The 'nature' of environmental services: GATS, the environment and the struggle over the global institutionalization of private law

Martin Weber

School of Social Sciences and Law, Oxford Brookes University

ABSTRACT

The article traces the contradictions in the current phase of the formation of Global Trade Governance via an inquiry into the discourse surrounding environmental services. The analysis elucidates the inadvertent politicization of environmental services, which paradoxically emerges within a context of attempts to insulate and depoliticize the Trade in Services agenda more generally. It provides an interpretation of this dynamic from a political ecology perspective. As a site of profound definitional problems, the Trade in Environmental Services discourse reveals deep-seated contradictions lodged in social relations with nature. The contradictions are explored via a critical deconstruction of the very concept of 'environmental services', which aids the identification of sites of political engagement vis-à-vis the substantiation of 'global modernity' through economic integration. The developmental logic of capitalist modernity expands into areas where its contradictory nature becomes, once more, tangible, the subject of a social experience of detrimental forms of relations with nature, and thus subject to political struggle. The article concludes by illustrating the argument with examples from the Environmental Services Trade agenda.

KEYWORDS

Global political economy; political ecology; trade in environmental services; GATS; critical theory; modernity.

1. INTRODUCTION

The General Agreement on Trade in Services (GATS) is slowly gaining prominence as a key issue in the governance of the global political economy. The Trade in Services agenda has contributed significantly to attempts at a
more general depoliticization of the multilateral trading system, premised on the growing institutionalization of market-based rules. Yet, despite the impression that any public challenges to this growing prerogative of the private sphere are ‘incoherent’, fragmented, and without clear direction, there has been a concerted effort to critically examine and challenge both the implications and reality of the GATS agreement in terms of this growing ‘marketization.’ This challenge has emanated from critical academic studies,1 NGOs,2 and the loose ‘workshop’ structure at the level of social movements.3 Indeed, such a ‘coalition of concern’ reflects a potential political momentum directed at problematizing current forms of global governance – what Gill refers to as ‘new constitutionalism’ (Gill, 2002) – and a tendency to seek to repoliticize a wide variety of global issue areas. The motivational base for such agency is rooted in the perception that this institutionalization is overtly biased towards the private commercial sector at the expense of public political empowerment and social responsibility.

The general dynamics of this phenomenon are not fundamentally new: this depiction is reminiscent of Polanyi’s ‘double movement’ (Polanyi, 2001, p. 76). However, what is novel is the scope and the location of the sites of political struggle (van der Pijl, 2001, p. 388). Protestors and critics identify both theoretically, and through the practices of social struggle, a ‘legitimacy gap’ reproduced by the transnational, state-led institutionalization of the market, through which the scope of democratic accountability and responsibility becomes severely constrained across the globe. Yet, like Polanyi, the major critique of those who oppose trade liberalization and privatization lies in the refutation that free trade and commercial interests deliver the benefits its proponents claim it to, particularly so in areas related to Polanyi’s ‘fictitious commodities’: money, labour and land. (Polanyi, 2001, p. 56). The following investigation focuses on the latter, which is understood here to refer to ‘ecology’, the natural environment, which is always already present in some form, and retains value independent of human labour. Indeed, the increase in trade liberalization has lead to the recognition of its negative consequences on local and global ecology. As such, the trade-environment link has been one of the most openly contentious issues in both the regional and the global multilateral context.

That the trade liberalization agenda and ecological concerns are premised on fundamentally opposed value-commitments had been stressed early on, both in the context of social struggle and scholarly analysis. The result of this relatively prominent exposure of the supposed antagonism of environmental and free trade prerogatives has been a continuous attempt to keep the environmental issue both, in view and in check, as liberalization has proceeded. As a further step in the multilateral trade liberalization agenda, the GATS illustrates these features of discursively positioning ‘marketization’ with reference to environmental outcomes, in
the process of which the entrenchment of market-based measures is rendered as a requirements for sustainable development.

This positioning occurs with reference to two ways in which the 'environmental' impact and implications of the GATS can be construed. First, GATS liberalization may lead to environmental side effects resulting across the range of liberalized sectors. Thus, for example, liberalization in transport services may lead to the intensification of traffic-related emissions (WTO, 2002a, p. 6). Second, the GATS itself contains the framework for the liberalization of environmental services proper, which include a range of remedial, preventive, and consultative services directly linked to environmental issues. Both of these aspects are formative for the political ecology challenge in the broader sense. However, the purpose of the following analysis is primarily to reconstruct the substance of the political ecology challenge with reference to the GATS Trade in Environmental Services Agenda. This more narrow approach allows a detailed demonstration of the tensions that arise owing to the different conceptualisations of 'green politics' which underpin the political struggle on the one hand, and the liberalization-driven policy responses on the other hand. In particular, the Environmental Services Agenda reveals the contradictions of the expropriation-oriented 'market socialisation' vis-à-vis the tentative conception of an economy oriented towards keeping human development as well as environmental integrity and diversity in equilibrium.

