and popular culture. Education and training's main purpose becomes social control outside of work and managing organisational change within employment.' Ainley says that what is required is a re-establishment of the central role of education, science and the arts in society to 'stimulate thought and develop new knowledge and skills to deal with a rapidly changing reality.' He concludes by noting that 'only information combined with democracy can provide the knowledge and skills necessary for survival in a real 'Learning Society.'

Jonathan Rutherford begins his article by saying that we need to consider the alternative to the marketisation and privatisation of our public services and alerts us to the fact that we need to take seriously Blair and Brown's commitment to the marketisation of the welfare state. He then goes on to emphasise the importance of knowledge in today's globalised economy and notes, as people like Nunn have, that universities are now being funded more like commercial organisations. Rutherford argues that:

Neo-liberal capitalism geared to the pursuit of profit, is incapable of the kind of sustainable development necessary for effectively and equitably managing and distributing the intangibles of knowledge creation. Knowledge is a public good, but knowledge capitalism is avaricious in expropriating the cultural meanings, symbols and knowledge it requires to increase its productivity and create new markets.

Universities have all too easily become prey to 'knowledge capitalism' and yet, concludes Rutherford, in the future there is a need to 'nurture and sustain learning' within the public sector 'where ideas can circulate and develop free of exchange value'. Thus, both Rutherford and Ainley offer us some hopes and ideals for the future, although it is important to emphasise that it is the roots of the social universe of capital itself that need to be exposed and understood before it is even possible to really begin to see hopes for a world beyond. Without this, the ideas of radicals and critics will just be subsumed within capitalism itself (if they are thought to be useful).

The issue concludes with an **ISC statement on *State Terrorism, Censorship and Repression*** – drafted by Martyn Lowe, and information about ***Libraries under Fire***, a session to be held at the forthcoming IFLA Conference, Glasgow, August 18-24, 2002.

This Special Issue has addressed many developments and trends regarding the business takeover of libraries and information. Any comments would be warmly welcomed.

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SECTION 2: GLOBALISATION

One law for the rich...

Bill Lehm

How do you get arrested for advocating respect for the law? People are now in prison for committing this very crime. Why?

The acronym GATS stands for the General Agreement on Trade in Services. The General Agreement on Trade in Services was originally agreed at the WTO in 1994. The aim of this agreement is to remove any restrictions and internal government regulations in the area of service delivery that are considered to be 'barriers to trade'.¹

The phrase 'restrictions and internal government regulations' is a euphemism for the word 'laws.' Why didn't they use the word 'laws' in their document? Well, people become very emotional about laws and, more specifically, the law. Most people have the utmost respect for it and believe that it is one of the few barriers

we have between civilisation and barbarism: unscrupulous people, people who are very sophisticated but not very civilised, should not be allowed to do exactly what they want to.

Those laws that address environmental issues, planning issues, trade union rights, safety, fundamental human rights and the public provision of public services will, without question, become 'barriers to trade.'

Public libraries and most academic libraries are public services. The World Trade Organisation considers that private businesses or corporations should provide all public services. We live in an information economy. This means that information has to be paid for and it could mean that you have to pay to borrow or pay a subscription or it could mean that, because people could borrow books rather than buy them, libraries could be declared illegal. This is not as far-fetched as it seems: libraries themselves would become 'barriers to trade'.

And the Internet? Remember that the most important word in all this is 'trade'. Anyone who provides information for free could be prevented from doing so because that would make it less likely that a company/corporation could successfully charge for providing the same information or, as they would put it, trading the information.

Even if this were not to happen do you believe that a corporation would allow access to all information, especially that which took a less than rosy view of its own operations. Imagine if those paradigmatic multinational corporations Nestle, Macdonald's or Exxon went into the library business.

The WTO is the main reason that Tony Blair persists with his policy of privatising every public service he can think of even though opinion polls say that only one person in ten in the UK is in favour of it. This is hardly democracy in action. But the UK is a fully signed up member of the WTO and we therefore have to do what they say. Do what who says? Sorry, we don't know their names. Who elected them? Sorry, they weren't elected? Can we appeal against their decisions? Sorry,...

In Seattle in November 1999 a demonstration developed over the period that the WTO were meeting there. It was one of the first big demonstrations against their activities in the 'developed' world although many demonstrations had taken place all over the undeveloped world for many years previously. Thousands upon thousands of people had demonstrated in places such as Latin America, Indonesia, Thailand, and India where as many as 250,000 people have demonstrated more than once against measures inflicted upon them by the WTO, the IMF and the World Bank. Please do not refer to these countries as 'developing countries' - the interest they have to pay on their loans prevents them from developing. The term is an IMF euphemism used to deny the reality of their situations. Since Seattle there have been demonstrations in Quebec, Melbourne, Prague, Washington, Nice, Barcelona, Gothenberg, Salzburg and Genoa, as well as many other places where these organisations or those who influence them such as politicians, bankers and industrialists meet.

At the EU summit in Gothenberg on June 15th 2001 police officers fired 12 shots and injured three people including 19 year old Hannes Westberg who lost a kidney and his spleen as a result. In Genoa in July countless people were beaten in their sleep in the Diaz school which was supposed to be a safe haven. The walls literally ran with blood. And one person in Genoa, 20 year old Carlos Guiliani, was shot through the head and died. In Gothenberg on June 15th a bullet missed a demonstrator's head by centimetres: he was saved by a lamppost. Not one policeman in either city has since been charged with any offence. The implication is that police forces throughout the EU have carte blanche to shoot demonstrators knowing that they will not be called to account for doing so.

We have the Human Rights Act to protect us in the UK but we also have the Criminal Justice Bill, the Regulation of Investigatory Powers Act and the Electronic Powers Act, and the updated Prevention of Terrorism Act which put together seem to make up as effective a tool to undermine the Human Rights Act as it possibly can be. It seems that there are so many Acts restricting your ability to act that you have fewer ways to act without breaking the law than you ever had before. Especially if you chose to show dissent to anything the lawmakers, restrictors or internal government regulators do. Unless, of course, you are a multinational corporation, or a member of the security forces, a judge or a Cabinet Minister (but not an ordinary Member of Parliament - they can be Whipped anytime). Oh, and there are also cameras everywhere watching almost everything you do.

And some tools can be used to restrict people, which have not been discussed by Parliament at all. Schengen is a small village in Luxembourg not much bigger than our Houses of Parliament. There, in June 1985, EU member states agreed to abolish controls at the borders between them by 1990 to allow for the free movement of their nationals. Part of what is known as the Schengen Acquis is the Schengen Information System, which was launched in March 1995. The Schengen Information System (SIS) is a computerised information exchange system based in Strasbourg, which is available to the police forces of all member states. This is basically a list of names of people considered to be potential troublemakers. You do not need

to have a criminal conviction to be included on it, you do not even have to have been given a warning to be included; you simply have to be suspected of having the *potential* to cause trouble.

The information contained on the Schengen Information System does not have to be accurate. It may more honestly be referred to as the Schengen Suspicion System - the 'suss laws' reinvented and applied over a much wider area but in a way that you don't even know it's happening until the day you are prevented 'in the interests of public order and security' from entering a country where a protest is expected, or if you are suspected of some kind of criminal act in a country you have just returned from and find yourself being extradited. Impossible? You would be amazed: this is exactly what this 'information' (here a nod and a wink is in order) will be used for. But surely the Data Protection Act applies? Sorry...

The UK Select Committee on the European Union in the House of Lords had grave reservations about the lack of Data Protection provision in the Schengen Aquis. That doesn't matter: 'In the UK the ratification process will, as usual, be a mere formality with the Convention simply being "laid before the House" (under the "Ponsonby rules")'.² The Ponsonby Rules are those antiquated parliamentary procedures which include the Royal Prerogative that prevent the UK from ever becoming an elective dictatorship by ensuring that we always have an elected monarchy in place, instead of in parallel to the hereditary one.

Don't worry, we have the courts. But a mention in the Schengen Information System will almost certainly merit a mention in the courts and recourse to law will only be in national courts, not at the European Court of Justice. As a matter of fact most of the member governments made Herculean efforts to ensure that recourse to law could not be in the European Court of Justice. And, of course, there is no such thing as an international criminal court.

At the EU Summit meeting held in Gothenberg in June where George Bush was a guest, three people were shot at demonstrations and over 50 arrests were made. Some were subsequently released but others went on trial. Most were charged with "violent riot," an offence, which, at the time, invited a prison sentence of two or three months, based on precedent. Paul Robinson, an English Library Attendant who works at University College London, was among them.

On the 15th, Paul was arrested at a street party which the organisers had agreed with the police would end at 10 p.m. The police attacked the crowd at 9 p.m. The time on Paul's arrest record, 9.40 p.m., is when the documentation was being filled in at the Police Headquarters quite a distance from the scene of the party. Video evidence presented to the court showed him rolling a stone about two metres parallel to the police lines into a gutter where it came to a stop without coming near anyone let alone hurting anyone. He was separate from the main body of the crowd and among a crowd of journalists and photographers. He had actually tried to leave the scene but was prevented from doing so by the pressure of people. He admitted in court that what he did was stupid but the evidence shows that he was not aiming the stone at anyone or trying to hurt anyone. The gesture was not even one of sympathy with the crowd, it was merely one of frustration.

At the court, the prosecutor held one stone in each hand. In the hand nearest to the bench was a large stone which, he pointed out, was similar in size to those thrown at the street party, in the hand furthest from the bench was a much smaller stone which, he said, was about the size of the one Paul rolled into the gutter. However, during his 40 minute summing up, he kept raising the larger stone, drawing the bench's attention to it and away from the smaller one. The prosecutor also mentioned the fact that Paul had been tried in December 2000 for a similar offence in London. What he did not mention was that the demonstration he was arrested at in November 1999 was called by the Railway unions at Euston Station in London to protest against the declining safety standards on the railways in Britain and that he was found not guilty on all charges. The Schengen Information System. The bench in Gothenberg consisted of a judge and four politicians all of whom lived locally. So did the Prosecutor. So did the officer in charge of policing the event. The trial had nothing to do with justice - it was an opportunity for revenge. It was a show trial. The following week it was announced that Paul had been sentenced to one year in prison.

At his second trial (not strictly an appeal - all those charged under Swedish Law are entitled to two trials as a matter of course) the police witness who was also a witness at 23 other trials kept referring to Paul as a terrorist. Paul objected to this, especially in relation to what had happened the day before when the World Trade Centre had been bombed. The judge allowed the witness to continue in the same vein. The original sentence was subsequently confirmed. Almost all Swedish people I have spoken to would prefer their legal system to include juries on the British model. Successive British Home Secretaries have done their utmost to limit juries in British courts.

Since September 11th the Council of the European Union has put forward a definition of "terrorism" in which a "terrorist offence" would include actions "with the aim of seriously ... affecting or destroying the political, economic or social structures of a country or of an international organisation" "Such a broad definition would

clearly embrace protests such as those in Gothenberg and Genoa.”³ The UK and Ireland don't even want the word 'seriously' included. What affects the political structures of countries? Opposition parties, news media, pressure groups, elections, and any kind of dissent. The crippled, corrupt system of government we have in the western world which, for the convenience of certain interested parties, is labelled "democracy" can finally be laid to rest.

On October 10th, 'A group of prominent non-governmental organizations (NGOs) based in industrialized countries sent a sharply worded letter to the World Trade Organization (WTO) charging that it "is facing a fundamental crisis of legitimacy" which requires comprehensive institutional reforms ... Trade ministers often represent or listen to only certain business interests, which results in policies that "are unbalanced or otherwise lack legitimacy."⁴

On October 15th, David Blunkett, the Home Secretary, said: "It is the first job of government and the essence of our democracy that we safeguard rights and freedoms, the most basic of which is to live safely and in peace."⁵ In the comedy science fiction film Mars Attacks the Martians always say "We are your friends" as they laughingly kill the helpless Earthlings. I had no idea when I first saw it that I was watching the most politically astute film of the millennium so far. If the law cannot protect and defend ordinary people from the excesses of criminals, the security forces, prosecutors, politicians or corporations, how can ordinary people possibly have any respect for the law? Indeed, they would probably have exactly the same level of respect for their country's laws as that outlined in the General Agreement on Trade in Services.

Notes

1. <http://www.wdm.org.uk/campaign/GATS.htm>
2. http://www.poptel.org.uk/cgi-bin/dbs2/statewatch?query=schengen&mode=records&row_id=18288
3. <http://www.statewatch.org/news/2001/oct/08counterr.htm>
4. Gustavo Capdevila: <http://www.wtwatch.org/news/index.cfm?ID=2901>
5. <http://www.statewatch.org/news/2001/oct/09ukterr1.htm>

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Transfiguration: Globalisation, the World Trade Organisation and the National Faces of the GATS

Glenn Rikowski

Globalisation: Its four dimensions

Over the last twenty years the academic literature on globalisation has burgeoned. It will not be summarised here. The initial aim is to indicate that globalisation is a process that has a number of dimensions. It can be approached from various degrees of abstraction. I have identified at least four dimensions to globalisation as a set of social processes. There may well be more than four – but that misses the point. The key point is to uncover what is at globalisation's *core*, for only in this way can the full extent of the threat to the public services in contemporary social life be appreciated. This core is the *value-form of labour*.

First Dimension

As Peter McLaren (2001) and others have indicated, for postmodernists and those interested primarily in *cultural* phenomena, globalisation has been associated simultaneously with the cross-fertilisation and increasing hybridity of cultural forms and identities on the one hand and the homogenisation of culture on the other. The latter trend is manifested in the standardisation of culture, summed up by the concept of McDonaldisation – the product is the same wherever you are. On this basis, globalisation as the embrace of consumer products such as Nike, the GAP, Nokia, Sony and McDonalds incorporates cultural conformism. 'Globalisation' in this sense points towards global markets, consumer identities and choice.

Of course, billions throughout the world cannot afford many of the products associated with upbeat lifestyles and cool dude poses. Drawing on the work of Teresa Ebert, Peter McLaren argues that globalisation as a set of cultural processes emphasises 'global symbolic exchanges relating to values, preferences, and tastes rather than material inequality and class relations' (2001, p.4). Therefore, notes McLaren, in this sense it refers to a 'cultural logic' that stops short of analysing the production relations that power it. To explore this

first dimension of globalisation alone is not erroneous, but it is certainly superficial. Furthermore, the focus on market identities, relations and choices becomes ideological if the underlying social relations of production are masked or avoided in the analysis. What is required is an analysis of globalisation from political economy.

Second Dimension

The second dimension of globalisation is the familiar ground of much political economy, sociological analysis and studies in international relations. The focus is primarily on the way that the powers and significance of the nation-state are eroding in the face of forces of global capital that have been let loose in the last twenty years or so. Again, drawing on recent work by Peter McLaren, the essence of this perspective on globalisation is that it incorporates a focus on the state and 'explores the relationship between the local and the global and whether globalization means the reorganization or disappearance of the nation-state' (2001, p.4). These political theorists of globalisation, argues McLaren, 'generally argue about the sovereign status of the nation-state. They argue that local legal codes, local currencies, and local habits and customs that enable the rise of capitalism now serve as constraints on capital, so that now the new transnational institutions more suitable to the new phase of capitalism are developing' (*ibid.*). The new transnational organisations are primarily the World Trade Organisation (WTO), the International Monetary Fund (IMF) and the World Bank, which, the story goes, are increasingly taking on world governmental roles for the interests of capital in general and transnational corporations in particular.

To complete this form of analysis, economic factors such as the deregulation of labour and financial markets, the 'communications revolution' through the Internet, the growth of e-commerce, knowledge as a leading factor of production, and many other economic developments are brought in. The speed, intensity and volume of economic transactions increase, and the markets never sleep. The point is that in this form of analysis these technological and economic trends, together with the rise of transnational institutions regulating world trade, finance, competition and investment, are seen to be undermining the political integrity of the nation-state. Since the integration of the old Eastern Bloc countries and China into the world economy, *global capitalism* has become a reality. Werner Bonefeld (1999) has summarised many of these interrelating political and economic trends that together summarise what many take as 'globalisation' (see Box 1).

