**The concept of Free Trade in Communication**

The negotiations of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT, established in 1947 to provide a framework for international trade after the Second World War), included trade in services for the first time on a par with the traditional commercial and manufacturing sectors. The agenda of this seventh round of GATT talks, which started in 1986 and were the most wide-ranging and ambitious so far, reflected the neo-liberal push towards opening up protected markets. The Final Act of the Uruguay Round, signed in 1994 in Marrakesh, Morocco, included in addition to tariff cuts of up to 40 per cent on industrial products, and liberalization commitments to remove them further, trade in services, investment and intellectual property rights. Their inclusion in the GATT negotiations was the culmination of Western efforts to liberalize the worldwide trade in services.

The USA, leading the West, argued that the world would benefit from the resulting huge expansion in investment and trade. It was estimated that the Uruguay Round, when fully implemented, could boost world income by up to $500 billion, and increase world trade volumes by up to 20 per cent. However, there was a tension between the free-marketeers and those who argued for a more regulated system to protect domestic markets and interests. The former wanted to end state intervention in world trade and promote liberalization and privatization.

This position was strengthened with the move from GATT to the permanent World Trade Organization (WTO), which came into existence on 1 January 1995, with stricter legal mechanisms for enforcing international trade agreements. The WTO was set up with a clear agenda for privatization and liberalization:

The fundamental cost of protectionism stems from the fact that it provides individual decision makers with wrong incentives, drawing resources into protected sectors rather than sectors where a country has its true comparative advantage. The classical role of trade liberalisation, identified centuries ago, is to remove such hindrances, thereby increasing income and growth.

As part of this, the WTO also argued that dismantling barriers to the free flow of information was essential for economic growth. It was even implied that it was not possible to have significant trade in goods and services without a free trade in information. The importance of a strong communications infrastructure as a foundation for international commerce and economic development was increasingly emphasized by international organizations.

One key outcome of the Uruguay Round was the 1995 General Agreement on Trade in Services (GATS), the first multilateral, legally enforceable agreement covering trade and investment in the services sector and the one with the most potential impact on international communication, though it is also important for other sectors of global trade and investment. The services sector encompasses financial services (including banking and administration of financial markets), insurance services, business services (including rental leasing of equipment), market research, computer services, advertising, communication services (including telecommunication services - telephone, telegraph, data transmission, radio, TV and news services).

The most significant component of this agreement for international communication was the GATS Annex on Telecommunications. Telecommunications forms one of the largest and fastest-growing service sectors and plays a dual role as a communications service, as well as the delivery mechanism for many other services. As a sector of crucial importance to all service exporters for both production and supply, the world market for telecommunications services is expected to double or even triple in the next decade. The overall network-generated revenue by 2001 is expected to reach $1 trillion. There are interesting similarities between GATS, in particular the Annex, and the 1992 North American Free Trade Agreement (NAFTA) between Canada, the US and Mexico - the first trade agreement with commitments to reduce barriers to services trade, thus opening up Mexico's services market to US firms.

A year after the agreement was signed, Mexico's constitution was amended to allow foreign investment in Mexican media companies. The Annex encourages private corporations to invest in privatized telecommunication networks in developing countries and, in turn, Southern governments are encouraged to open up their markets to private telecommunications operators. It also extends the 'free flow of information doctrine' to cover both the content of communication and the infrastructure through which such messages flow. The GATS Annex sets out the rules for trade in telecommunications and deals with access to and use of public telecommunications transport networks and services. One key guiding principle says that foreign and national suppliers of telecom facilities should be treated equally, thus exposing domestic telecommunications industries to international competition. It obliges countries to ensure that foreign services suppliers have access to public networks and services on an equal basis, both within the national market and across borders. The rules require free movement of information, including intra-corporate communications and access to databases, with detailed guidance on acceptable conditions for access and use. To ensure transparency, information on charges, technical interfaces, standards, conditions for attaching equipment, and registration requirements has to be made publicly available. The Annex also encourages technical co-operation and the establishment of international standards for global compatibility and interoperability.

In essence, the proposed liberal global regime in telecommunication, with fewer restrictions on telecommunication flows and encouragement of investment in infrastructure in the South, aims to create the conditions to enable transnational corporations to penetrate the 'emerging markets' of Asia and Latin America, where the potential of the services sector was seen to be enormous. According to the WTO, the global trade in services is growing very rapidly (it grew 25 per cent between 1994 and 1997 alone), not least due to advances in