Ultimately, this analysis reveals that the Trade in Environmental Services (TIES) agenda and the GATS environment discourse contain irreconcilable contradictions in the development of late capitalism, contradictions which indict the hegemonic discourse of capitalism at the heart of the developmental logic of modernity and modernisation as such. It is with regard to these contradictions that the discursive context of the politics of trade and the environment as set out here can provide a background to a further inquiry into the agenda for legitimacy and legitimation of Global Environmental Governance (GEG).

2. THE TRADE ENVIRONMENT LINK

Environmental concerns made a prominent appearance in the transnational public sphere in a sustained manner during the North American Free Trade Agreement (NAFTA) negotiation process. The need to interface the dynamics of evolving trade-liberalization with its environmental implications, and thus to move 'pro-environment' regulatory issues closer to trade negotiation concerns, can be read in terms of an example of 'governance' according to the 'complex multilateralism' model (Scholte et al., 1998). A coalition of green NGOs, environmental activists and concerned citizens put pressure on the governmental negotiation parties, and effected significant modifications in both, the institutional design of
the Free Trade Agreement, as well as the degree of integration of environmental issues (Thomas and Weber, 1999; Delal Baer and Weintraub, 1994).

This advance of environmental concerns into trade-negotiation forums rendered problematic the effectively functionalist self-understanding and approach which had been the predominant modus operandi in intergovernmental negotiations. The shake-up caused by the arrival of ‘new issues,’ continues to be reflected in the debates over demarcation, responsibility and accountability of domains of governance. The orthodox view holds close to the functionalist logic of developing issue-specific, internally consistent rules for governing functionally specific areas such as ‘trade’, and it expects similar processes to take place in other institutional settings in a parallel, non-integrated fashion (Nordstroem and Vaughn, 1999). The heterodox challenge to this conception of governance posits, however, the integration aspect as central to the development of appropriate governance responses, emphasizing the inseparability of economic and environmental policy and action.7

This constellation circumscribes the political arena in which actors, formal and informal, contest the merits and demerits of inclusive or exclusionary approaches to linking GEG and multilateral trade policy. In reflection of the reform concessions of the NAFTA package, which led to the establishment of the side agreements on the environment and labour, the WTO’s ratification included the establishment of the Committee for Trade and Environment (CTE). The CTE’s mandate includes the review of the relationship between WTO rules and the remits of Multilateral Environmental Agreements (MEAs), but also a more general mandate to facilitate the gathering and processing of information and knowledge about trade/environment linkages. The CTE mirrors the Council for Environmental Co-operation (CEC) established under the NAFTA, but lacks the limited recourse mechanism of the latter, which was established on the basis of trilateral policy harmonisation (CEC, 2000). In addition to these institutional provisions, the ‘constitution’ of the WTO includes – in the preamble to the Marakech treaty— a general commitment to ‘sustainability’, reflecting a formal recognition of linkages between environmental and trade liberalization agendas. The recent Doha Round – also billed a ‘development round’ – included further advancements in the recognition of the significance of environmental issues (Butkeviciene, 2002; WTO, 2000a, Section 6).

In general, however, the political emphasis has shifted away from the momentum initially developed by those posing the heterodox challenge (ENGOs, citizens initiatives and social movements primarily). Rather, a decade of vigorous development of economic tools for addressing environmental issues has lead to a situation in which proponents of trade-liberalization have largely, faced less political opposition when stipulating
the fundamental congruency of trade liberalization and environmental objectives. Again, therefore, approaches to GEG face 'means testing' discourses, which query first and foremost their consistency with trade-liberalization and market access principles (Bundestag, 2002, p. 161). The restatement of the neo-liberal orthodoxy in terms of the efficiency benefits of trade liberalization, the spill-over effects from technology transfer facilitated by invigorated international trade, and the responsive dynamism of markets in general, has in part been made possible by the fragmentation of the relative coherence of the heterodox challenge. This occurred in part through the 'co-optation' of critical proponents in trade-liberalization/environment disputes, and the marginalisation of those who resisted this process (Weber, 2001). The shift of critical political engagement away from NGOs – increasingly formalized organizational bodies (Della Porta and Diani, 2001, p. 16) – and towards social movements (the 'Global Carnival', the movements around the World Social Forum theme, the World Development Movement, and the global anti-capitalist movement more generally) can be read as a reaction to this loss of credible and plausible critical agency by the more organizationally oriented, increasingly professionalized civil society groups (Ofte, 1990).

These developments are beginning to reflect trends already exhibited in the context of the 'legitimacy crisis' period of the late 1960s, early 1970s, which saw movements challenge the ostensibly well-established and materially secured socio-political arrangements of Western, democratic statesociety relations. While obvious differences are immediately clear – legitimacy challenges to 'global governance' differ structurally, in scope, as well as in their political impact significantly from those contained ultimately within the conceptual and legal constraints of nation states – parallels occur in the nature of the political challenge. The latter is directed not only at 'governance authority', but also at the whole constellation of state/civil society which facilitates the collusion of rule makers, enforcers and civil society proponents for the purpose of providing legitimation for the evolving governance agenda.