BOX 1: Globalisation

- The increasing importance and significance of the financial structure and the global creation of credit, leading to the dominance of finance over production.
- The growing importance of the 'knowledge structure': knowledge is said to have become a significant factor of production.
- The increase in the rapidity of redundancy of technologies and the increase in the transnationalisation of technology: an emphasis on knowledge-based industries with increasing reliance on technological innovation.
- The rise of global oligopolies in the form of multinational corporations: corporations appear to have no choice but to 'go global', and multinational corporations and transnational banks have become the significant power centres beyond national states and economies.
- The globalisation of production, knowledge and finance is viewed to have led to a decline in the regulative power of national states. This is accompanied by the rise of global authority structures - such as the United Nations, the G7 (now G8) group of industrial powers and the WTO, International Monetary Fund (IMF) and World Bank.
- The 'new freedom' of capital from national regulative control and democratic accountability is held to have led to increased ecological destruction, social fragmentation and poverty - as well as having effects for personal identity as global media corporations homogenise, customise and niche market their products.

(Adapted from Bonefeld, 1999, pp.76-77)

This second dimension completes the *descriptive* account of globalisation. We can pinpoint its trends, developments and characteristics. Yet no real explanation of why capital becomes *global* can be derived from such descriptions – however detailed. Without a deeper analysis, global capitalism remains an enigma and appears as an overwhelming force, as inevitability, such that attempts by governments to run against it in the interests of labour or the environment seem Quixotic.

Third Dimension

The third dimension of globalisation appears to yield a more abstract account. It rests on an appreciation of our living within a particular *social universe* (Postone, 1996): the *social universe of capital* (Rikowski, 2001b, 2002). Furthermore, globalisation is not just an a-historical process; it takes a particular social form. It is *capitalist* globalisation, the globalisation of capital.

The substance of capital's social universe is *value*, specifically surplus value that is created in the labour process and is incorporated in commodities (which are either material or immaterial). Surplus value is value over-and-above that incorporated in commodities equal to that represented by the wage. Thus, it represents unpaid labour. Surplus value is also the first form of the existence of capital, and it has a *social existence* that is transformed into other forms of capital – money being its universal form. Value and surplus value are created as we transform our labour-powers into concrete labour through commodity production. Out of surplus value come corporate taxes, rent, and revenue for the next production cycle and other deductions, but also, and most importantly *profit* – distributed to owners and shareholders. Increasingly (historically) the whole of social life is drawn into the orbit of capital, and all of civilisation becomes increasingly capitalised. Through our labour we create a social force and set of social relations – capital – that come to dominate us (Postone, 1996).

Capital's social universe is an expanding one; and globalisation on this third dimension summarises this. This expansion takes three main forms. First, spatially as capital fills all known socio-physical space (and this is not just confined to this planet). This is capital's *extension*. Secondly, capital expands as the differentiated form of the commodity, through the invention of new types of commodity. It expands through variegated and differentiated examples of itself. This is its *differentiation*. Thirdly, capital expands through *intensification*; it deepens and develops within its own domain. Of course, explaining why capital expands and how the mechanisms of its expansion function requires much complex analysis that we cannot pursue here. The key point is that the processes of capital's expansion outlined above *take over* and suck in, like a social vortex, all forms of social life such that they become *commodified*, become incorporated within capital's social universe.

An appropriate example of capital's rapid expansion is what is happening today in education in England; it is being *capitalised* at an increasing speed (Rikowski, 2001a; Monbiot, 2002). The WTO's education agenda is to speed up the capitalisation of education through its privatisation, liberalisation and marketisation (Rikowski, 2001a). In England, this involves capital's *extension* in particular (into new fields through the Private Finance Initiative, competitive tendering and so on in the UK), *differentiation* (especially through the development of new information and technology products designed specifically for educational institutions, something universities are themselves engaged in) and *intensification*. Similar developments can be discerned in relation to libraries. Increasingly they are operating within the orbit of capital, spinning out an increasing range of commodities that can be sold for profit and where whole libraries and library services are being viewed as potential sources of profit and bases for capital accumulation. The tragedy is that it is library workers' labour that enables all this. But this observation points towards the *weakness* of capital as a form of social life; it depends on our labour being expended in a particular form, the *value-form* – entailing the creation of value and surplus value. Our labour provides the social energy for the social relations and force that dominates us: *capital*. This tragedy need not be our Fate.

Fourth Dimension

Globalisation's fourth dimension builds on the conclusion to the third: that our labour takes a particular social form – the value-form. This is also an historical process; it deepens as the capitalisation of social life – the turning of all and any activity into a commodity that incorporates value – takes hold. The value-form of labour entails the creation of value so that profit can be drawn off from the surplus value created. This is at the core of 'globalisation'.

Translated into the world of library work, it is value (not *values*) that becomes crucial. Old traditional modes of working, professional values, notions of public service and putting community needs before the drive for profit – all become liabilities for capital accumulation as libraries shift from becoming public goods to private commodities. Community needs, user needs – indeed all needs in relation to library users – are placed within the context of the *market*. Through research they become marketing data for generating revenue and profits once the capitalisation of libraries reaches a certain point. Apologists for these developments will talk of the 'happy coincidence' between library users needs and revenue generation. With the capitalisation of public libraries the labour of library workers changes its nature; it takes the truly tragic form that labour in capital assumes. Ruth Rikowski's article (this issue) explores these processes in more depth. The key point is that the globalisation of capital ultimately results in a particular form of labour and a specific form of social life. These entail the sacrifice of human capacities for the generation of a set of oppressive and limiting social relations and social forces: *capitalist* social life – governed by the laws of value and money. Library work is subjected to these laws as capital incorporates it within its orbit.

The World Trade Organisation (WTO) facilitates and enables the capitalisation of all areas of social life. In particular, one of the WTO's key agreements, the General Agreement on Trade in Services (GATS) functions to open up public services to capital and its value-form of labour. It nurtures the operations of corporations that search the globe for profit-making opportunities. The next section provides a summary of the history and development of the WTO.

The World Trade Organisation¹

Whilst the Second World War was still raging, in 1943 the US and British governments embarked on a series of bilateral discussions aimed at designing a post-War international trading system free of the protectionism of the inter-War years (Cohn, 2000, p.205). In the autumn of 1945, the US State Department floated a document on trade and employment that was to be the basis of multilateral negotiations. It constituted an outline for a proposed International Trade Organisation (ITO). This document was developed as the basis for the Havana Charter that was discussed by 23 leading capitalist countries in March 1948. Meanwhile, in 1946, the same 23 nations met to discuss the much narrower issue of tariff reduction. At this meeting it was decided to meet up the following year in Geneva to negotiate to reduce tariffs on about a fifth of the world's trade. Thus, in October 1947 the first round of the General Agreement on Tariffs and Trade (GATT) resulted in these 23 countries signing up to the agreement, which became effective on 1st January 1948 (MSN Encarta, 2000a). Furthermore, the signatories agreed to accept some of the trade rules enshrined within the draft ITO charter (ahead of the forthcoming meeting in Havana) in order to protect the tariff reductions negotiated in Geneva.

Thus, the GATT emerged after the Second World War as a charter for the ITO, which was envisioned as an agency of the United Nations (MSN Encarta, 2000a). The ITO was to complement the World Bank and the International Monetary Fund in establishing international trade rules and co-operation (DTI, 1999b: 1). However, it was at the meeting in Havana in March 1948 that this broader scenario started to unravel. The main aim of the meeting was to attain agreement to the formation of a permanent ITO. The 1947 GATT agreement was to be incorporated within the ITO. The ITO charter was to have had 'an ambitious agenda' (DTI, 1999b: 1). It was to cover not just trading relations but also employment, international investment, economic development, services, competition, restrictive practices and commercial policy and commodity agreements. It also included the administrative arrangements for a permanent ITO (Penrose, 1953; Reisman, 1996; DTI, 1999; Cohn, 2000).

As Tabb noted:

The ITO was to impose order on the world trading system, in order to avoid the kind of protectionist downward spiral in trade which occurred in the 1930s. (2000, p.4)

The ITO was not ratified at Havana (or thereafter). Cohn (2000, pp.205-206) presents the ITO as a dog's breakfast, with complex rules and 'numerous escape clauses and exceptions in the charter [that] would interfere with trade liberalization' (p.205). He also noted the disruptive effects for the ITO charter of the strong US protectionist lobby (*ibid.*). Yet Tabb (2000) argues that it was the possibility of the ITO providing substantive protection on labour standards and meeting the needs of developing countries that effectively sank it. From a United States' perspective, the ITO framework for regulating international trade yielded too much to workers' rights and Third World countries' yearnings for preferential treatment in trade, and set too tight a leash on big corporations' market power (promising anti-trust laws) (Tabb, 2000, pp.4-5). On this score, the United States dragged its heels over ratifying the ITO. In 1950, the ITO failed to win ratification in the US Congress and was consigned to history. The GATT, meanwhile, remained in use to regulate international trade.

From its 'provisional' status as precursor to the ITO in 1948, the GATT provided a legal and institutional framework for international trade and tariffs to 1995 (DTI, 1999). Its participants were 'contracting parties' rather than members; the GATT was never formally constituted. It aimed at non-discrimination in the sense that all participants were to be treated equally, such that when a country reduced trade tariffs for one GATT participant it had to do so for all. Secondly, there was a clause that enabled a GATT participant to withdraw its tariff reduction if it 'seriously harmed' its domestic producers (MSN Encarta, 2000a). This was a loophole that GATT participants were keen to exploit, pointing towards a need for a more formal trade dispute mechanism. The GATT participants sponsored eight 'trade rounds' in all. The "Kennedy Round" (1962-67) established a set of trade negotiation rules when parties disagreed. The Tokyo Round (1973-79) established a series of non-tariff barrier codes of practice in the areas of government procurement, customs valuation, subsidies and countervailing measures, anti-dumping, standards and import licensing (Antweiler, 1995).

The final "Uruguay Round" (1986-94) broadened the GATT agreement further by limiting agricultural subsidies and including trade in services and intellectual property within its scope. This round also

established the World Trade Organisation (WTO). The GATT and the WTO co-existed throughout 1995, and the former was wound up in December 1995. Trade agreements established by the GATT became incorporated within the WTO agreement (MSN Encarta, 2000b). In 1995, GATT's functions were taken over by the WTO.

The WTO is based permanently in Geneva and is controlled by a General Council comprising member states' ambassadors (who also serve on WTO committees) (*ibid.*). The Ministerial Conference meets every two years, and appoints the WTO's Director-General (currently Mike Moore). It had a budget of £48m and 500 staff in 1999 (Legrain, 2000, p.30), and by 2001 a budget of \$78million and a staff of 530 (Economist, 2001a).² The Seattle meeting in 1999 was the 3rd Ministerial Conference. There were 135 member countries represented at Seattle, and a further 35 nations had observer status there. By 2001, the WTO had 142 member nations (Tibbett, 2001, p.10).

As Bakan (2000, pp.22-23) has noted, the WTO extends far the remit of the old GATT. It includes a series of other agreements, for example:

- Trade Related Investment Measures (TRIMS);
- Trade Related Intellectual Property Measures (TRIPS);
- General Agreement on Trade in Services (GATS);
- Sanitary and Phyto-sanitary Standards Agreement (SPS) (setting restrictive standards on government policies regarding food and safety and animal and plant health);
- Financial Services Agreement (FSA) – designed to remove all obstacles to financial services.
- Agreements on agriculture, information technology and telecommunications.

Furthermore, the WTO incorporates a complex Dispute Settlement Process. Tribunals operate in secret to settle disputes between member states. Only national governments are allowed to participate, and there is no outside appeals procedure (Working Group on the WTO/MAI, 1999, p.5). Rulings generate three possibilities. First, losing countries have a set time to comply and they must change their laws to conform to WTO stipulations. Secondly, if they refuse to do this then they pay *permanent* compensation to the winning country. The third possibility is that they face non-negotiated trade sanctions (*ibid.*). As Smith and Moran (2000, p.66) have noted:

What distinguishes the WTO among international agreements is its Dispute Resolution Panel. The panel possesses far-reaching sanctioning powers over member countries, which it uses to ensure compliance with WTO commitments. No other international body has such strong enforcement capabilities.

The WTO is 'the only global institution that even the US and the EU are supposed to obey', whereas the World Bank and the International Monetary Fund have influence only over 'weak developing countries', notes Martin Wolf (1999), a journalist for the *Financial Times*.

On disputes other than trade, the WTO operates on a system of 'consensus', but in practice this process is driven by the "Quad" – the US, the EU, Japan and Canada – whose representatives meet daily in Geneva to address these non-trade issues (Bakan, 2000, p.23). Representatives from the "Quad" are lobbied heavily by transnational corporations. Furthermore, representatives from transnational corporations 'sit on all the important advisory committees' deciding detailed policy and set the agenda (Price, Pollock and Shaoul, 1999, p.1889). Thus, the WTO provides an 'enforceable global commercial code' based on close relations with transnational capital, making it 'one of the main mechanisms of corporate globalization' (Working Group on the WTO/MAI, 1999: 1). It is a 'forum for trade rights of capital, on terms negotiated by the agencies of governments that represent the interests of capital. No other rights count' (Tabb, 2000, p.6). Trade barriers are essentially '*anything* that can limit profits made via trade or investment' (Puckett, 2000). Major corporations have lobbyists settled permanently at the WTO's lair in Geneva, and representatives of corporations sit on some of the many WTO committees and working groups.

The outlook underpinning the WTO is deregulation, with incremental 'freedom for transnational capital to do what it wants, where and when it wants' (Tabb, 2000, p.5). As William Tabb has noted, the 'WTO's fundamental postulate is that trade and investment liberalization lead to more competition, greater market efficiency and so, necessarily, to a higher standard of living' (*ibid.*). In practice, standards of living for many countries in the poorer South have declined absolutely or relatively (compared to the richer Northern nations) in recent years. These principles and propositions are the essence of the concept of "neo-liberalism" in international economy. However:

While its proponents say it is based on "free trade", in fact, the WTO's 700-plus pages of rules set out a comprehensive system of corporate-managed trade. Under the WTO's system of corporate-managed trade, economic efficiency, reflected in short-term corporate profits, dominates other values.

The neoliberal ideological underpinning of corporate-managed trade is presented as TINA – “There Is No Alternative” – an inevitable outcome rather than the culmination of a long-term effort to write and put in place rules designed to benefit corporations and investors, rather than communities, workers and the environment. (Working Group on the WTO/MAI, p.1 – original emphasis)

The anger directed at the WTO's 3rd Ministerial meeting in Seattle late November – early December 1999 was underwritten by over fifty years of capital-friendly developments in organisational changes in the international trading infrastructure. Yet Seattle was an instant within a series of acts of resistance to global capital. These included landless peasants (NST) movements in Brazil, Mexico's Zapatistas, the farmers of India's Karnataka state, a 50,000 strong demonstration in the Niger Delta, Jubilee 2000, the J18 Carnival Against Capitalism in London 1999, and more besides (Bakan, 2000; Madden, 2000). Peter McLaren (2000, p.26) reminds us that 10,000 protestors picketed the WTO's Second Ministerial Meeting in Geneva in May 1998. Ward and Wadsworth argue that: 'Seattle was not the beginning, but the result of many small to medium movements that have been gathering strength for over two years' (2000, p.4).

The Seattle Ministerial was set up to produce an agenda for the next “Millennial Round” of negotiations. When the “Millennial Round” opened in Seattle on 30th November 1999, the ministers and delegates were confronted by 40,000 anti-WTO protestors, which was more than the ‘20-30,00 thousand that shut down Interstate 5 to protest about the Vietnam War’ (Tabb, 2000, p.1). The protestors represented around 800 trade union and activist organisations from more than seventy-five countries (Tabb, 2000, p.2). The vibrancy, creativity and courage that they incorporated into their strategies for shutting down the Seattle Ministerial were stunning. Despite being shot at with rubber bullets, tear-gassed and pepper sprayed the mass of protestors prevented ministers and the WTO *entourage* from addressing their agenda; they ‘left Seattle in disarray’ (Bakan, 2000, p.19). As some have noted (e.g. Mandel and Magnussen, 1999), the limited discussions that did take place in Seattle merely showed up serious rifts within the WTO as some Third World countries set out to block proposals for the next trade round. Furthermore, some countries made pledges to ‘free trade’ whilst lobbying seriously for rules favourable to their own economies (Mandel and Magnussen, 1999, p.39). Finally, Marshall (1999) points towards familiar EU/US splits in Seattle. Even without the protestors it would have been no picnic.

The spirit of Seattle was kept alive by a series of protests against the International Monetary Fund (IMF), the World Bank, the World Economic Forum, the G8 and EU summits and the May Day resistances of 2000 and 2001 in many other cities across the world. These protests culminated in the massive Genoa demonstrations against the G8 summit in July 2001, where 300,000 people took part and the Italian police resorted to sealing off 50 blocks of the city and killing one of the protestors. Post-Genoa, those in the anti-capitalist movement were urged to build for the IMF/World Bank meetings of 29-30th September (El-Amine and Shooter, 2001). However, the events on the 11th September at the World Trade Center and the resulting “war against terrorism” and US/UK attacks on Afghanistan weakened seriously the anti-capitalist movement. The protests in Washington against the IMF/World Bank were low-key. The general climate meant that the Left faced charges of anti-Americanism and ‘supporting terrorism’, as well as a clampdown on civil liberties and the intimidation of dissenting intellectuals on campuses and in the media, which all made anti-capitalist protests difficult – especially in the US (McLaren, 2001). Secondly, in some countries sections of the Left transformed anti-capitalist movements into anti-war ones, almost overnight – a phenomenon witnessed in the UK. There were attempts to link the anti-war and anti-capitalist strategies, but the messages were often muddled. All this suited business leaders and heads of the leading capitalist nations. An anti-war movement was much less of a threat than an anti-*capitalist* movement; the former had been experienced many times before by the ruling powers and had been seen off. An anti-capitalist movement hits at the *roots* of capitalist society; an anti-war movement addresses some of its horrific symptoms. The former points towards a strategy, the latter indicates only *reaction* (fuelled by understandable anger and moral outrage) unless incorporated within action for social transformation.

Despite debates about security risks the WTO summit in Doha in the Gulf State of Qatar went ahead last November. *The Economist* argued that the meeting and the agreement reached there were both absolutely essential to keep trade liberalisation on track, and to provide a ‘useful confidence-boosting success’ after the terrorist attacks on America and with the prospect of serious economic downturn. (Economist, 2001b). Promised world-wide protests against the Doha meeting were largely muted. As George Monbiot (2001) and Caroline Lucas (2001) indicate, the Doha meeting was bathed in much conciliatory talk regarding the interests of the world's poorer nations. However, note Monbiot and Lucas, the practical results are likely to be greater inequalities between rich and poor nations as the new trade round initiated in Doha was set up to open the markets of the latter to transnational corporations further. Meanwhile, Doha did not address the subsidies (e.g. in agriculture) that would make exports to the richer Northern countries easier (Lucas, 2001). For public services such as libraries, Doha was a stepping stone to the consolidation of the General Agreement on Trade in Services (GATS) that underpins the opening up of public services to corporate capital (Griffiths, 2001). It is to the GATS that the following section turns.

Transfiguration: and the National Faces of the GATS

Others in this issue (such as Clare Joy and Anneliese Dodds) have examined the General Agreement on Trade in Services (GATS). Hence, the task here is to provide a general analysis that seeks to link the GATS with the specifics of the business takeover of public services that is gathering speed in contemporary Britain. First of all though, the story post-Seattle shall be brought up to date regarding the GATS.

The GATS seek to open up public services to international capital. Specifically, they aim to create a 'level playing field' so that there is no discrimination against foreign corporations entering the services market. The process of trade liberalisation in services (including currently public ones) is *progressive*; it will be deepened and strengthened over time, and Part IV of the GATS Agreement makes this clear (WTO, 1994). As Tibbett (2001) argues, given the dot.com failures of the last eighteen months and the risks involved in lending to developing (and even fairly developed countries, e.g. Argentina), investors and corporations are looking intensely for new profit-making options. The billions (trillions world-wide) involved in financing public services constitutes a huge temptation for business interests, which is one reason why the GATS 'is currently top of the agenda of the WTO' (Tibbett, 2001, p.10).

The significance of the failed Seattle Ministerial Meeting in November 1999 was that WTO GATS negotiators and pro-business lobbyists had hoped to strengthen the development of the GATS – to give the Agreement more powers. As *The Economist* indicated, Seattle has 'cast a long shadow over the WTO' (Economist, 2001a). However, post-Seattle the WTO's Council for Trade in Services (CTS) got to work in Geneva very quickly to try to repair the damage. Since February 2000, a whole series of GATS negotiations have taken place. These discussions were consolidated in March 2001 through an intensive series of meetings, and there will be a final deadline of December 2002 for an agreement on a strengthened GATS process. This explains the urgency regarding privatisation of public services in the UK today. As Matheson (2000) noted:

Backed by the US and UK Governments, the WTO aims to liberalise the service sector further. The immediate impact would be the privatisation of some services that have so far been provided by governments. Governments would be obliged to sell off such services as housing, education and water. (p.9).

The drive to privatise public services is powered by a number of forces, but in terms of the GATS the urgency derives from two main considerations. First, home-grown operators need to be nurtured – and quickly – so that when a more powerful GATS process operates then UK enterprises in education, health, social services and libraries can fend off foreign corporations. This is not just because the government believes that more of the profits from these privatised public services are likely to remain in the UK but primarily because of the need to 'sell' the idea of private companies running schools, hospitals, libraries and social services to the British public. Whilst French companies might be tolerated in providing electricity or water, New Labour perceives there may be more of a problem with American or other nation's companies running schools or libraries and other services as profit-making ventures. Secondly, as George Monbiot (2002) indicates, drawing on the work of Richard Hatcher (2001), New Labour is also mightily concerned that the fledgling UK businesses currently taking over our public services can develop rapidly into export earners. This is already happening. For example, the education business Nord Anglia is already exporting its services to Russia and the Ukraine as well as running schools and local education authority services in the UK. Many UK universities have franchised operations and a whole raft of deals with other colleges and universities in other countries. UK Schools of Education generate income through consultancies that advise countries like Chile, Poland and Romania how to set up school systems. New Labour is keen to maximise this export potential across all the public services. The WTO has identified 160 service sectors, and Britain and the US would benefit particularly if the GATS could liberalise trade in services still further by incorporating currently 'public' services into their export drives. In 2000, Britain exported £67 billion worth of services, and new education, health, library, and social services business would provide 'new opportunities for this export trade to expand massively' (Tibbett, 2001, p.11). Thus, 'International businesses have now seized on service provision as a money-making opportunity' (Matheson, 2000, p.9). Furthermore notes Matheson:

GATS actually goes further than other WTO agreements - once a sector has been committed to liberalisation, governments will have limited ability to regulate companies. Proponents of the Agreement are particularly excited about an area known as 'market access', which aims to eliminate completely any government policy options that may be seen to interfere with the 'market'. (2000, p.10)

As the WTO Services Division Director David Hartridge said in a speech in 2000: '[GATS] can and will speed up the process of liberalisation and reform, and make it irreversible' (*ibid.*). Furthermore, noted Hartridge:

"Without the enormous pressure generated by the American financial services sector, particularly companies like American Express and CitiCorp, there would have been no services agreement and therefore perhaps no Uruguay Round and no WTO" (in Matheson, 2000, p.10)

The pressure from corporations on the US, British and other EU governments to deliver on the GATS is colossal. As Alysson Pollock argues: '[business] sponsors and the Treasury are clear that the future of British business rests on trading in public services on an international scale regardless of the social costs (Pollock, 2001). Pollock notes that:

UK market analysts estimate that expanding trade in public services could yield the private sector £30 billion extra revenue a year, of which £10bn is central government contracts, £5bn education and £5bn local authority contracts. De facto, the giant corporations will come to control public expenditure and public money. In the main growth area of the £5bn 'market' is equal to 20 per cent of the current wages bill in the entire education sector. (ibid.)

Finally, the leading capitalist powers (the "Quad"), driven on by major corporations and business interests, are:

...trying to revise GATS so it could be used to overturn almost any legislation governing services from national to local level. ... Particularly under threat from GATS are public services - health care, education, energy, water and sanitation... A revised GATS could give the commercial sector further access and could make existing privatisations effectively irreversible. (Sexton, 2001, p.1)

This is what the end game is for the GATS timetable in late 2002. This explains New Labour's manic urgency to push through privatisations, to provide de-regulatory frameworks (e.g. the recent Education Bill) and to nurture the growth of indigenous businesses that can virus public sector operations.

Transfiguration...

...Jesus took with him Peter, James, and John, and led them up a high mountain, where they were alone. As they looked on, a change came over Jesus, and his clothes became shining white – whiter than anyone in the world could wash them. (St. Mark, 9:2-3, The Transfiguration, 1994, p.57)

Of course, New Labour has to tread carefully. As Richard Hatcher (2001) explains, each step in the business takeover of public services has to be prepared ideologically. The public needs to be taken along with the GATS process, and any anti-GATS revolts stifled. In these circumstances, it would be foolhardy for New Labour, or any national government or the EU to introduce any *national* or specific legislation that was directly linked to the GATS in the process of meeting its requirements. This would blow the cover on the GATS. As things stand, the GATS remains non-existent or shadowy for most people in the UK – and New Labour wishes to keep it that way. Reassurances from Ministers that the GATS has nothing to do with privatising public services will provide a smokescreen.

New Labour is meeting GATS requirements and maximising UK export potential through the GATS by stealth. In each public service there are specific mechanisms, or enablers and developers of the GATS process. In relation to schools, it is Ofsted (e.g. identifying 'failing' schools and local education authorities for transfer to the private sector), the Private Finance Initiative (PFI), competitive tendering and outsourcing, and new types of schools (e.g. City Academies). Furthermore, the recent Education Bill smoothes the way for the business takeover of schools. Ruth Rikowski (this issue) indicates what these enablers and facilitators of the GATS are for libraries in England.

The point is that the GATS *transfigure* the whole landscape for the public services. New initiatives, new forms of inspections and new de-regulatory frameworks might appear to have nothing to do with the GATS – and for government this is most handy – but in fact play out its logic. As with Jesus in the Transfiguration, initiatives like Best Value, the People's Network, micropayments and Library Standards, especially when analysed as a package, *take on a new light* when looked at through the GATS. Thus, there is an urgent task for progressive and critical folk in each of the public services, and in each country, to locate the *national faces of the GATS*. We must uncover and critique the *precise mechanisms* that facilitate the GATS and smooth the way for the business takeover of public services. Then we need to pool our knowledge for campaigns to halt the capitalisation and commodification of the services that constitute a decent life and a form of civilisation worth its name.

Notes

1. This section was adapted from section 1 from *The Battle in Seattle: Its significance for education* (Rikowski, 2001a).
2. As *The Economist* notes, the WTO's budget is 'about half what the World Bank spends on travel, the WTO is the poor relation among international organisations. But it is the centre of negotiations that could have a far bigger impact on global prosperity than any decision made in more imposing buildings' (Economist, 2001a).

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Future of Global Capitalism: Millionaires Ruling the Millions

Victor Rikowski

What does the future hold for us humans, as an overall species? Judging by the way that things are going at the moment, humans will be living in a world with no inspiration, no true happiness, no justice and basically, no reason for living.

Humans are, at the moment, regarded as the dominant species of the planet, but if no one will stop the angry rage of capitalism... money will take over man. It is already starting to happen as money has already proved to be more important than life with some people. For example, the Kyoto agreement that G.W Bush did not sign. The Kyoto agreement aims to try and reduce the amount of greenhouse gases put into the air by car fumes, power stations etc. But President Bush did not agree to sign the agreement, which 186 other countries agreed to sign. President Bush said, "Signing the agreement will reduce the profits of the oil companies". In other words he is saying 'Money is more important than man.' You may think that it is a bit hasty, but global warming could result in the death of mankind, as it is causing sea levels to rise, and could eventually drown our planet in seawater. So try saying that President Bush did the right thing to your great grandchild!

This is just one of many examples where money has been regarded as more important than man, and this could greatly effect the way in which people get information. The general expectation from most people is that the government should run schools, libraries, hospitals and public services. The normal reaction from people is that if schools were being run by banks, it would just not be acceptable, let alone the fact that it probably wouldn't work anyway... so basically it would not be right. The usual reaction from someone would probably be 'it will never happen,' but the simple fact is that it is already happening.

My school (Woodbridge High School,) is already under the influence of the bank 'HSBC,' which, in my opinion is totally absurd. The bank gives my school some money and pays for certain things, but in return, my school has to show the pupils of the school some advertisements; advertising HSBC of course, and telling children of the so-called 'fantastic deals' that HSBC gives out. So basically, in the end, HSBC would win, as they get more people to join their bank, therefore making a profit. This immediately puts privatisation into my school, and although it is a very small form of privatisation, it all comes down to the very obvious fact that 'schools and privatisation cannot, and must not go together.'

The typical prediction of the future for many people is that the future will contain floating cars, classy buildings, and robots doing all of the domestic work and so on and so fourth. My prediction is that capitalism will create a tug of war with the whole world, with the few winners gaining power, money and luxury. The future is a brutal fight for power, which may sound exciting but in the end, it'll be the common poor who will suffer. It's down to the fact that as the rich get richer, the poor get poorer and the poorer people will be no

more than a number or an employee, which can easily be replaced. This prediction is already happening in the third world, where many rich, successful companies like 'Nike' and 'Reebok' are treating their workers in the Third World like slaves and giving them nothing but pennies at the end of the day.

For argument's sake, let's refer back to the topic of HSBC and my school. Let's assume that HSBC uses this method of privatisation in another school, and as a result of this privatisation their profits go up a little as children start joining their bank. While their profits go up they'll try the same method on another school and another and another, until HSBC influences hundreds of schools. Then they will move onto hospitals, then public transport services and before you know it HSBC would have overpowered the British Government in the main areas that the Government is supposed to be in control of. This may seem bad enough but of course, the rich don't stop there. They'll move onto other countries and before you know it they'll have the whole of the United Kingdom's essential public services as well as the public services of other countries in their rich hands.

If this prediction does happen, it will act like a virus, slowly spreading over Britain. When the virus has infected the whole country then companies will be able to begin to take control and when people object, the companies may use financial, legal threats, so that the poor do not have a say in anything.

In addition and on another note, what would actually happen to you as an individual if HSBC did gain this influence over people? Well firstly, as HSBC gets bigger and bigger, making more of an influence on everyday life, they would need more employees. Not only employees for the banks, but for all of the public services that they will run, such as schools, hospitals and public transport, so they would need people qualified for the jobs. Therefore they would probably reject teaching subjects in schools such as Art, Music, Religious Education and Drama, as these subjects are not used at all by HSBC employees, and they would put a lot less money towards teaching these subjects. Then they would concentrate instead, a lot more on teaching subjects such as Foreign Languages, I.T, Business Studies, Maths, Science and English, giving people far less choice with their GCSE's etc.

Indeed, many students all over Europe between the 10th-14th December 2001 have been protesting against the threatening privatisation of education. This shows that many students are fully aware of the privatisation of schools and education and if they are protesting against it, this shows, obviously, that they disagree with privatisation. Also this shows that students will not be happy if this form of privatisation remains as it is or gets worse, which I feel is a good thing as the sooner we destroy the privatisation of our public services, the sooner we stop companies controlling what pupils learn. Then the brighter hope mankind will have for the future. But in all reality... it could go either way!

I'm not a very down to earth person and I do not understand globalisation in detail as I have my GCSE's to focus on at the moment, but I greatly sense what is beginning to happen in school, education and everyday life. In my mind, I often wonder what lies in store for mankind and I realise that all you have to do is put two and two together. An example of this is just put cars and the ozone layer together, and you get winter floods and rising sea levels. Another example is that if companies get richer, then to balance it out, as money doesn't grow on trees, the poor get poorer. When you put two and two together as long as companies get more powerful the more human catastrophes will erupt and, in my mind, capitalism, privatisation, pollution and the general unwillingness of mankind to do anything about it, will lead to future devastation.