Whereas on the one hand numerous ENGOs have increasingly become integrated into the legitimation process, the political challenges are now voiced more and more from the legitimacy perspective, calling into question the process of policy formation and justification as a whole. This tendency underpins the setting for the advancement and contestation of the Doha round, which included the commitment to promoting environmental goals, pursuing the comprehensive positioning of WTO rules with reference to MEAs, and the re-affirmation of the fundamental compatibility of invigorated global trade and environmental objectives. Part of the key agenda of the Doha round is the entrenchment and development of the global liberalization of trade in services, of which environmental services form a sectoral concern.
3. GATS AND ENVIRONMENTAL SERVICES

The agenda for the liberalization of TIES is listed as sector 6 under the overall GATS framework. TIES shares with all other sectors listed the key features of GATS related market-opening measures: the role of horizontal commitments, MFN-commitment, and the threefold scheduling provision, which classifies sectors as either liberalised (‘none’), not liberalized (‘unbound’), or not liberalized due to technical feasibility issues (‘unbound due to . . .’). Environmental Services are, for the purpose of the agreement, broadly construed, and include services incorporating substantial infrastructural features (sewage, waste-disposal), as well as ‘software’ services in planning and consulting. The GATS framework itself is currently silent on the exact classification of environmental sub-sectors, and the negotiation contributions by different GATS members deviate with reference to this issue (The EU identifies seven sub-sectors, the US four. WTO, 2000b, p. 2). The environmental services sector is viewed as a high growth sector that is at only rudimentary developmental stages with reference to its trade potential. This assessment is qualified in two ways:

1. Growth is seen to be most likely in environmental services trade with developing country partners, as the sustained impact of environmental regulation, and increasing producer and consumer compliance are seen to have lead to decreased market potential in developed nations (Butkeviciene, 2002, p. 6)

2. The objectives of the trade in environmental services agenda are focused towards the provision of ‘non-traditional’ environmental services, which include services directed at transforming production and management methods. High growth prospects here are thus linked to the expected industrial development in developing countries (Butkeviciene, 2002, p. 7).

What is interesting about the conceptualisation of ‘trade in environmental services’, is that some areas in which the language of ‘environmental services’ is already employed across economies remain unmentioned in the GATS context. Such common usage covers, for instance, pest-control in non-agricultural context, or other ‘defensive’ services designed to ‘keep the environment out’, such as vermin or insect control interventions, some of which are, by now, large-scale (spraying in urban environments, for instance). While some services seem clear with reference to their ‘belonging’ to environmental objectives (perhaps well captured in the case of sewage collection and treatment), others, though not necessarily tabled yet, seem to be much more difficult to place and define. For instance, is mosquito control an environmental, or a health related service? Furthermore, the environmental service sector in the GATS agreement is subject to various attempts to influence what is effectively a market in the making, i.e. one that
is only poorly established to date. According to EU estimates, the current
volume of environmental services potentially subject to GATS liberaliza-
tion is $280 billion (2000 figures), and is estimated to reach $680 billion by

Thus, the rationale of ‘environmental services’, their conceptualisation
and their identification with reference to the trade potential they harbour
rests on the ‘metabolistic’ aspects of ‘culture’ – ‘nature’ relations; it turns
(if not exclusively) on the sites where either the extraction or the deposit of
materials occur (to be sure, with effects on the wider natural environment).
The seven sub-sectors identified in the EU proposal hence reflect the spec-
trum of environmental services which stretches from the ‘traditional’, i.e.
generically publicly owned and operated ‘end-of-pipe’ infrastructural ser-
vices, to the ‘new’, knowledge driven preventive and managerial services.
They are:

(a) Waste water management
(b) Waste management
(c) Protection of ambient air and climate
(d) Remediation and clean-up of soil and water
(e) Noise and vibration abatement
(f) Protection of biodiversity and landscape
(g) Other environmental and ancillary services

Particularly under the last category, environmental service commitments
may include knowledge intensive ‘new economy’ type services which in-
terlock more clearly with other services (related, for instance, to finance
or construction) or trade protection measures (for instance TRIPS). Such
‘cross-integration’ – amounting to harmonization (Cutler, 1999) – is antici-
ipated, and supported, although the quality, scope and policy cogency
of putting together integrated ‘packages’ is less than clear. All partici-
pants in the consultation and negotiation processes point to the defini-
tional problems, which abound in identifying environmental services, dis-
tinguishing them from other service types, and including them in schedules
(OECD, 2000). The advance of the GATS agenda more generally (includ-
ing the incremental accumulation of incontrovertible GATS commitments
by members) proceeds parallel with the conceptual and legal work neces-
sary to police claims and counter-claims. Hence, since they may arise from
the commitments, this form of harmonisation is prejudiced towards the
‘agreement-infrastructural’ expertize (legal, technical and scientific expert-
tise), and ‘rich’ institutional resources (funding and bureaucratic compe-
tence). This is particularly pertinent in the ‘development’ context, consider-
ing the GATS’ deliberate ‘incrementalism’ with reference to the ‘bottom-up’
trajectory of the agreement. This involves the ‘country-driven’ perspective,
where individual signatory countries commit in the first round (begin-
ning in 1995) service sectors and sub-sectors to the agreement subject to
transient qualifications; according to the WTO this is a crucial aspect of 'country ownership' and the 'right to regulate'. Effectively, governments could 'shield' service-sector areas (for instance, municipal environmental services) from liberalization. However, as has been demonstrated repeatedly (Sinclair and Grieshaber, 2000), this 'shielding' is contingent upon (1) achievement of an advanced level of legal-technical vetting of the proposed 'insulation' so as to anticipate and pre-empt challenges under the wider GATS rules; and (2) clarity about the delineation of 'sectors', 'services' and 'goods' which is currently absent.\(^\text{10}\)