As Dave Nellist said at a conference I went to during the summer of 2000: 'Help the millions and not the millionaires.' However, global capitalism continuously says; 'Help the millionaires rules the millions,' and this has to be stopped...

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SECTION 3: The General Agreement on Trade in Services (GATS) and Libraries

Trading away basic rights: the General Agreement on Trade in Services (GATS)

Clare Joy

For a moment, ponder on the possible links between railways, department stores, radio stations, mobile phones and financial services. Add to this list libraries, medical and dental services, refuse collection, higher education and postal delivery and you've only begun to scratch the surface of the contents of a World Trade Organisation (WTO) agreement covering 160 services. Since February 2000, away from the glare of public scrutiny, trade officials have been meeting on a regular basis at the Geneva HQ of the WTO. The agenda for these meetings is to ensure more service activities, including the above, are covered by a fierce set of free trade principles. Once decisions are reached under the General Agreement on Trade in Services (GATS), government activities in the services sector that are seen to 'interfere' with trade faces the threat of WTO legal action.

We are told by supporters of the GATS (one of the keenest being the UK Government), that this agreement is simply a 'set of rules'. So what are these rules? And why do critics such as the World Development Movement believe that they are a problem because they extend the reach of international trade law into new areas covering activities such as the provision of health care, the setting up of retail stores and 'libraries, archives, museums and other cultural services'. In fact, WDM is not the only GATS-watcher to have noted this. A former Director General of the WTO noted that the agreement 'extends into areas never before recognised as trade policy'. He went on to say, "I suspect that neither governments, nor industry have yet to appreciate the full scope of these guarantees."

How does the GATS work

Challenge any GATS supporter and their response will be 'all's well with the GATS - it's a bottom-up agreement'. What they mean is participating WTO members (and there are now 144 of them) are free to decide which of their 160 service sectors are covered by the agreement's fierce free trade principles.

This is only half the GATS story. The GATS is divided into two parts. To begin with, the first part of the agreement is not 'bottom up', and its clauses apply to all 160 service sectors unless specific exemptions are made. This is what trade negotiators would call 'top-down'. However, at the agreement's core are strict free trade obligations that WTO members choose to opt services into, on a sector-by-sector basis. During the current negotiations countries will build on a list of opt-in commitments made after the last set of GATS negotiations in 1995. This means expanding the GATS by applying the heart of the agreement to ever more services.

There are two key trade principles at the core of the GATS. These two principles are designed to limit government interventions in the service sector. For example under the national treatment principle, once a government signs up a service, it could face WTO challenge if it implements legislation which favours local suppliers over foreign suppliers. This has implications when it comes to the granting of subsidies. For example, where a GATS commitment has been made, governments providing subsidies to domestic service suppliers also have to make an equivalent subsidy available to foreign providers operating in the country. This principle goes much deeper as it also threatens government action which may not obviously adversely affect foreign companies, but creates an environment which is easier for local suppliers, because of their 'local-ness' to operate within. This could be a requirement to employ local people or use local suppliers.

The opt-in aspects of the GATS are clearly the core of the agreement. The reason behind their 'bottom-up' application goes back to the Uruguay Round of trade talks (1985-1994) when GATS was hammered out and written. During these talks, developing countries strongly objected to the inclusion of services in the WTO. The bottom-up structure was crucial for their consent to the final GATS framework.

Yet all is not well, even with 'bottom-up' assurances. There is deep inequality within the WTO when it comes to levels of negotiating capacity. The majority of the WTO's members from some of the world's poorest countries do not have the negotiating might and analytical capacity of their North American and European

trading partners. The bottom-up structure works on the basis of 'request and offers'. During negotiations, countries request GATS commitments from others who subsequently make offers having considered these requests. In the current WTO set-up, there is political pressure on many developing countries to commit more of their services to the agreement. A political pressure that one European negotiator called 'a fact of life'. In addition to this, negotiators from countries like the EU and US come heavily armed with demands from their big service industries that list the services they want other countries to include in a GATS deal. Meanwhile even negotiators from large developing countries such as Brazil do not have the information to deal with these requests or know what to ask for in return.

While negotiators in Geneva are yet to enter this intense 'request-offer' phase, they have been working on general negotiating proposals which begin to indicate the big deal that European countries want from the current talks.¹ The UK Government will also be considering what it is prepared to offer in return for the requests from other countries. Even if it is bottom-up, a WTO member has to offer something. In this context, campaigners in the UK have so far raised concerns about GATS commitments in higher education and the postal service. Those in the libraries and information sectors will know that their sector could be caught in the bright beam of commercial, for-profit delivery systems. There are real questions to ask about how this could translate into GATS commitments.

There are currently no EU GATS commitments in the libraries sector. Library services are covered by *Recreational, Cultural and Sporting Services* and are listed under section C 'Libraries, archives, museums and other cultural services'. So far, the USA and 12 other countries have made GATS commitments here. However, an analysis of the GATS classification list also indicates that some sectors could be covered by GATS rules because of commitments in other sections. For example, section B of *Business Services* is 'Computer and Related Services', a GATS commitment here could affect the software and data processing aspects of library services. Under section F of this section, would a commitment to open up 'Building and Cleaning Services' impact on this area in libraries?

Many questions remain unanswered about current levels of GATS commitments and the impact that an expanded agreement could have on a wider-range of sectors. For this reason, 262 Members of the UK Parliament signed an Early Day Motion in early 2001 calling for an open discussion of GATS negotiations.

Deciphering current UK GATS commitments negotiated through the EU is a difficult task. Reading the list of GATS commitments involves engaging in a whole new language of trade and service sector-speak. You need to be a libraries/trade expert, a health/trade policy analyst, and a professional services/trade researcher. Therefore there is an urgent need for groups potentially affected by current UK GATS commitments to put pressure on the Government to issue an accessible overview which details the commitments the UK has already made to bind open market service delivery into the GATS.

Given that GATS is, in the words of its former director, an "effectively irreversible" agreement, it is surely unacceptable for negotiators to be making binding commitments, without knowing the consequences of this action. Bottom up or not.

GATS is not just a set of rules

During the 1985-1994 negotiations when GATS came into being, the agreement's inclusion in the WTO was deeply controversial. From a campaigning perspective, it was the words of the agreement's supporters that raised concerns about the expansion of a free trade deal that covers basic services. Prior to the WTO's Ministerial in Seattle in 1999, Dean O'Hare, Chair of the US Coalition of Service Industries noted that 'GATS can encourage more privatisation particularly in the field of health care.'²

If a Government commits aspects of a sector such as health to the GATS, this then sets conditions on how the government can behave towards companies operating in this sector. (The UK Government has already made some commitments in the health sector.) While GATS may not force the privatisation of basic services such as health, education or libraries, WTO members are encouraged to cement current levels of privatisation and market opening with a GATS commitment.

Where a GATS commitment is made, governments who have already or intend to privatise basic services, are then obliged to do so using the GATS framework of rules. Failure to comply means the threat of a WTO challenge. GATS give privatisation policies international legal teeth.

As groups around the world are seriously questioning the benefits of open markets in sectors such as health and education, GATS is an attempt to shut down this debate. This is an international agreement that encourages liberalisation as the general trend in basic service delivery. As international campaigns against this style of policy making increase, and some governments are reversing previous free market strategies in areas such as rail transport, water delivery and energy, the head-long pursuit of an expanded GATS with its binding mechanism is of great concern.

The 160 services covered by GATS do not only include basic services. It also includes sectors such as advertising, tourism, retail and broadcasting. While governments may not play a pivotal role in the delivery of these services, there are many instances where they are required to intervene in these sectors in order to pursue social, environmental or political objectives. For example, in New Zealand the Government's attempts to intervene in the broadcasting sector in order to fulfil an electoral commitment will conflict with its 1995 GATS commitments. This refers to the government's policy of introducing local content quotas to try and offset the problems, including poor current affairs coverage, which have resulted from liberalisation in this sector.

By committing sector to the GATS, governments are agreeing to tilt the balance of power away from themselves and their citizens and towards the needs of corporations. GATS will have an enormous impact on the ability of governments to pursue objectives in their services sector which conflict with the needs of companies trading those services.

Perhaps the biggest threat posed by GATS is the threat to democracy. Service provision and the regulation of companies in these areas are issues around which communities mobilise. Whether this is the demand for better refuse collection, or attempts to block the development of high-rise hotels. GATS means that if a government listens to the voice of its people and responds by making appropriate policy changes, where these changes adversely affect say the environmental service company or the tourist operator, then the government faces the threat of WTO action. GATS-style policies are not new. Applying commercial, open market, for-profit principles to the delivery of services has proved deeply unpopular everywhere. These policies are unpopular because a system based on ability to pay will not deliver services to those who cannot afford to pay. Until it was recently removed from its website, the WTO gave the impression of welcoming this anti-democratic aspect of GATS. In its own question and answer introduction to the Agreement, the WTO recommends GATS to pro-liberalisation governments for the political assistance it can bring them in "overcoming domestic resistance to change".

The smooth running of services as diverse as libraries, inland waterways transportation, medical and dental services, retail distribution, refuse disposal and advertising depends on a variety of government controls and mechanisms which must be based on a democratic mandate and implemented in consultation with those affected. This is precisely the kind of consultation and people-centred policy making that GATS is designed to defeat and replace with policy making based on the needs of companies anxious to expand their trade and profit margins. Yet the broad alliances, building across the diverse sectors that GATS covers is showing that the sheer breadth of this particular trade deal could be its downfall.

Notes

1. For details of negotiating proposals tabled so far: http://www.wto.org/english/tratop_e/serv_e/s_propnewnegs_e.htm
2. D. O'Hare, Chair of the Coalition on Service Industries, speaking to the House Committee on Ways and Means 'Hearing on the United States Negotiating Objectives for the WTO Seattle Ministerial Meeting', 5/8/99.

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GATS, Higher Education and Public Libraries

Anneliese Dodds

The General Agreement on Trade in Services (GATS) began in 1994 and initially covered a small range of services. Part of these talks comprised a commitment to expanding the coverage of the Agreement in years to come. Following the Seattle fiasco, the World Trade Organisation (WTO) is now describing a successful outcome of the talks (set to end in 2002) as essential for the perceived viability of its vision of globalised free trade.

The next round of talks for the GATS is due to be held in Qatar in November. The date of this ministerial meeting may be altered given the terrorist attacks in the US; at time of writing information on this was not available. Should it go ahead, a restricted number of WTO-acceptable "NGOs" will be allowed to send at most one representative to Qatar. The WTO's appellation "NGO" also covers business lobby groups; the number of civil society groups representing poorer countries are outnumbered by lobby groups for business in a ratio of about 6 to 1. Such limited representation seems bizarre for a meeting whose results may irreversibly determine the global future of social policy.

Should the meeting be postponed however, it is unlikely that work on firming up the GATS commitments will be halted for any long period of time. It is crucial that the aftermath of the horrific US attacks should not be allowed to act as a veil for the WTO's activities, which will in all eventuality continue their former course.

This article attempts to analyse the GATS in terms of its possible impact upon UK Higher Education (HE) and, to a lesser extent, the public library system. These effects appear minor compared to the possible threats to other sectors of UK education, to other UK public services, and to poor countries' social policies. However, concentration on Higher Education and public libraries allows a useful case study whilst also placing the GATS within the web of broadly neo-liberal measures developing in the sectors over the past twenty years.

WTO countries have already submitted proposals concerning the sectors they wish to see liberalised, and a "stocktaking" process for these has just finished. The European Commission (EC) has negotiated for the UK in the WTO since it was delegated fast-track authority for most service sectors in December 2000. Until the election of Leon Brittan as Trade Commissioner, EC policy was mainly directed towards protection of European Union (EU) services and industries. Pascal Lamy, the new Trade Commissioner, has however continued in Brittan's footsteps towards a big-business oriented trade policy. As the European Commission website states, "The GATS is not just something that exists between Governments. It is first and foremost an instrument for the benefit of business."¹

The main thrust of EU negotiating proposals concern water and industry, whilst the US 'prioritises' the energy and HE sectors. The current GATS round is seen by many business lobby groups as a way of expanding into new, including "politically difficult" sectors; as the US Coalition of Service Industries states, the WTO must "fully embrace important new sectors in the liberalisation effort. These new sectors...include ...existing ones that have not received sufficient attention, like education and health."²

Inclusion of a sector in WTO structures can have many effects. The US Proposal concerning HE, Adult Education and Training³ specifies a number of obstacles to free trade that it wishes a new Agreement to proscribe. These include: the "lack of an opportunity for foreign suppliers...to qualify as degree granting institutions", "measures requiring the use of a local partner", "denial of permission for private sector suppliers...to enter into and exit from joint ventures with local or non-local partners on a voluntary basis" and "minimum requirements for local hiring are (sic) disproportionately high, causing uneconomic operations". It has also been mooted that a key US negotiating proposal is to remove "discrimination" in educational services between those supplied electronically and those not.

These exemplary "obstacles" demonstrate a major problem with the WTO apparatus. Qualitative rather than quantitative language is used, which is easily manipulated. What constitutes "disproportionately high"? And whose agreement constitutes the "voluntary" agreement of, say, a publicly funded medical research laboratory to co-operate with a drugs company in a "joint venture"? Such measures coupled with the general terms of the GATS cover a wide range of regulations currently overseen by our government or by institutions to which it has delegated its authority such as the Human Fertilization and Embryology Authority. They would also cover any regulations governing, for instance, investment ceilings, professional qualifications, and the translation of foreign degrees, as well as "the existence of government monopolies and high subsidisation of local institutions."⁴

It has been maintained, for example by Mike Moore, the Director General of the WTO, that "GATS explicitly excludes services supplied by governments. True, governments can agree to allow foreign suppliers to provide private healthcare or education. But that is not the same as privatising public services."⁵ This statement is based on Article 1.3 of the GATS; that it covers "any tradable service...(except only) those supplied in the exercise of governmental authority...(i.e.) supplied neither on a commercial basis, nor in competition with one or more service suppliers".

In the UK, private University education (in the form of the University of Buckingham) coexists with public, and with tuition fees being charged it is difficult to maintain that HE is not supplied on a commercial basis (should differential top-up fees be introduced the situation would be even more clear-cut). The charges used by many libraries for particular services (book recall, hiring of music and videos, use of the Internet, etc) may also open this sector to the GATS regulations.

The specific US proposal concerning HE, Adult Education and Training will not, according to the office of the US Trade Representative, result in an eclipse of public education: "private education and training will continue to supplement, not displace, public education systems". But this is no more of an adequate guarantee than Article 1.3. Firstly, assuming (a not incontestable assumption) that the public/private mix in HE would not change from the current US ratio after 2002, it is debatable whether a move towards a US-style funding system would benefit the UK's HE system. The culture of philanthropic giving to educational institutions in the US is largely absent in the UK;⁶ so a major shortfall would result in Government cutbacks,

even given increased private funding to the US level. The only major HE institutions in the US which can afford a “needs-neutral” admissions policy are Harvard and Princeton; hardly a system based on equality of opportunity. Secondly, it is obvious that some public tertiary education and training, and library services, would still be required in the most liberalised of sectors to mop up those not seen as profitable enough by private providers; such a situation is evident in some poorer areas of the US and is hardly an attractive possibility for those forced to learn and work in such threadbare situations.

It is then maintained by defenders of the GATS that a government can exclude any sector from WTO rules. This is an unlikely option for the EU for two reasons. Firstly, most of the EU’s services are liberalised save agriculture, education and health. For commercial and political reasons it may be easier to “trade” HE in particular for access to other countries’ markets for EU businesses. As Pascal Lamy stated, “If we want to improve our own access to foreign markets then we can’t keep our protected sectors out of the sunlight. We have to be open in negotiating them all if we are going to have the material for a big deal. In the US and the EU, that means some pain in some sectors but gain in many others, and I think we both know that we are going to have to bite the bullet to get what we want”.⁷ Even should there be a delay in the Qatar ministerial meeting, the EU has already begun bilateral negotiations with the US along these lines.⁸

Secondly, the norm is inclusion, not exclusion; hence there is a built-in pro-liberalisation bias to the WTO system (progressive liberalisation year-on-year being in any case one of the GATS’ explicit goals). Hence, the US proposal referred to earlier “invites” members to “ascribe in their schedules “no limitations” on market access and national treatment, as some members already have done. Further, ... all members (should) consider undertaking additional commitments relating to regulation of this sector”.