GATS, TIES and the environment

Environmental Services as construed for the GATS are not necessarily services with explicit links to environmental or ecological improvements.\(^\text{11}\) The agreement invites the formation of an environmental services agenda composed of the proposed commitments of its members, and the willingness of other members to adopt the commitments thus forwarded themselves (for cases of particular schedules in the sector, as opposed to horizontal scheduling). This has the advantage of keeping the agreement open to any regulatory innovations or modifications, which may create opportunities for trade. This openness, while characteristic of the whole GATS approach, is particularly important in the environmental services sector, because the sector itself is more than other service sectors regulation-driven (trade opportunities often don't 'pre-exist', requiring regulation; rather, the regulatory efforts based on perceptions of environmental threat or degradation potentially create trading opportunities). At the same time, however, trade in environmental services is often not straightforward particularly because in many cases feasibility, technical or otherwise, is less than obvious (this leads to the justifications for many 'un-bound' sub-sector areas on the GATS database).

The current status\(^\text{12}\) of negotiations is that whereas some 40 countries have made substantive commitments under GATS on environmental services trade liberalization, many other countries, in particular developing countries, are wary of entering into this field, owing, in part, to the imbalances caused by the differential export potential in favour of developed nations with 'matured' environmental services markets (Butkeviciene, 2002, p. 6). Cuba (WTO, 2002a: 1) has attempted to articulate some of these reservations by insisting in its negotiation contributions on opt-out clauses and differential treatment for developing country parties, arguing not least in terms of G77-type conceptions of indigenous technology development. Others have put forward similar proposals, sharing the sense in which markets created by regulations may favour unduly those who provide both, the regulations, and thus the markets. This stance can be sustained by the need for high-level technical expertise in both, the (legal and technical)
definitions of ‘tradable’ services, as well as the assessment of the likely consequences and implications of practically irreversible commitments in this area.\textsuperscript{13}

Overall, TIES is not accorded any particularly exalted status among trade negotiators, although this could change, if instruments of GEG move from ‘precautionary principle’ mindsets towards regulations aimed at market-based solutions. (The most prominent example here is the proposed emissions trading scheme in the context of the Kyoto Protocol.) Thus, at this stage, more than for any direct practical policy concerns, the GATS Environmental Services Agenda is interesting precisely because of the place it occupies in the political discourse about the implications of trade liberalization for environmental concerns. Owing to the implied and frequently stated ‘pro-environmental’ stance of objectives in trade in environmental services liberalization,\textsuperscript{14} it is set to be a discursive ‘battleground’ where the political ecologist critics assert the fundamentally political nature of the ecological crisis, while proponents of trade liberalization advocate the expansion of markets. The positions are sustained by radically different philosophical underpinnings, some implications of which are considered in the following section.

4. POLITICAL ECOLOGISTS AND FREE TRADE PROONENTS: TALES OF TWO ‘MODERNITIES’?

The Trade/Environment link has been the focus of much contention between political ecologists on the one hand, and advocates of trade liberalization on the other. That this contention replicates fundamental aspects of the wider debate over the ‘substitutability’ of politics with economics, or, indeed, the very cogency of the split between the two in the first place, is evident, if not a particularly deep insight.\textsuperscript{15}

Environmental issues are in this context conceptualised as either challenges for the development of new markets, or as ‘test cases’ for a distinctively new phase of politics in distinctively new forms. This juxtaposition continues to animate the clashes between environmentalists and ‘free traders’ (Weber, 2001), and underpins a degree of political polarisation which makes ‘changes’ from one camp into the other distinctly discernible, in the form of ‘obvious’ co-optation. It is from these basic premises that the politics of a deepening of the commodification and entrenchment of exclusive property rights are viewed by political ecologists as implicated in the continuation of a particular project of modernity.

The integral role of this project in the cultural and material reproduction of current ecological crisis tendencies makes its wholesale problematization plausible. Political ecology looks on this modern project either from the perspective of post-modernism (Darier, 1999, p. 195), or from a perspective of immanent critique aimed at emancipation from
‘self-induced’ ‘unfreedoms’ – this time with reference to an explicit inclusion of nature/culture relations (Dryzek, 1990; Eckersley, 1992). Both camps in political ecology, however, anticipate fundamental changes to social and political relations to be required, and hence anticipate alternative modernities.

The trade issue has become a focal point because in a sense it is a pivotal area in which the precepts of the two tales of modernity clash, by revealing actors, interests and political stances. From the perspective of the advocates of trade liberalization, the reasoning in favour of an inclusion of environmental concerns proceeds effectively from the conceptualisation of these concerns in terms of the endangerment of standing resources, where such resources are defined increasingly widely (including ‘fresh air’). For marginalist economic reasoning, environmental ‘use’ suffers from inefficiencies, which are best corrected by the quasi-natural price-value corrective of ‘market forces’. This view is an orthodoxy (Altvater, 2002), but one which faces very little sustained challenge among economists, economic advisers, and policy experts instrumental in informing the decision making processes that shape global governance. The upshot of the found ing conceptualization of ‘standing resource management’ is the pervasive conceptualization of the ‘nature-culture’ metabolism (Schmidt, 1973) in accordance with rationalist principles of economic theory. It over-glosses a fundamental problem, which is inherent in the ‘naturalization’ of market mechanisms.

According to this conceptualization, the socialization of the natural environment is read as effectively following a structural force compelling the humanization of nature and the naturalization of humanity. The problem with this comes into view if a historical perspective is adopted, which demonstrates the contingency of ‘naturalized’ socialization upon perception and human experience. Such a perspective re-asserts the boundary between nature and culture by drawing attention to the way in which the ‘inclusion’ of nature into society (or the ‘shaping’ of nature with reference to social purposes) remains, as a subsumption of the former under the latter, incomplete. In particular, this leads to blind spots caused by the preponderance of instrumental interests (Habermas, 1987). The correctives which are induced by the ‘selective’, ‘incomplete’, or deficient socialisation of nature, and which, from the perspective of modern social systems theory (Albert, 1999; Bluehdom, 1997) lead to reflexive systems adaptation, re-affirm the boundaries between social system and ‘what goes on outside them’.

Ontologically, there remains the question of whether the modern socialisation mode as such may not be implicated more fundamentally in the production of global ecological crisis (Saurin, 2001). To stick with the (neofunctionalist) systems-theoretic model, the ‘socialization’ of nature from the standpoint of the economic subsystem, which is driven by internal
differentiation, is necessarily and unavoidably 'econo-centric'. While this may be an integral element of a cogent diagnosis of a situation in which 'alternatives' to highly differentiated social organization are precluded on account of their impracticability, unpredictability, and easily perceivable de-stabilizing side-effects; it fails to capture the resulting paradoxes experienced by all once the perspective of the 'imperatives' of the economic sub-system ceases to dominate (for instance, 'after work and shopping'). The pathologies of 'ungovernable' differentiation which yields to system immanent codes register in the world of experiences of groups and individuals as problematic 'externalities' (Beck, 1992), resulting in pressures to either 'internalise' them, or 'transform' (i.e. seize politically) the source of the problem. This stance comprises the politics of 'legitimation', the sustained effort to produce justifications for social action and arrangements out of the resources provided by the social system in question itself.

The 'conformist' option is, of course, internalization. The latter needs to be justified in the light of political challenges, and must be presented to be both a viable option to resolving the substantive environmental problems and the socially and politically preferable one. From the perspective of the proponents of trade in services liberalization, the services agenda is 'green' because of the prospect of the rapid technology transfers it facilitates, and the efficiency gains it stimulates through the extension of competition. Thus environmental objectives can be achieved in the context of liberalized trade in services by two means: (1) regulation which creates markets in environmental services (clean air acts, pollution targets, tradable pollution permits); and (2) spill-over-effects from intensified competition, which, it is argued, cash out in terms of reductions in resource wastage, throughput, and output.

More legitimation and the reproduction of legitimacy crisis tendencies

The more structurally focused argument about the desirability of liberalised trade in services has to do with the conception of services based on 'knowledge' and 'information' flows, which promise the continuing growth of a 'virtual' (i.e. not essentially material) economy. In the case of environmental services, this is argued to lead to a relief in pressure on the environment because it facilitates the creation of labour and income decoupled from production. There are many good reasons to challenge these presumptions, many of which can be decoded in straightforward economic terms. As various studies on consumption patterns show, product life-cycles have shortened rapidly in the wake of the advance of the 'information' economy, leading, among other things, to the mountains of 'electronic waste' caused by the manic development along the computer hardware/software link. (Malley, 1998). Yet, there are additional justifications
to question the dynamic of economic-system integration as a whole, in a context where the defence of assigning a crucial social improvement role to 'trade-led' growth ignores or omits fundamental features of such growth and their implications (Altvater, 2002, p. 2).