Once HE and library services are placed under WTO control they will in effect be so forever. If a government changes its mind about a provision (or another government comes in) and a change is required, the WTO stipulates a three year gap since the provision “came into operation”, then three months notice, then substitute commitments from the government concerned that compensate for the reversal and are satisfying to all WTO members. Further, any reversal of WTO commitments must pass the so-called “necessity test” of Article X IV. This maintains that regulation must be in pursuit of a WTO-sanctioned objective (“to protect major public interests, including safety, human, plant and animal life or health, national security or public morals”- notably not literacy, learning or scientific/cultural advance), and must be the least trade restrictive method of achieving that objective.⁹

It is interesting to consider why the EU is supporting a new round, given the huge share in world trade in services which it already controls. Part of the reason appears ideological, the European Commission especially favouring an analysis such as that of Moore: “allowing foreign suppliers to compete with domestic ones lowers prices, improves quality and increases choice.”¹⁰ In the UK, broadly pro-liberalisation measures have been ongoing in education and information provision since the early eighties. One notes the advent of so-called “parentocracy” with league tables in schools offering choice to parents, the growth of the opt-out sector (dating from the 1988 Education Reform Act), Education Action Zones, business sponsorship of schools and universities and the introduction of student tuition fees. One notes in HE the development of quantitative performance indicators such as the RAE, which have resulted in increased institutional competitiveness and rivalry within and between groups of HE institutions. The current Government seems likely to follow the liberalisation route without WTO prompting; hence soundings towards religious and specialised schools versus so-called “bog-standard” comprehensive school, frequent floating of education voucher proposals, and a refusal to rule out top-up fees in universities. The other part of the reason is the immense lobbying efforts of business; a factor referred to throughout this article.

Taken in the long-term, however, such liberalisation will have very major deleterious consequences. These can be grouped according to particular “obstacles” to free trade seen in the operation of the current HE and public library systems.

Assuming all else to be equal, the requirement to subsidise public and private providers equally could result in private institutions’ funding being raised to the level of public institutions’. This is extremely unlikely given the current political climate (and in any case one might wonder why private schools for instance should benefit from the taxpayer- as in one sense they already do through lenient tax treatment as charities). More likely is that public funding will be cut back in an attempt to prevent perceived “discrimination” between public and private provision. Even given a heftier loans and scholarship system in HE (and say, discounts in the case of libraries for social security recipients), three unhelpful results would obtain. The most obvious of these is an exacerbation of the disparities in take-up of HE and of library services between the higher and lower socio-economic sectors.¹¹

The second is a decline in take-up of non-vocational courses in HE. Hence in Australia, from the introduction of the HECS system under PM John Howard through its expansion till the present day, there has been a decline in classics, anthropology and some modern languages as subjects available for degree courses.

Simultaneously law, commerce, business and IT thrive since they offer better prospects of a future career. Thirdly, the type of graduate careers themselves will be affected, as more students feel forced into commercially lucrative rather than socially useful occupations. Already many University Careers services are bankrolled by major corporations (Oxford University Careers Service, for instance, obtains 10% of its funding from a group of big-name businesses). The requirement to pay off fees will result in a move even further away from the public sector amongst graduates, especially in the case of relatively low starting-salary occupations such as teaching. Similar considerations would apply to the library services; rather than provide a balanced and exciting mix of resources for users, private institutions would focus on purchasing and lending those resources most commercially viable.

Private funding in HE and public libraries requires close regulation by Government since it may not always (or even often) be appropriate. One recalls Nottingham University's acceptance of BAT's donation of £3.8m to finance a centre for corporate social responsibility. Problems of business sponsorship of University academic research have been highlighted recently and have resulted in a number of medical journal editors who have developed a new policy in an attempt to limit the influence that companies wield over research they fund.¹²

Aside from ethical questions, the very issue of efficiency, apparently fuelling much of the GATS provisions, should point towards continued Government support for public HE and libraries. Despite generous government handouts, commercial operations, lacking the accumulated expertise and backup of the public sector, often flounder spectacularly. Buckingham University has been a notable exception, although with 75% of its students hailing from outside the UK this may be partly due to the fact that its two-year degree offers a cheaper option for paying international students. The real cost of a degree at Harvard or Yale averages three times that at Oxford or Cambridge- hardly a model to follow. It is unlikely that new information providers would prove any more efficient than the public library system, lacking its expertise and developed contacts.

Public regulation and funding also allows, albeit sometimes to a limited extent, public oversight of HE and public libraries. Alexa McDonough, the leader of Canada's National Democratic Party, has commented on this issue that the GATS constitutes "the greatest transfer of economic and political power in history... from communities and nation states into the hands of a small number of global corporations". The "commercial sensitivity" defence for decision-making opacity is common to those who have tracked the creep of public-private systems into the NHS and the education system. The GATS would allow yet more of that control to slip through the Governments' (local especially) fingers. Already public management tends to be at an artificial disadvantage in competitive tendering process for PPP projects; if such systems are seen as methods of Government regulation offering the level-playing field for GATS, it is very likely that private involvement in social policy would increase exponentially. It goes without saying that, as with PFI/PPP projects, private control of HE and library systems would probably result in worse conditions for employees. It is notable that in Australia, there has been a move away from a tenure-based system to a contractual system for many posts. This has also resulted in a marked reluctance amongst academics to criticise University policies openly.

A few final points arise concerning the public library system and the GATS. First of all, the British Library Association has long called for more permissive copyright restrictions, especially as this impacts upon the translation of works into electronic format which would allow wider distribution and use. A regulatory regime which made no differentiation between for-profit and non-profit information-providers could result in a deterioration of even the current copyright position. Secondly, commercially operated libraries may well feel less pressure to maintain independent, relatively decentralised user-led systems of procurement. It is more likely that outsourcing of collection development and cataloguing will occur if public libraries have to compete with private ones. Potentially, certain information sources could be favoured (through commercial deals, for instance in smaller libraries with one particular encyclopaedia company) in one chain of libraries rather than another. This would obviously result in impoverished and biased information provision if it occurred on a wide scale.

The UK Government has painted opponents to GATS as misled and confused rabble-rousers, when actually its own ministries display a breathtaking ignorance of WTO procedures. Indeed, no-one is sure of the potential impact of any new commitments; Pascal Lamy, the EU commissioner for trade, demanded an assessment of these at Seattle, indeed it was part of the "built-in agenda" for the GATS. Yet no assessment has been made.

Gradually awareness is building around the GATS, however. Intensive lobbying of the DTI and other government departments has been ongoing by various campaigning groups, which have now formed a "Trade Justice Coalition". Thanks to them, some MPs are now realising the threat; an early-day motion demanding an assessment of the impact of future talks has been signed by an encouraging 262 MPs at the time of writing. The National Union of Students has recently passed policy against the inclusion of HE in the

GATS. Hopefully it will articulate this through, for example, focusing on the GATS during the Party conference season, and working with other Student Union peak groups across the world. Finally, some of those Trade Unions whose members will be affected by the GATS are beginning to follow the Association of University Teachers in researching into and questioning the GATS.

In conclusion, the current system of regulation and funding for HE and public libraries is definitely not perfect. However, it does at least ensure the quality of UK degrees and teaching, and library provision and services, in a relatively fair and efficient manner. Through universities and libraries, education and learning enriches the lives of the population; creates public servants, doctors and nurses, artists, innovators, businesspeople and those who will safeguard the rule of law in our country; and ensures a citizenry with an active and critical interest in those governing their lives. Universities and libraries are simply too important to be handed over, through GATS regulation, to governance by a small number of often inept and ideologically-driven WTO bureaucrats.

Notes

1. <http://gats-info.eu.int/gats-info/g2000.p1?NEWS=bbb>
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SECTION 4: LIBRARIES

The Corporate Takeover of Libraries

Ruth Rikowski

1. Introduction

The expansion of capitalism is rapidly accelerating throughout the world. This is 'global capitalism'. The World Trade Organisation (WTO) and the General Agreement on Trade in Services (GATS) need to be seen within this context. These areas have been explored in other articles in this journal. GATS functions to open up public services to corporate capital. This has direct implications for libraries and information, which I shall explore in this article, focusing in particular on public libraries (although many of the arguments can be applied to other types of libraries as well). As Angela Watson in the *Best Returns* report on Best Value in public libraries says:

Government does not believe that it is in the public interest for any single supplier to dominate service provision, either locally or nationally. It is looking for variety in the way services are delivered, and a mix of service providers from the public, private and voluntary sectors. The aim is to improve the performance and competitiveness of services, not create a particular mode of provision. (2001, p.8)

Where will the logic of global capitalism take us? It would appear that it leads to the commodification of *all* that surrounds us. Within this context, the privatisation and commodification of libraries and information will be a small part in the overall trajectory; yet a vital part nonetheless.

I have been a librarian/information professional for many years and have always held that libraries, books and information are an essential ingredient of a civilised life. I imagine most people concur with this sentiment. As IFLA state in their position document on the WTO:

Libraries are a public good. They are unique social organisations dedicated to providing the broadest range of information and ideas to the public, regardless of age, religion, physical and mental health, social status, race, gender or language. ... The well being of libraries is essential in ensuring access to the full range of human expression... (2001b, p.1)

Yet, libraries as they are currently constituted are now under threat from the GATS. The other main agreement being established at the WTO, that will effect and threaten libraries and information provision is TRIPS (Agreement on Trade Related Intellectual Property). As Shrybman said:

For public sector libraries, the two most important agreements of the WTO are the Agreement on Trade Related Intellectual Property (TRIPS) and the GATS. (Shrybman, 2001)

TRIPS will not be discussed in this article, but a thorough analysis of TRIPS is also required in order to consider fully the consequences of WTO agreements for libraries and information.

1.1 The history of the public library service in Britain: a 'settlement', not a 'God-given right'

Before considering further how the public library system that is in existence today in Britain is seriously under threat, it is useful to have an appreciation and some understanding about how our current, free public library system first materialised. First of all, we need to reflect upon the fact that the population of Britain has only been widely literate for just over 100 years, following the 1870 Education Act. The concept of free libraries available to all was first developed in the Public Library Act of 1850 (Pateman, 1999). As stated by the British Council:

The UK has a long tradition of free, public access libraries that was first recognised legally by the Public Libraries Act of 1850. (British Council, 1999, p.2)

Furthermore, Chris Smith, British Secretary of State for Culture, Media and Sport wrote in *The Bookseller*, 29th May 1998 saying:

Our public library system is one of our great national resources. For more than a century it has provided ordinary people with the opportunity to explore, enjoy and learn from the nation's vast storehouse of information and knowledge. (Smith in British Council, 1999, p.1)

Further legislation for developing a public library system followed with the 1855 and the 1919 Public Library Acts (the former Act raising the rate levied for libraries to a full penny). As Manley said:

The 1850 Act was relaxed by the 1855 Act, which brought in the famous penny rate, lowered the minimum population to 5000, and allowed adoptions at a public meeting rather than after a poll of ratepayers... (Manley, 2001, p.210)

Manley also noted the confusion over the word 'free' in these acts. As he pointed out:

One more failing of the 1850 Act, and its 1855 successor, was the confusion over how 'free' were public libraries. Libraries were always to be free of access, but the rate limit meant that many small authorities could barely keep their libraries afloat. In consequence, many libraries charged fees for borrowing books, just like a private subscription or circulating library. (2001, p.211)

Andrew Carnegie, however, was clear about the necessity of 'free libraries'. He stated:

I choose free libraries as the best agencies for improving the masses of the people, because they give nothing for nothing...They reach the aspiring and open to these chief treasures of the world – those stored up in books. (Carnegie, 1900, cited in Bennahum, 1995, p.3)

Furthermore, as David Bennahum has noted:

When Andrew Carnegie wrote "free libraries" he understood that essential adjective was the essence of a library. If a library isn't free, it just isn't a library. (Bennahum, 1995, p.3)

Sarah Ormes also emphasised that '...Carnegie's libraries encouraged literacy for free...' (1996, p.3)

With the 1964 Public Library and Museums Act it became compulsory for local authorities to provide a public library service, and today public libraries are a taken-for-granted aspect of social life in Britain. Referring to the local authorities and the 1964 Act, the British Council said that:

Under the terms of the Public Libraries and Museums Act 1964, all of these authorities are obliged "to provide a comprehensive and efficient library service for all persons wishing to make use thereof". (British Council, 1999, p.3)

Interestingly, the recent Local Government Act 1999 has placed a duty on local authorities in regard to Best Value (see below for further information on Best Value). Best Value is affecting our libraries substantially.

However, there was much opposition to the idea of a publicly funded library system when it was first introduced in the 1850s. As Manley points out:

We may regard public libraries as a social necessity (especially if we are librarians!), but that was far from obvious in the 1850s. Why should people be forced to pay taxes for a service many might not wish to share? People could appreciate the immediate benefits of public baths, washhouses, sewerage, street lighting, and paving, but libraries were more abstract. To the Conservative frame of mind, public libraries smacked of what we would now term communism. Public libraries – with newspaper reading rooms – were perceived as seeds that were liable to germinate into hot-beds of sedition... the Conservatives were hardly likely to support measures which might stoke the fires of further revolutionary fervour. (2001, p.206)

Similarly, people today expect a free education system and the length of the working week to be limited (the European Union 48-hour working week directive). Yet these are not laws of nature; they are not 'God-given rights'. Virtually all of the 'rights' that ordinary people have today have been hard fought for in the past. As Karl Marx said in regard to the length of the working day and the health of the labourer:

...Capital is reckless of the health or length of life of the labourer, unless under compulsion from society... To the outcry as to the physical and mental degradation, the premature death, the torture of over-work it answers: Ought these to trouble us since they increase our profits? ... The establishment of the normal working-day is the result of centuries of struggle between capitalist and labourer. (Marx, 1867, p.256)

Continuing his argument, Marx concludes that:

The creation of a normal working-day is, therefore, the product of a protracted civil war, more or less dissembled, between the capitalist class and the working-class. (Marx, 1867, p.283)

Interestingly, Manley (2001) also refers to the long hours worked in the mid-nineteenth century, and relates this to libraries noting that:

...Spooner drew attention to the long hours worked by labourers (the Ten-Hour Act had not yet been passed), and how difficult it would be for them to attend a library. He feared that lectures in libraries might be converted into normal schools of agitation... (p.208)

Thus, all these so-called 'rights' have been hard fought for, in various ways by the working class. The suffragettes, the Chartists and the trade union movement are all clear examples of the struggles that the working class have undertaken. Furthermore, if it seems that ordinary people need to be contained then so-called 'concessions' are sometimes made. John Pateman (1999), for example, has pointed out that public libraries were largely set up to act as agents of social control originally, and quotes Adonis and Pollard (1997) who noted that the Victorians and Edwardians:

...established municipal museums and libraries...in an explicit attempt by legislators and town worthies to offer an improving alternative to working class amusements such as drinking. (Adonis and Pollard, 1997)

Interestingly, it seems that many ordinary people did not actually want a public library service in the nineteenth century. As Manley wrote:

As for the general public, they were not clamouring for public libraries. Indeed, it has been argued that the working class were against public libraries because of its implications of social control by the Government. The workers could read newspapers in public houses, just the sort of activity... others wanted to stamp out and replace with moral regulation. (2001, p.208)

Many working class activists and leaders were concerned to establish social spaces where they could think and read and develop their ideas independently of the influence and outlook of both employers and the State. Working class people were establishing various institutions such as the Mechanics and Miners Institutes, and libraries were being created in these institutions for working class learning. As Baggs noted in reference to the South Wales valleys:

The Library article of 1896 described approximately thirty libraries or reading rooms that had already opened in various large, medium and small mining communities in the Valleys mainly during the 1880s and 1890s. Many were associated with Workmen's Halls or Miners' Institutes. (2001, p.172)

Furthermore, many of these institutions did not want to open up their libraries to the general public. As Baggs indicates:

Miners were already paying poundage; why should they also pay extra rates merely to open up their Institutes to the general public? By 1914, the South Wales Institutes had developed a singular pattern of library provision. A few locations had public library services, but the vast majority of mining communities had created their own reading opportunities, self-organized, self-financed and self-run. There was some interaction between the two systems. (2001, p.173)

Workers feared that their capacity for independent thought and learning would be compromised by state-funded libraries, whilst at the same time costing them more money as they paid for their own libraries and also those run by local authorities through local taxation. Later on Baggs also tells us that:

In many respects, Institute libraries outperformed their public library rivals... Most importantly these Institutes and their libraries were directly owned, managed and financed by the community. They represented the physical manifestation of a socialistic ideology of active mutual responsibility; local democratically controlled collective institutions far removed from the 'community' of municipal provision. (2001, p.174)

Thus, it was thought that these Institutes and their libraries could have been one of the breeding grounds for socialism. For the Establishment, this could not be allowed to happen and gradually the system was reformed such that these 'dangers' were contained. The Institute libraries suffered from increasing and debilitating financial problems. The State could have tried to assist them with these problems, but instead was more interested in forming a public library service that dulled radical, creative and independent impulses. For a while the Institute libraries tried to operate alongside the public libraries in a spirit of 'co-operation'. However, by 1939:

...all the ingredients were in position for the eventual triumph of rate supported library provision. Numerous Institute libraries still functioned, but it was often in name only, and with very few exceptions, they proved no match for the public library alternatives after 1945, with their better finance, greater resources and increasingly professional approach. (Baggs, 2001, p.177)

However, Baggs noted that this came at a severe price – the loss of the 'community sense' that had been established long and hard by the Institutes and their libraries, along with the hard work and money that they had invested in it all.