The critics of Kuznets-style interfacing of growth-theory and environmental improvement (as propounded, for instance, in the WTO's Special Report no. 4 'Trade and the Environment; Nordstroem and Vaughn, 1999, p. 12), have pointed out that these linkages ignore the 'broken link between real and monetary accumulation' (Altvater, 2002, p. 2). The notion that commodity value becomes depressed in circumstances when financial asset accumulation becomes more profitable (or, when speculation yields higher returns than investment in 'making things'). The pertinence of this point with reference to the commodification of 'natural' environmental services (functioning and integer ecosystems) is, if not always because of explicit analysis, at least implicitly understood by green critics of the liberalization agenda. The concept of an ecologically-superior notion of use-value-oriented economics seems thus to be one which can hardly be purged from green accounts of transformations of political economy, which, in this vein, share the intellectual heritage of Aristotle's critique of 'chrematistic' (the making of money from money) on behalf of 'economy' ('house-holding'), quoted by Marx (2001, Fn 6). This absence of a sustained appreciation of the 'drifting apart' of financial and 'real' economy is also, to some extent, characteristic of 'ecological economics', where attempts to cost 'natural' environmental services have advanced significantly (Costanza et al., 1999), yet where the link with the critique of political economy is often only made tentatively (Daly, 1998, pp. 21–3).

5. ON THE SPECTRUM OF ENVIRONMENTAL SERVICES DISCOURSE: A CRITICAL DECONSTRUCTION

The commodification of environmental services plays out in an area where classically notions of 'natural monopoly' apply strongly, if perhaps not pervasively. As has been noted, the definition of 'service trade' as trade in commodities where 'production' and 'consumption' syncretize (uno actu) either at the point of supply (medical services), or in the location of the consumer (repair teams), no longer clearly delineates 'non-factor-services' (marked off from incomes obtained through property, interest, or investment). The frequently reproduced notion of 'trade in services' as significantly 'immaterial', something which was also pitched towards environmentalists as a possible 'way out' of material-intensive consumption and economic reproduction, applies only to certain kinds of services (software, financial, telecommunications), but not to most of those bundled under the Trade in Environmental Services sectoral listings. Notions of natural monopoly play strongly in the area of water management, where attempts to transform
public service providers into for-profit competitors have proven to be difficult, and reliant upon fragmenting the different aspects of water service provision (pipe-system, processing plant, basin-related), to enable genuine competition to occur in some of the areas without exposing it to the contradictions invited by the utilization of ‘monopolistic’ infra-structural features. The UNCTAD/World Bank 1994 report notes these problems by highlighting that many public utilities – including water services – appear in both, the ‘productive’ sector accounts of the economy, as well as the secondary (service) sector across different countries.

The conceptual issues implied in this lack of clarity over the ‘nature’ of environmental services reflect deeper contradictions which lead back to the problem of the ‘fictitious commodities’ referred to above. The perspective on ‘environmental services’ exhibits a double-discourse about ‘nature/culture’, raising, on the one hand, the ‘service’ provided by the mere presence of natural-historically shaped ecological systems which provide living-space per se, as well as sources and sinks. On the other hand, it refers to the ‘services’ installed within this context through the social-historical forms of human organization of the ‘metabolism’ with nature. In the literature on green political thought, these two layers inform discussions arguing for or against ‘intrinsic value theories’ (Eckersley, 1992; Fox, 1992; and critically Grundmann, 1990), or debates about the pervasiveness or limitation of ‘social constructivist’ conceptions of nature (Vogel, 1996; Bluehdorn, 1997).

In 19th century conceptualizations, it was designated in terms of a ‘wilderness’ conception of nature (called, for instance, by Engels, 1967, nature-1), and the notion of nature transformed – if not necessarily ‘bettered’ as J.S. Mill would have it – by social labour (nature-2, see Schmidt, 1973). The implied ‘distinction’ is, for the most part, interpreted spatially, and certainly it was interpreted in this way by the classical historical materialists to whom it became interesting and formative. The delineation between ‘wilderness’ and ‘cultivated nature’ links to the labour theory of value, while preserving dialectically the concept of the fictitious commodity (land, or by extension, nature ‘as found’). However, the spatial interpretation of ‘natural space’ set against ‘cultural space’, which, inevitably concludes that the former declines to the point where it is no longer meaningfully present (famously, Feuerbach thought it could, in his days, only apply to newly emerged volcanic islands), has severe limits. These come into relief, once the notion of ‘natural history’ alluded to above is included. It then emerges that the ‘natural space’ ‘underlies’ the cultural space, in that its features make ‘social space’ possible, and possible in particular with reference to the capacity of eco-systems to ‘self-perpetuate’, to regenerate out of their own resources without either collapsing under human overuse, or relying on persistent labour inputs for their basic integrity.
WEBER: THE ‘NATURE’ OF ENVIRONMENTAL SERVICES

The logic of ‘environmental services’

Such an interpretation needs not yield to the charge often levelled at ‘materialist’ ecologists in political theory that they reify a particular ‘natural-historic’ state, disregarding the changing nature of nature. Rather it considers the dynamics and sources of such changes, and the implications of the cultural forgetfulness of these. To turn to environmental services (an example is instructive to highlight the importance of this) and its implications for the formulation and likely impact of global governance with environmental content. The ecological landscape of Australia has been characterized by the importance of river systems that distribute scarce rains across vast desert areas, sustaining a comparatively rich flora and fauna, and making agriculture at least possible.