From an Establishment perspective, material in the public libraries could be carefully selected, and in this way people's reading habits could be 'adjusted' and policed. This probably became more important after the 1870 Education Act, as ordinary people became increasingly literate and the threat posed by socialism had to be more carefully contained. Thus, interestingly enough it is the *struggles* of working class people that brought about changes in their conditions – in this case the setting up public library services – that eventually came to divert struggles for further progressive social change. Yet all this resulted in the setting up of the public library service that we all now take for granted which many of us benefit from and appreciate. This historical analysis demonstrates two vital points. First, it is clear that our public library service does not arise from some 'natural God-given right' to information and reading (but from struggle and contestation). Secondly, our public library system emerged from attempts at independent working class learning and politics that had to be suppressed and diverted into safe arenas. This is the nature of the settlement founding our public library service in Britain.

1.2 Global capital infiltrating libraries and information; the national faces of the GATS and accusations of scare mongering

Today, however, the historic settlement over the role and significance of the UK public library system is under threat from neoliberal modernisation: the opening up of public libraries to corporate capital and international trade. The commodification of information and knowledge are currently being ratcheted up several notches as businesses seek out new avenues for profit making. This article focuses on uncovering these developments that herald a new horizon for all those concerned with information and libraries: the horizon of capital.

This article incorporates themes, such as micropayments, Best Value, the People's Network, and the position of various national and international library associations on the WTO and the GATS. However, the essential point is to demonstrate how the *logic* of capitalism leads to the corporate takeover of libraries and

information. What is *crucial* is to illuminate on why the logic of the GATS will engender the commercialisation, commodification and privatisation of information and library services globally. Thus, the GATS can be viewed as an element of the global capitalist agenda. This is why the quote below from Richard Caborn MP, which was an endeavour to reassure us, is in fact no reassurance at all. Caborn, the then Trade Minister, wrote to the *Library Association Record* on 8th March 2001 saying that:

As a major global exporter of services, the UK strongly supports the GATS negotiations and their objective of progressive liberalisation of trade in a fair and predictable way. Despite stories to the contrary, there will be no forced privatisation of libraries or the NHS as a result of the GATS.

Of course, there will be no forced privatisation of libraries in the *name* of the GATS. There will be no GATS Libraries Bill or White Paper here in Britain. Rather, the argument here is that for each WTO member nation, and for each public service, there will be *national faces of the GATS* – legislation and mechanisms that facilitate the opening up of public services to corporate capital. The key task is to show what these are for public libraries in contemporary Britain. This is what I outline in this article, focusing on Best Value, Library Standards and the People's Network.

However, it is concerning that attempts are continually made to criticise, belittle or denigrate those of us who are critical of mundane capitalist development. The Caborn quote is one such example, suggesting that GATS critics are scare mongering. But in many ways the case against the GATS is being understated, and this is clearest when links are made between what the GATS stands for and the national mechanisms for facilitating and embedding corporate penetration of public services. In relation to libraries, this point can be illustrated with reference to Angela Watson's *Best Returns* report on Best Value, where she notes:

Under Best Value retaining library services in-house can only be justified where the authority demonstrates that there really are no other more efficient and effective ways of delivering the quality of service required. Library authorities should also explore potential future providers and take steps to encourage them to create a climate for competition to enable the market to develop. (Watson, 2001, p.9)

Best Value becomes a Trojan horse for the national reconfiguration of a public service for the interests of corporate capital: in this case, libraries in England. With access to official statements like this, scare mongering becomes a non-issue; we are being asked to consider a future where library services become a commodity in an information market and where libraries operate in this market place. Of course, it could be argued that there is nothing intrinsically wrong with developing an information market in this way. Indeed, some would say – such as Christopher Roberts, Chairman of the Committee on Liberalisation of Trade in Services, London (BBC, 2001) – that the GATS helps to strengthen world trade in services and hence increases prosperity for UK service exporters and wealth creation generally.¹ The GATS might be beneficial for certain businesses in particular countries, but this misses the point. It is founded on the expansion of capital accumulation; not on human information, education and recreation needs for social justice and sustainable development. On the latter considerations, libraries are a 'public good' (IFLA, 2001b).

I was recently on a BBC Radio 4 programme, *You and Yours* (BBC, 2001), talking about the GATS and libraries, where I spoke about the threat the GATS poses to our public library service. However, the examples I gave to illustrate this were omitted in the broadcast, and only a general statement about the privatisation of libraries was included – giving the impression that perhaps I had no evidence to back up my claims, and that I was creating a scare story. Furthermore, it is interesting to note that the day before the programme (on 16th October) Tony Blair spoke at the British Library about the public services. He referred to the possibility of the voluntary sector moving into some areas of our public services, saying:

In developing a greater choice of provider, the private and voluntary sectors can play a role. Contrary to myth, no one has ever suggested they are the answer, or that they should replace the public services. But where greater use of them can improve public services, nothing should stand in the way. If primary care trusts, or regional health directors, want to use private sector capacity or do innovative deals with private or voluntary sectors to help patients, they should be free to do so. Or if schools want a new relationship with business in their community, as many do, let them. (Wintour, 2001)

Thus, Blair seems to be suggesting that critics are scare mongering and that really, the route opened up by the GATS gives everyone lots of choice and is going to provide wonderful opportunities. It is very doubtful whether this would be the outcome, but even if it was, this misses the point. As already stated, the motivation behind the GATS is to facilitate the development of markets and competition. Improving public services, if it were to happen at all in the short-term, would just be a by-product - used as a tool to encourage people to happily accept privatisation. Providing a service for the public good would lessen as the private sector takes a stronger hold and the profit motive increases in importance. Also, in referring to the voluntary sector in this way, accusations that the private sector will 'take over' our public services can be undermined – as indeed,

this statement implicitly undermines what I said on the 'You and Yours' radio programme (BBC, 2001) the day after. I argued that, at the end of the day, private companies are likely to be running our libraries in order to make profits (and I did not mention the voluntary sector). Initially, the suggestion that the voluntary sector could play an active part is a powerful and perhaps, an appealing one. However, voluntary organisations, trusts and charities can easily change and become private companies, as I discuss in an article that I wrote on the GATS for *Managing Information* (Rikowski, 2001). Such organisations could easily become private companies if it was thought to be to their advantage at a later date, and they can hit adequate profit levels. Indeed, the private sector will only move in when it is seen to be to their advantage and some private companies have pulled out of public service projects when they have decided that it is not commercially viable. The Heart Hospital in central London, for example, was re-nationalised and sold back to the government because it was in financial difficulty (Allison, 2001). Once again, this expresses the essence of the workings of the capitalist system. It is important to uncover the ideological force that is driving particular situations.

1.3 The GATS and the interpretation of 'Services'

How then, can we illustrate that the corporate takeover of libraries is on the agenda and indeed, is already taking place? The corporate takeover of libraries can be placed within three distinct categories: – commercialisation, privatisation and capitalisation, and these will be considered below. All three areas can help to fulfil the fundamental aims of the GATS – which in essence, is the opening up the public services to capital (see the articles under the section on the GATS in this issue, for further information). However, some would argue that our public services are not covered under the GATS. Lord Newby, for example, argued in the 'You and Yours' radio programme (BBC, 2001) that our public services are not covered under the GATS, and he said that:

My understanding is that services provided by government...by the public sector, the GATS Agreement as it currently stands, are not covered. (BBC, 2001)

However, if one reads the GATS (1994) document carefully, it is very ambiguous, to say the least, as to whether public services are included or not (Rikowski, 2001). 'Services' are defined in the GATS Agreement in Part 1 Article 1, on *Scope and Definition*' and in point (b), in the following way:

...“services” includes any service in any sector except services supplied in the exercise of governmental authority. (WTO, 1995)

Furthermore, Part 1 Article1(c) of the GATS Agreement indicates:

...a “service” supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

But this *includes* almost all public services; few public services have *no* element of competition today. In a document issued by the Trade Policy Directorate on 7th March this year it was argued that:

The GATS excludes from its coverage any service supplied in the exercise of governmental authority. Such services are those “which [are] supplied neither on a commercial basis, nor in competition with one or more service suppliers.” Our interpretation (and that of the WTO Secretariat) is that this excludes public services such as health and education services (although private services would be covered by the GATS)... However, since the terms have not been tested in WTO jurisprudence, some commentators have suggested that the GATS poses a risk to state provision of these services. We do not believe these fears are justified. (Trade Policy Directorate, 2001)

Under this statement it appears that we are reliant on interpretations of what 'services' means under the GATS. Yet one possible interpretation could be that virtually all our public services would be included under the GATS. It is, to say the least, ambivalent.

2. The corporate takeover of libraries: commercialisation, privatisation and capitalisation

There are three interrelated aspects of the corporate takeover of libraries in England as driven by the GATS: commercialisation, privatisation and capitalisation. Sub-divisions within these can also be identified. All this will now be explored in some detail, followed by examples of where these developments are already occurring in libraries and information.

First, there is **commercialisation**. This can be broken down into four distinct sub-divisions. First of all, there is the creation of markets or quasi-markets in libraries. A second aspect of library commercialisation is that

the library is viewed as a site for selling products and services, and this process is already well underway, with notions of income streams and income generation already well established.

The third sub-division is where libraries are viewed by private enterprises as sites for the promotion of their products: advertising, public relations exercises and product promotions are the primary mechanisms here. Private companies could rent out a small part of a library, for example, provide a 'service' and in this way advertise themselves. This third aspect of commercialisation links with the first, and the creation of a library service market means that individual libraries or chains of libraries, even library services within a still public library field, are forced to *compete*. This last element of competition points towards 'library league tables' as with schools and now hospitals and police services. As already indicated, this competitive environment is already being created, under 'Best Value'. Libraries are being forced to compete against each other (like schools and colleges) and an inspection regime (i.e. Best Value Inspections) will enforce competition as a core value. The aim within the library standards, for example, is to get all public library services into the top 25%, although this is clearly a logical impossibility. There are four 'Best Value' principles enshrined in the Best Value Guidance for librarians in England known as the '4Cs', and one of these '4Cs' is 'Challenge' and,

Challenge is intrinsically linked with competition (Best Value Guidance for Libraries in England, Watson, 2001, para 5.1)

Under 'Compete' (another of Best Value's '4 Cs') it refers to the creation of a market:

Library authorities should also explore potential future providers and take steps to encourage them to create a climate for competition that will enable the market to develop. (Watson, 2001, para 5.1)

The '4Cs' will be expanded on under the section on Best Value, but what is clear at this stage is that a market in library services is being nurtured by the Best Value regime. This market is a necessary condition for the opening up of public library services to corporate capital. The overall vision for this is GATS-inspired. Making these links is crucial.

The fourth form of commercialisation involves 'extraction'. Here, libraries can be used as sites for extracting money (and this money can then be distributed to various private companies), which in turn helps to provide investment and thus to ensure the continued success of global capitalism. Micropayments (small payments for Internet use) will be discussed later in this context.

The second aspect of the corporate takeover of libraries is **Privatisation** – and this and this can be sub-divided into three main forms. Firstly, libraries can be run for profits *directly*, with up-front charges for core services. This could involve privatisation of a complete library service, or parts of a library service. This will not happen in any significant way in the short-term, as not enough money can currently be made out of libraries, but it could happen in the long-term, when the 'market is ripe'. This would occur after various changes have taken effect. For example, voluntary organisations running public library services in the short-term and turning themselves into for-profit organisations in the long-term and the introduction of micropayment schemes on the Internet, when it is possible to obtain significant amounts of money from people undertaking transactions in libraries on the Internet.

A second form of privatisation involves companies making profits out of running libraries at a lower cost than the price they are contracted to run them. They might also develop new product lines, and engage in outsourcing and sub-contracting in order to make profits. This is the Government's preferred form of privatisation at the current time, as they can then still claim that library services are basically in the 'public' sector.

The third form is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The Private Finance Initiative (PFI) comes under this category.

The third category of the corporate takeover of libraries is **Capitalisation**. Here, libraries are viewed as sites of capital accumulation and profit making. The capitalisation of libraries means that the other two processes – commercialisation and privatisation – are brought together to ensure that libraries and library services and operations become *commodified* (they can be bought and sold) and library services are established with profit making as primary directive and goal. Secondly, library enterprises become traded and enter into the humdrum world of the stock and futures markets. Thirdly, and most fundamentally, capitalisation involves a *process* whereby labour comes to take on a specific social form such that it is geared up to creating value and profit, with consequences for de-professionalisation and the recomposition of skills and responsibilities. This leads to endless library reviews and re-designation of jobs that function to smooth the way for the various forms of commercialisation and privatisation of library services.

The three aspects of the corporate takeover of libraries, with examples, are addressed in detail below. Collectively, they add up to a new library experience – for library and information users and library and

information workers. This is an experience shaped by the forces of capital: the value form of labour, markets, library enterprises and the profit making process.

2.1 Commercialisation - examples

a. Market research approaches to library users and the creation of markets

The market research approach falls under the first form of commercialisation referred to above – the **creation of markets or quasi-markets**. In this scenario, library users are transformed into ‘consumers’ and market research is undertaken in order to gather information on library and information consumers’ wants, needs and their potential future wants and needs. Capitalism is also excellent at persuading people that they want things that they had never even thought about before.