The natural historical memory of the importance of, for instance, the Murray River system, is extremely long (Eckersley, 2001). However, the system is inherently vulnerable to over-exploitation, such as occurs in the case of extensive farming practices for whom ‘water-services’ (owing to naturally occurring ground-water tables) have to be cheap and available at the point of need. The economics of farming in such an environment are significantly not determined by ‘what is ecologically possible’, but by a logic of ‘like places’ (Altvater and Mahnkopf, 1999, p. 243). In order to ‘compete’ with the production of farm goods as conducted, for instance, in the USA, Australian farmers need to aim at comparable economies of scale, i.e. to make their farms ‘more like’ US-American ones. This includes a commitment to high-input agriculture, to which the high input of irrigation also belongs, and hence a reliance on the ‘services’ of the local eco-system.

This substantive social construction of ‘like places’ hence encompasses as a crucial element the cost of ecological services (water for irrigation) as a competition-significant factor – though these services are, initially at least, not comprehensively priced, because they are not ‘socially’, but ‘naturally’ provided. The expectation is now that a comprehensive inclusion (internalization) of ‘ecological costs’ would adjust the ‘over-exploitative’ use of ecological services by economizing their in, out, and throughput. The trade in environmental services agenda is in part justified on this logic, which stipulates that the most efficient use of environmental resources rely on the availability of the ‘knowledge sector’ soft infra-structure, as well as the application of material ‘best practice’.

Yet, what is forgotten is that the qualitative integrity of ecological systems is only poorly accounted for if the focus is on their functional contribution to particular economic objectives. The ‘societalization’ of nature is operatively fragmentary and not comprehensive in the sense that the natural environment could be conceptualised as substantively socially constructed. Rather, it is contingent upon factors identified as contributory or detrimental to specific goals and targets set in the spheres of knowledge,
production or consumption (Maniates, 2001, p. 46). Such an operative fragmentation which reflects the limited economic interest about what can be cost-efficiently and profitably included into market-exchange relations, is itself severely limited with reference to the identification of ecological ‘quality’. The services provided by the ecosystem are hence not identified as locally contingent factors dependent on relatively complex interactions between climates, weather systems, flora, fauna, landscape, and societies’ place and role with reference to them, but through an identification of the service by means of ‘most efficient procurement’. This procurement is conceived in accordance with the open-ended logic of market exchange characteristic of capitalism, for which the commodity fiction is both, fundamental and unquestionable.19

The general relationship between the commodity fiction, and the approach to socializing ecological problems (internalizing them) via managerial fixes under market exchange conditions appears the more critical, the more the ‘ideological-idealistic’ underpinnings of exchange-fetishism assert themselves openly in contradictory terms. The irony, then, of the trade in services agenda, is that in its turn to ‘nature’, it advances the ‘de-naturalisation’ of the premises of trade liberalization policy. The highly constructed marketization of natural services, advanced via the means to control societal access to them technologically, conceptually and institutionally, appears as a social construction par excellence. The ‘service’ sector, with its implied departure from the paradigms of ‘consumption’ – ‘production’ (Princen, 2001) holds out the promise of ‘organizing the infrastructure’ of capitalist societies globally according to the principle of economic efficiency, in a socioeconomic environment where local eco-systemic integrity has been re-conceptualized as ‘scarce resource’. The successful commodification of scarce resources appears then as the precondition for their sustainable use, as well as the prime source of social discipline against the notions of the over-exploitation of the ‘commons’. ‘Services’ are the closest to processes which are observable in eco-systems in which ‘exchanges’ of service-like functions occur across barriers of species and kind (from anthropomorphically more obvious occurrences like symbiosis, through cycles involving plants and animals, to wider settings involving bio-chemical and geo-physical exchanges).

Yet these exchanges defy fundamentally the idealization in terms of market-metaphors based on the fundamental role of ‘mutually convertible exchange media’, because they are intrinsically characterized by principles of subsistence, and hence by substantive and ‘immediate’ exchange. The only approaches in economic theory that have come close to developing anything like a ‘currency’ theory of inter-species/inter-kind exchanges are attempts to ‘cost’ ecological services in terms of energy (see Ecological Economics (1998) debate, Daly’s intervention (1998), and the ‘thermo-dynamic’ corrective of political economy stipulated by Altvater and Mahnkopf, 1999,
p. 82). The limitations of such approaches have been commonly highlighted (see, again, the debate in *Ecological Economics*, 1998), although the research in this area has also propounded some astonishing insights quite close to the concerns of radical green critics of late-capitalist society. Thus, in a recent study on the ‘economics’ of wilderness, which attempted an ‘ecological-economic’ approach, one result was that wilderness areas’ biological diversity, adaptive reflective capacity and life-sustaining features were often so ‘valuable’ that the prospect of ‘modern development’ in its current predominant forms appeared as fundamentally detrimental also in (adapted) economic terms.