Helen Weiss provides a powerful example here, when she discusses the development of strategies to obtain more information about borrowers wants and needs in the *Library Association Record* (August 2000). She describes how management information systems can help libraries adapt commercial marketing techniques to revolutionise their service. She speaks about supermarket loyalty cards, which are used to analyse spending patterns and then suggests that, perhaps, borrowers lending cards could be developed in the same sort of way. Southwark Council is using TALIS to generate management information that will help them to identify the characteristics of users and predict their future needs. Adrian Olsen, Head of Southwark Council’s Library Service noted that:

Having access to this sort of data gives us greater confidence that the products and services we are investing in will be fully utilised. With more and more libraries looking to broaden their appeal and offer Best Value the use of library management systems can be a major tool in measuring and improvement effectiveness. (Cited in Weiss, 2000, p.448)

Thus, there could be information about the borrower inserted on their library card, outlining some facts and characteristics about the user that could provide indicators about their future product wants and needs. Users’ library cards could contain information similar to that currently included on supermarket loyalty cards. Of course, some may argue that this mechanism is benign and gives librarians more information about user needs and desires. However, once this is in place its purpose can easily be shifted into a competitive market scenario, particularly if, in the future, the library supplier is a private company and not the local authority. In this situation, library users would then become ‘consumers’ (or customers), and could be treated similarly to supermarket customers. For example, information about business students in the local community could be obtained and the central library could then purchase business journals, textbooks and databases that are applicable to their particular needs. A separate business section could be established in the central library and business students could then be “invited” into this section for a small fee. This form of commercialisation could also occur even if the library was still under local authority control. The model could be extended if the information was sold on to third parties, and they might then use it for mail shots and other marketing initiatives. Of course, the Data Protection Act curtails the passing on of this information. Yet once a private operator is running the library (or a chain of libraries) then the temptation to find ways around the data protection laws increases as the profit motive, rather than public good or public service values, becomes the dominant drive underpinning the service’s operations. Once such a scenario is operational efforts could then be made to try to anticipate business students future wants and needs and, indeed, to help to shape and create these wants and needs. They could be persuaded, for example, that belonging to a nearby law library for a small fee is crucial to their needs. This law library could happen to be run by the same organisation running the business library (whether this be a private company running the two libraries on its own, or a private company running them in conjunction with the local authority or with a voluntary organisation etc.). In this way, the private company starts to expand its business.

b. Income generation

Income generation falls under the second aspect of commercialisation in libraries, as described above. Income generation has been in existence for a number of years, and is gathering pace. Most librarians are very familiar with this. It includes selling items such as postcards, memorabilia, bookmarks, pens and other stationery items. Certain materials are also hired out for a fee (such as videos, cassettes and CDs). This was certainly happening when I was working in the London Borough of Newham, particularly in the early 1990s. However, the recent Education Bill indicates how much further the process could go. Estelle Morris, Education Secretary, supports clauses in the Education Bill that aim to set schools up as post offices and sellers of a range of stationery products. In turn, with the creeping privatisation of post offices we witness profit-making operators taking over increasing areas of floor space. My local post office, the Ilford Post

Office, for example, has taken on Partners to operate a stationery outlet. A similar fate for libraries can be readily envisaged.

c. Companies 'benevolently' investing in libraries?

On first consideration, it might appear that there are no examples of private enterprises **advertising and promoting** their products in libraries. Companies are not currently allowed to advertise blatantly in places such as libraries and schools. However, this *is* starting to happen in a subtle way. Bill Gates, for example, from the Bill and Melinda Gates Foundation has given £2.6 million to UK public libraries for the creation of ICT learning centres in deprived areas. This is being used to expand the People's Network. (Resource, 2001c). Bill Gates does not need to display big Microsoft posters in these ICT learning centres in order to promote Microsoft. Microsoft and Bill Gates are well known too much of the population already. This will place Bill Gates in a very favourable light – Bill Gates giving money to deprived areas, Bill Gates wanting to help the poor people, Bill Gates wanting to do something about the digital divide – the 'haves' and the 'have nots' in the IT world. Thus, Microsoft, a large business corporation is being promoted in our public libraries.

Secondly, in some of our public libraries IT centres are being set up by private companies within the libraries themselves and some are running training courses in IT – they can be allocated a small room within a large central library, for example. There will be no big posters on the door advertising the company, but there will be a small sign outlining who is sponsoring the centre. In this way, the company is being advertised. Library users will probably find the centre very beneficial, thus providing the opportunity for the company to expand and develop this at a later date.

It is also interesting to note that private companies are moving into schools in this way as well. Victor Rikowski, in his article in this issue describes how the HSBC is involved in his school. HSBC has sponsored the school and is now able to try to persuade children at the school to join the bank.

d. Micropayments

Micropayments can become another form of library commercialisation, and this is in the form of **extraction**. For some time now, various parties have been trying to think of ways in which money can be made from searching and undertaking transactions on the Internet. Micropayments is seen to be the solution. Basically, this means that people pay small amounts of money (which can be as little as 0.1p) for undertaking transactions on the Internet. There are various definitions of micropayments. W3C (und.), for example, refers to micropayments, noting that: 'Micropayments have to be suitable for the sale of non-tangible goods over the Internet' (p.3).

However, there have been various problems with bringing in such payment systems (see Shirky, 2000 and Crocker, 1999 – Crocker was one of the founders of CyberCash which was a micropayment system that failed). Mechanisms for payments are complex, and there are problems such as security and trust that have, so far, been prohibitive. However, the White Paper on Micropayments drafted by StorageTek (2001b) is a significant and revealing document. It says that most of the problems have now been overcome and that various options are now being set in place to make it easy for people to pay for undertaking searches on the Internet. David Slater, the Marketing Manager of StorageTek spoke about the White Paper saying that:

Over the next eighteen months one of the most significant obstacles to making money from the Internet will be overcome. The lack of a trusted, cost-effective and convenient mechanism for users to pay for low value products and services has been one of the main reasons for the Internet's failure to deliver the online revenue envisaged. Micro-payments – typically for transactions between \$0.10 and \$20 – provide this missing link... Content owners, merchants, hosting companies, network operators and financial institutions all need to be aware of the opportunities and threats that micro-billing presents. This White Paper looks at how companies (and individuals) will generate revenue from micro-payments, what the options and obstacles are, who the early movers are in the market and how a micro-billing capability could be implemented. (David Slater, Marketing Manager, StorageTek, 2001a, Executive Summary, p.1)

Note, in particular, the 18-month time scale here – the hope being that mechanisms for making money through transactions on the Internet will be in place within this period of time (by the end of 2002), so that it coincides with the GATS timetable. The GATS timetable has been laid out clearly by the World Development Movement (adapted from Sinclair, 2000). The timetable shows how the GATS 2000 negotiations began in Geneva in February 2000. In December 2000 the US started to request service liberalisation from various other countries and in March 2001 trade negotiators in Geneva started work on a package with the aim of

subjecting more services to WTO rules. The end of 2002 is when the US hopes to conclude all these GATS negotiations.

What implications, then, does micropayments yield for libraries and information? The concept of micropayments directly runs counter to the concept of the free flow of information. As stated in 'Rethinking Micropayments':

The problem with micropayments, as traditionally conceived, is that they conflict with the free flow of information, which is essential if intellectual 'property' is to be noticed on the web. Other problems include lack of standards, and the creation of a whole new set of have-nots, e.g. are libraries going to pay for disadvantaged kids to surf the net? (Oja Jay, 2000, p.1)

Another possibility is that people might use libraries less, because if they have to pay for their transactions on the Internet, wherever they are, then they might choose options other than libraries. Worden (1998) outlines this scenario, and he says:

With trusted systems in place one could envision a pay-per-print system, which eliminates the risk that makes consumers wary about paying for information they may not be able to use... As more and more users turn to the Web as their primary source of news information, one can expect a shift away from libraries and other traditional research venues to the convenience of a low cost alternative at home (p.6).

If people use libraries less in this way it could clearly have many repercussions. For example, it may lessen the availability of books and other sources of information for users. Library users would lose the benefit of the rich range of information sources that are available in the library but are not present at home. However, at this juncture I do not wish to go into the debate about whether people would be more likely to use the Internet at home rather than in their library, in the future. Significantly, what is implicit in Worden's quote is that libraries will be paying for transactions on the Internet and these payments will probably be made by the library service (be it private sector, voluntary sector or local authority) rather than individual users. Certainly, companies operating micropayments systems will not be happy with people paying to use the Internet at home, yet exempt from such payments in libraries. If such exemptions could be introduced then the opposite scenario to the one envisaged by Worden might materialise. That is, people might use the library for their Internet transactions rather than stay at home and surf. In which case, all the hard work that has gone into trying to introduce micropayments would be undermined, with predictable complaints to the Department of Trade and Industry from companies hit by this outcome. At a deeper level, it would seem that exemptions for libraries from micropayments constitutes a 'barrier to trade' under the WTO's GATS Agreement, and private corporations could seek to overturn such exemption rules as the GATS-inspired trade liberalisation regime takes increasing hold of the service sector. If library services are forced to engage with micropayments then they will need to recoup their money in some way, either through local authority subsidy for micropayments (which in theory also contravenes GATS rules) or by user subscription, or user direct payment. In my radio interview (BBC, 2001) I hinted at direct payments, but in reality this mechanism would probably be too cumbersome, so the subscription option may be the preferred choice – with all the consequences for differential payments and exemptions for those on benefits or low incomes.

More generally, micropayments poses a significant threat to information flowing freely, one of the main components for an open and democratic society. Access to information and an informed public are vital checks on the operations and power of governments and corporations. The importance of public scrutiny regarding corporate and government policy cannot be overstated. Both require constant monitoring if the notions of public good and public interest are to have real and substantive meaning. Micropayments, viewed as opportunities for profit making, entail the limitation of access to information on condition of payment. As StorageTek (2001b) note:

Online products such as data are becoming a commodity, so why not... charge a small fee for them? (p.17) ...[And furthermore]... also driving the need for micropayments are web content publishers and information providers. With content being their main product, micropayments provide a huge opportunity to charge for information (p.3) ... In the hope of making money, and aided by the current rollout of Internet broadband technology in most European countries, new content providers will emerge, offering more innovative use of content and charging a fee for it (p.20).

This last point from StorageTek heralds a situation where some vital information will only be available when accessed by micropayments. This sets up a new digital divide between those who can afford some of the more expensive items that can only be accessed by micropayments and those that cannot. This overlays the conventional definition of the digital divide between those who have access and know how to use information technology and those that do not. Hence, micropayments brings with it a *double* digital divide.

Amusingly, both micropayments and Best Value have '4 Cs' as underpinning principles. In micropayments there are four key elements that are essential to achieving net profits. These are:

- **Collection**
- **Convergence**
- **Convenience**, and
- **Content**

Collection is involved in particular with new innovations in e-payments and convenient online payment methods. Traditional online payment providers, such as banks and credit card networks are losing their share of the market to Person-to-Person (P2P) payment providers. Convergence implies that payment service providers (PSPs) are becoming the next generation of banks. The traditional banking sector will become virtual telecommunications companies, and telecommunications companies will become banks. Thus:

Everyone's main goal: to own the customer, the online experience and maximise profit. (StorageTek, 2001b, p.3)

Convenience refers to considering and developing a range of convenient online payment methods. In particular, the concept of convenience focuses on new technologies and payment models that would change consumer-spending habits. Credit cards are not seen as being very convenient payment methods. They cannot handle very small payments, for example, and are not available to under-18 year olds. Thus, different payment methods are being explored such as smart cards and methods through mobile devices (such as mobile phones). Sally Rumsey (1999) alerts us to some of the experiments and trials that are being undertaken in this field. She reports on the TOLIMAC – Total Library Management Concept – an electronic documentary delivery service that uses a smart card for enabling users to pay for secure access to specific articles on the Internet.

In the micropayments world it is held that 'convenience will drive business' (StorageTek, 2001b, p.3.). Content is significant to the extent that it enables and generates micropayment opportunities. Thus, content that either cannot be charged for, or for which customers are unwilling to pay, is unacceptable in the world of micropayments. Furthermore, high quality content that generates payment encourages customers to click onto the next page – for which an additional charge can be made. Thus, for StorageTek: 'The more clicks, the greater the number of transactions, the more revenue will be generated' (2001a, p.3).

Micro-payments will be introduced, first stealthily as proponents fear public backlash to such payments, and then (if such backlash is muted) with significantly greater speed and force. Currently, EU legislation is being standardised which will ease the process. Furthermore, the UK's eventual entry into the Euro will address many of the tax and standardisation of payment issues generated by micropayments. Dealing with a large number of different currencies clearly complicates the matter and makes it more difficult to implement micro-payments effectively. This is another reason why the current New Labour government is so enthusiastic about introducing the Euro. Furthermore, efforts are being made to make micropayments user friendly and easier to deal with. Microsoft has been developing work on this with a smart card initiative. As Worden writes:

If Microsoft can successfully link its smart card business to its increasingly popular Windows suite of programs, then micropayments may be able to reach a critical enough mass for network effects to begin. (1998, p.4)

Worden notes that companies like BT and Digital Equipment Corporation have invested millions in micropayment trials. However, many of these various micropayment systems have not been very successful so far, but now the situation is starting to change, particularly as different technological forces converge, such as web TV, cheap network computers and smart cards holding digital cash.

There are also many examples of where micropayments have been introduced and used. A number of these have been outlined by StorageTek in its White Paper. The New York Times, for example, has implemented a micropayment solution to charge small fees to enable users to access past articles from the newspaper online. Also, FT.com (the online version of the Financial Times) has changed its position in regard to free access to its content and Napster, the music service, has been forced to introduce a micro-payment system after a court ruling prevented the free distribution of copyrighted music on the Internet. Cybergold (Crocker, 1999) and MyPoints, interestingly, offer 'reverse' micropayments. With this scheme the customer is rewarded with points that can be exchanged for products and services for viewing content, responding to advertisements and reading articles.

On the evidence available, it appears that micropayments will become a feature of Internet access in the near future and this will have direct implications for Internet use in libraries. Our libraries will become profit-generating centres for Internet companies. The key issue will be how libraries pay micropayments: whether users pay directly, by subscription to a library or whether libraries or local authorities become the payment

provider with users paying indirectly through council taxes. Consideration of these options may well politicise the micropayments phenomenon, but the possibility of seeking micropayment-free zones for public libraries may offer the most equitable solution. This scenario potentially runs up against the GATS though, as a 'barrier to trade'. The labyrinth that is developing before us functions to cut off solutions that incorporate social justice.

2.2 Privatisation – arguments and discussion

Three distinct forms of privatisation can be discerned, as described above. The third form has been happening for some time now in the library world. This is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The Private Finance Initiative (PFI) comes under this category, and various examples of PFI in libraries are given below.

However, there are fewer examples of public libraries being privatised and run as profit-making organisations, as such - either with companies running the complete library service, or parts of the library service, or companies making profits out of running libraries at a lower cost than the price they are contracted to run them (the first two forms of privatisation). Instead, various arguments are put forward to suggest that this is not on the agenda at all. The first argument is that there is no evidence to suggest that privatisation of public libraries is happening. The proposition is that this first argument rests on scare mongering. The second argument is that the GATS has not so far affected libraries and will not do so significantly in the future. The third argument, and most persuasive, is that corporate capital cannot make profits out of public libraries. This argument rests with the view that people would be reluctant to pay to borrow books and other media and those that can afford it would more likely buy their own from retailers.

Let us consider these arguments in turn. In regard to the first point – there is some evidence, and this will be outlined below. The second argument is incorrect; there are many examples where the GATS has, and is, affecting libraries and some of these examples are illustrated throughout this article. See the Best Value section below, for one example of this – where I show how the GATS is formulating and shaping the Best Value agenda. The examples are subtle though, and are not immediately obvious. It is clearly **not** the case that the GATS leads to forced, immediate privatisation, as Richard Caborn was keen to point out when he wrote to the *Library Association Record* on 8th March 2001, saying that:

Despite stories to the contrary, there will be no forced privatisation of libraries or the NHS as a result of the GATS.

However, this does not mean that the GATS is not effecting libraries and information, but just that the GATS are effecting libraries and information in subtle, seemingly unobtrusive ways. In fact, this is what makes the GATS and the whole global capitalist agenda so powerful and so apparently impenetrable and unstoppable. If it was more up front, there would probably be far more objection to the agenda – people do not usually like to see their way of life suddenly disappearing before their very eyes. They do not like to lose what they have come to accept as their 'rights' - which in this case is a free public library service. Moreover, in order to enable the GATS to take effect it requires the work and willingness of those currently working in the library service, to help to bring about this scenario. If private companies just suddenly 'took libraries over' they would not receive this type of assistance.

The third argument appears more persuasive. Who would be interested in trying to make money out of loaning out a few books; surely, there is no money to be made from that, many would argue? However, I am not suggesting that significant amounts of money definitely *can* be made out of libraries, either now or in the future (although it could well be possible – given the right situation). What I am illustrating, though, is the *direction* in which the whole situation is *moving*. The environment is being created which will encourage, indeed entice private corporations to see the benefits to be gained from moving into libraries. These conditions are largely being established willingly, albeit probably naively, by librarians, information professionals and other library workers under various mechanisms. Some of these mechanisms are discussed in later sections of this article – these are Best Value, Library Standards and the People's Network. Once the conditions are 'ripe', then private capital can move in. But perhaps some will say – the conditions will never be 'ripe'. Such arguments are also irrelevant, even if they are proved to be true, in the short-term. They can never be proved to be true in the long-term, because capital's drive is infinite – it will never be satisfied, it will never stop. If it fails in one area, then it will try again in another, or try in the same area but in a different way, with different mechanisms. The Multilateral Agreement on Investment (MAI) failed, for example, but this has now been largely incorporated within WTO agreements.²

Furthermore, quotes from various seemingly pro-business books also show clearly the direction in which we are all being pushed. Business folk, in their efforts to understand what is going on in the world – which they need to do in order to respond to changing economic situations – often use terminology and describe

situations that provide poignant starting points for analyses of contemporary capitalism. Concepts such as 'human capital', 'intellectual capital' and 'value' that are used repeatedly in much business literature are significant concepts in today's capitalist world as they help to describe the direction in which this latest phase of capitalism, the 'knowledge revolution', is moving. For example, Boyett and Boyett note in *The Guru Guide to the Knowledge Economy*, that:

A new post-knowledge economy may be emerging that is based not on the exploitation of information but on stories. This market for feelings may gradually eclipse the market for tangible products. Six such emotional markets can be discerned now: adventures for sale, the market for togetherness, friendship, and love, the market for care, the who-am-I market, the market for peace of mind, and the market for convictions. (Boyett and Boyett, 2001, p.47)

Making money out of libraries seems a simple and feasible aim compared to making money out of 'emotional markets'.

There are other examples that illustrate the extent to which everything is starting to become commodified today. The beaches are one clear example here. Patti Waldmeir (2001) wrote an interesting article about the privatisation of many of the beaches in America. She said:

But as private homeowners buy up more and more commodities, the clash between public and private becomes more acute. Elite homeowners are paying millions for their own bit of sand. (Waldmeir, 2001, p.6)

The article also quotes from Kerry Kehoe, who is on the general counsel for the Coastal States Organisation, which supports access to the beaches. He said:

The shoreline is slowly being privatised in incremental units. (Kehoe in Waldmeir, 2001, p.6)

Thus, it appears that part of the earth that we thought belonged to 'the people' is now being sold and commodified. What next? What other parts of the Earth can, and are, to be commodified?

To conclude this section: I am illustrating the direction in which we are all being forced along. I have several examples below to illustrate various aspects whereby privatisation is already infiltrating libraries, but in a sense, even if I did not have these examples, this would not alter the direction in which we are headed or lessen the general argument. The processes described are in their infancy, but are developing rapidly.

2.3 Privatisation – examples

a. Libraries run directly for profit

The first form of privatisation I described previously is where private companies are running libraries (or parts of libraries) directly, for profit. There are some subscription libraries that would fall under this category, but they are small in number. There are also company libraries that function to augment the capacity of the firm to make profits (e.g. libraries in law firms) and media libraries that generate revenue (e.g. newspaper libraries). But I will not pursue these examples further as the focus here is on corporate capital moving into public sector libraries and electronic libraries setting up in competition with mainstream public and academic libraries, operating on a for-profit basis.

There are now IT centres/Internet projects that are being set up in public libraries by private companies. Ormes (1996) describes such projects in detail. She indicates that an Internet project called Cybercity is situated in Bath Central Library. The area is screened off and houses a number of PCs that offer Internet access. It is used by the public, and is very popular. The council could not afford to run such a project, so it is being run for profit by a local company called GlobalInternet. As Ormes (1996) notes:

Cybercity is in fact not a library service at all, but a cybercafe (without the coffee!), which is run for profit by a local company called GlobalInternet. Cybercity, like all cybercafes, offers charged access to the Internet. How it differs from other cybercafes is that instead of being situated in a shop/café it is found in the public library. (Ormes, 1996, p.1)

Another company that is working with public libraries is called Input/Output. It has 10 centres in public libraries across the country. Marylebone Library was the first of these. As well as providing Internet access, it also provides access to software packages such as word processing and spreadsheets and runs computer-training courses. South Ayrshire council started a South Ayrshire Cyber Project in 1996. The intention was to open a number of Cyber Centres in libraries across the county, providing the public with access to the Internet, software packages and CD-ROMs.

Questia (Fox, 2001), netLibrary and ebrary (Crane, 2001) are all electronic libraries:

...with collections that include tens of thousands of books. And they are growing fast; although modest by the standards of print collections, these commercial digital libraries already dwarf even the largest non-profit collections. (Crane, 2001, p.1)

So Questia, for example, is an Internet company aimed at serving students in an academic environment, providing online information from books, encyclopaedias and journals in the humanities and social sciences for fees (Fox, 2001). Questia:

...sells information online directly to consumers the way amazon sells books online and the GAP sells clothes online. (Fox, 2001, p.1)

Fox also refers to some other companies that have launched similar products aimed at both students and faculty staff. These are Proquest Academic Edition's Xanadu, and Jones's e-global Library (*ibid.*). Many other examples could be given, but what they indicate is that the private sector is either moving into public sector and academic libraries or setting up alternative operations with the aim of making profits. This is a process that is still at an early stage of development.³

b. Private companies making a profit out of running libraries at a lower cost than the price they are contracted to run them

The second form of privatisation is where private companies make a profit out of running libraries at a lower cost than the price they are contracted to run them. This has just started to happen in England, in the London Borough of Haringey. The September 2001 issue of the *Library Association Record* reported in one of its news items that:

Consultants have been called in to run a local authority library service. This is a first – although the move is temporary. (LA Record, 2001f, p.515)

Haringey received a very negative report by the Best Value Inspectors and this has resulted in Instant Library Ltd, under its co-founder Diana Edmonds, being given the 'opportunity' to turn the Haringey library service round. The library service was criticised in a number of ways in the Best Value report. The criticisms included poor opening hours, low staff morale and poor management, especially stock management. However, Haringey was one of the first councils to do a Best Value review, and so were 'guinea pigs', in this respect. As explained in the Best Value section below, some authorities have not entered into the 'spirit' of Best Value. Some librarians and library workers have naively thought that the main purpose of 'Best Value' was to provide a good library service, serving the needs of the local community, whereas the main purpose of it is to enable the GATS to take effect. This is probably what happened in Haringey. So, this has provided an ideal opportunity, to enable the private sector to move in. The fact that it is being run by 'Instant Library Ltd' eases the process as well, because this company is quite well known in the library world (particularly as a recruitment agency). As the former head of Haringey library service (who retired in 2000) said of Instant Library Ltd:

Some people may be suspicious, but I see it as a positive thing. They seem anxious to work with the staff, and are being very approachable and open. (LA Record, 2001f, p.515)

There would be far more suspicion, I feel sure, if a completely unknown private company had moved in, and particularly if it had been a foreign company. By this gentle-gentle approach, capital hopes to make further inroads. Instant Library Ltd is on a 6-months trial, and an assessment will be made on the work that they have undertaken after this period. If 'progress' (in line with Best Value) has been made, then I am sure that they will continue to run Haringey libraries. At some point Instant Library Ltd will probably take over Haringey libraries completely. At some more distant point Instant Library Ltd will probably then be taken over themselves by a larger corporation. There we have it – the start of corporations moving into libraries. Am I being cynical? Why then was the local authority in Haringey not given the chance to 'improve' under the Best Value imperative, rather than just allow Instant Library Ltd to move in? The LA Record explains how Maria Stephenson, a middle manager in Haringey said that they were not given guidelines on how to undertake Best Value and that they 'didn't have the skills'. They were one of the first authorities to undertake a Best Value review, so surely they should have been given more help and guidance. Yet, we can speculate why that did not happen: it would not have provided the opportunity for the private sector to start to run our public library services. Furthermore, if no examples materialised from 'Best Value' in this way – providing the opportunity for alternative suppliers, then the Best Value regime itself would be seen to be a waste of time. It is a mechanism that has been established in order to enable the GATS to take effect, so it must be seen to be doing its job. Best Value would not be being implemented, as intended, if all the Best Value Inspection Reports concluded that all the local authorities were providing a good public library service, or at least, a service that could be improved whilst remaining in the control of the local authority.

2c. The private sector running capital projects

The third form of privatisation is where the private sector takes over and runs capital projects, such as the building of a new central library or a service-wide ICT system. The **Private Finance Initiative (PFI)** comes under this category, and there are various examples of where PFI has been adopted in libraries. PFI is often portrayed as being an opportunity to get investment into our public services in general, although George Monbiot in his book *The Captive State* (2000) has shown PFI to be an expensive, inefficient and undemocratic way of providing public services. Others, such as Dexter Whitfield have also shown this (Whitfield, 2001) (See also Labour Left Briefing, 2000).

In regard to library examples of PFI, Richard Sibthorpe (2001) describes the first PFI to incorporate construction and IT solutions, which was undertaken in Bournemouth. It provided Bournemouth with a new central library and ICT (information and computer technology) facilities across its whole branch network. A 30-year contract between the Council and Information Resources (Bournemouth) Ltd was signed to build and facility-manage a new central library. This is a 'pathfinder agreement' and was one of 29 pathfinder agreements around the country. Pathfinder is an official government scheme and the Department for the Environment, Transport and the Regions (DTER) gave nearly £15 million towards the new library. Linda Constable (Bournemouth Council Library Officer, and Manager for the ICT element of the project) said:

A great partnership has been developed between the council, Information Resources, Allied International and TALIS information, all working to deliver Best Value and service to both the other organisations involved in the deal and the library users in Bournemouth. (Constable in Sibthorpe, 2001, p.236)

The library needed to ensure that it remained technologically advanced throughout the 30-year period of the contract. It was difficult for them to know, or predict, what new technologies would develop, so the Council got guidance from the DETR's newly published Treasury Task Force ICT Guidelines which introduced Technology Refreshed. Bournemouth Council then went on to implement a series of Change Control Agreements. Change Control is an essential element of the PFI contract process, and is particularly important when implementing hardware and software ICT projects as things change so rapidly. Sibthorpe notes in regard to PFI that:

The initiatives also provide private investors with valuable exposure to new markets. (2001, p.237)

Thus, PFI fits in closely with the GATS agenda. Furthermore, Sibthorpe says that:

The Local Government Association acts as a facilitator between local government and the PFI process, focusing on Pathfinder projects, such as the Bournemouth deal. It is these initiatives which are seen as examples of the potential scope of PFI, and they are more than likely to serve as models for future schemes. (Sibthorpe, 2001, p. 237)

Sibthorpe concludes by adding that:

Private Finance Initiatives enable the public sector to effectively purchase a service from the private sector, allowing them to avoid the need to fund the infrastructure that the service provision would require. They utilise the efficiency and expertise that the private sector has to offer. PFIs look set to be the blueprint for the way in which this, and probably any government, will be aiming to do business with the private sector for the foreseeable future. (Sibthorpe, 2001, p.237)

It is interesting how Sibthorpe notes the Government's keenness to continue to do business with the private sector in the future, in this respect.

There are other examples of PFI in libraries. Hackney Technology Learning Centre, which includes a new central library and museum, has used the PFI initiative to build its new library, which is due to open in April 2002. (LA Record, 2001a) Kent County Council is operating a PFI contract for the provision, financing and operation of the council's IT system. This includes the library system and a public information network of over 1000 terminals. Also, Brighton is developing a new central library through PFI (LA Record, 2000e).

2.4 Capitalisation – further observations

The capitalisation of libraries and library services is a process; a process that deepens over time with libraries becoming sites for capital accumulation and profit making. There are three aspects to this. Firstly, the other two processes – commercialisation and privatisation – feed off each other such that libraries and library services become increasingly *commodified*. This implies that library services are increasingly ruled by the goal of profit making. Notions of income generation, income streams, marketing, library products, the user as 'customer' or 'consumer' and the market, competition and cost-effectiveness and efficiency become the yardsticks for success. This implies a 'culture change' regarding the ways library staff are encouraged to

view what they are about. The capitalisation of libraries implies its *businessification* – the library and library services as businesses, bathed in business values and outlooks.

Secondly, as the commodification and business takeover of library services increases then library enterprises become traded, bought and sold. The companies running library services start to figure in stock markets, and international capital – aided and abetted by the GATS process – starts to take hold of national library services. This process can be seen more readily in what is happening to schools in contemporary Britain. Some of the companies taking over the running of schools and Local Education Authorities are traded on the stock market. Indeed, as Bernard Regan (2001) points out, the average share prices of these ‘education businesses’ have outperformed the overall level of share prices in the last few years. Thus, it can be envisaged that the business takeover of library services may have similar outcomes and effects as to what is happening in schools, with profits made from running services at a lower cost than contract price.

Thirdly, and most fundamentally, at the heart of the capitalisation of libraries is a particular form of *labour*: the value form. Capital, as Karl Marx (1867) reminds us, is a social relation, not a “thing” (i.e. a commodity), though it appears as a “thing” as it is incorporated in commodities. As workers (labourers) we have a social relation with a *process* (the value-creating process in the labour process) and with the substance of capital’s social universe itself (value) (McLaren and Rikowski, 2001). In terms of labour, the value form is based on the fact that workers produce more value (i.e. *surplus value*) than that represented by their wages (the value of their own labour-power, their capacity to labour). Surplus value arises when workers produce more value incorporated in commodities than that incorporated in their wages: *surplus value*. Profit is a part of this surplus value (other elements leaving the enterprise as tax, rents and so on), and it is this that drives on the managers of capitalised libraries to restructure services continually to maximise profits. This form of labour, the value form, is antithetical to outmoded and ‘traditional’ forms of labour resting on notions of public service or the public good. It rests on the notions of value, price, profit and competition (markets).

It should be emphasised that the capitalisation of library labour is typically a drawn-out process, certainly not something that is carried out overnight. This is because it is developed as the other two processes – commercialisation and privatisation – are being nurtured. All this has tremendous implications for restructuring library workers’ labour, and the forces and motivations driving it. The labour of library workers changes its mode; it becomes a different form of labour, the value form. The concept of the capitalisation of libraries addresses these momentous changes that are currently taking place before our eyes.

The capitalisation of libraries and the imposition of the value form of labour imply a whole raft of ‘softening up’ processes. Library workers’ labour is reconfigured so that it becomes more flexible, adaptable and adequate to the facilitation of libraries being turned into businesses. Reviews of library services, modernisation programmes and redefinitions of ‘professional’ duties become apparent necessities. Furthermore, professional values and jobs that appear to stand in the way of the capitalisation of libraries become at risk. This is because the process of turning labour into value-creating labour that is the source of surplus value out of which arises profit is antagonistic to professional values and attitudes that place ‘service’ and the needs of library users above all other values – including commercial ones. Many library services have witnessed decimation of their professional staff as the way is being cleared for further capitalisation of library services. In the London Borough of Newham Library Service where I worked up to 1995, a Library Review held in the early 1990s had the effect of clearing out swathes of professionally qualified staff (my own post as training officer was eventually abolished). Another review has just been completed in Newham. Such continual reviews also has the effect of making staff feel more insecure and it is less likely that staff will join trade unions and take industrial action. The workforce becomes fragmented and disjointed, particularly with the increase in the casualisation that accompany such reviews. In Newham, staff were either not replaced at all, or replaced with unqualified staff. This process was not unique; many other library services suffered and are suffering a similar fate. Thus, on data compiled by Loughborough University by 1996-97 the number of professional librarians per 10,000 of the population was at 1.1, whereas in 1991-92 it had been 1.3 (British Council, 1999, p.1). But the capitalisation of libraries does not just threaten professional posts; it undercuts the service ethos as it reconfigures the prevailing values and goals of library services in terms of value-creation, cost-effectiveness and profit. It changes the whole face of library work as it takes hold and seeps into the everyday operations of library services. Professional values and the service ethos can act as barriers to the businessification and capitalisation of library services, and those pushing through the business reforms cannot tolerate that. Fundamentally, the profit ethos becomes far more important than the service ethos.

3. Mechanisms, Facilitators and Enablers for the Corporate Takeover of Public Libraries

In this section, I shall outline some of the mechanisms that are in place which will enable the GATS to take effect, thus enabling the corporate takeover to develop through the three main modes outlined above. Thus,