6. THE ‘POLITICAL ECOLOGY’ CHALLENGE

For the critics of ‘economic idealism’, the problem presents itself differently, although their positions too often reflect the Cartesian dilemma, which underpins the ‘pricing’ approach to resource management favoured by economistic solutions. Where the critics have made the most impact along the trajectory of the struggle of ecological social movements (Della Porta and Diani, 2001), is when they upheld a politics of intelligent self-limitation, one which reflected more than just the naturalistic ‘resourcism’ of the Club of Rome’s famous study. At least implicitly, the more robust challenges raised the ‘use-value’ conception against the dominant force of exchange value-driven market socialization. The conceptualisation of limitless growth as a social pathology (Altvater, 2002, p. 1) promulgated at the very least the utopia of forms of societalization beyond compulsive instrumental-rational appropriation – hence the communitarian appeal in the early eco-movement, which propagated alternative life-styles based on scaling down, decentralization, and a socially and politically re-appropriated mode of production (Goodin, 1996, pp. 124–32). The problem with this stance was that it lacked credibility as a truly transcendent modernization of modernism, and became all too easily the target of criticisms aimed at the ‘romantic’ or nostalgic’ substance, animating the search for an alternative lifestyle (Goodin, 1996; Habermas, 1987). Meanwhile, the brief spring of ideas about more cooperative social organisation and ‘democracy-close-to-citizens’ has given way to the ‘realo’ engagement with the socio-political establishment on the basis of market-driven reform programmes.

Simultaneously, however, the ‘sub-political’ politics of social movements – *Politis-Politik*, or the contest over what is ‘political’ in its clearest form – is regaining momentum in the pitches for global solidarity unified by a loathing of the life-determining powers of large business interests (Parker, 2002). In contrast to the conformist aspirations of the arrived ‘green parties’, this form of social movement politics draws considerable strength from the lack of programmatic work, and its emphasis on unorthodox challenges
and strange alliances. At the level of such activisms, the basis-democratic themes introduced in green movements in the late 1970s continue today, albeit in more obscure fashion. Minimally, however, patterns of commitments to the genuine use of public spheres for political will formation have begun to assert themselves, as newsgroups, subaltern analysis, and intelligence-intelligence (strategic knowledge about state and corporate activities in intelligence gathering and use) lead to sophisticated partisan interventions on behalf of loosely defined struggles for socio-political empowerment.

From the perspective of the construction of global governance, and specifically global economic governance, the engagement offered by the ‘anti-capitalist’ movements represents the most vociferous and politically visible, yet least-manageable challenge. While the level of informed criticism is not equally high across the movement, it has proved difficult to pursue the politics of discreditation and ‘denunciation’ as embodied in the WTO’s ‘fact and fiction’ catalogue, or similar attempts to establish argumentative altitude in the perception of wider publics. At the same time as the clandestine advancement of the trade liberalization agenda begins to lead to more salient policy results, the implications of international economic politicking are being processed, interpreted and rejected in the public sphere. The Trade in Services agenda has galvanised an interest in international politics, which testifies to the increasingly successful politicisation transnationally of transnational ‘constitutionalism’.

**Trade in environmental services and its contradictions**

The green movement has had perhaps the lengthiest engagement with international trade policy, reaching back to well before the NAFTA (Thomas and Weber, 1999). In the course of this engagement, it has experienced internal splits over the ‘development’ versus ‘conservation’ linkage, the logic of Kuznets-curve reasoning with reference to environmental outcomes, and the general aptitude of micro-economic analysis for ecological policy objectives (see *Ecological Economics*, 25(1), issue on ‘ecosystem services’ for explorations and positions on this). Practically, the movement has been divided into ‘modernists’ whose general attitude to the global trade bicycle is to ‘help pedal it more smoothly while using bio-degradable lubricants’, and ‘rejectionists’ who lack credibility in the policy making corridors (Thomas and Weber, 1999). Part of the reason for the dynamic displayed in this struggle over the meaning and adequacy of trade liberalization vs. ecological concerns lies with poorly articulated distinct pre-conceptions underpinning the respective positions, which are accountable in terms of conflicting value systems (Weber, 2001).

The contradictory positions on the applicability of a reformed yet still chrematistic economics to the culture/nature metabolism have become more and more pronounced, evidencing also the degree to which the
symbolic inventory with which the political struggle is conducted is itself increasingly politicised. Resistance to the incremental parcelization and commodification of spheres of life worlds increases, as the legitimacy for the advancement of the market logic turns precarious in the light of failed promises of 'modernity'. The replacement of solidarity (sustaining 'public goods') with market efficiency calculi results in externalities which register, for instance, in the context of broadened conceptions of human security, where these include accounts of mutual relations of trust, reliabilities of basic socio-political consensus and inclusive conceptions of public welfare. It is more than just a perception of people who fail to appreciate the sophisticated achievements of the neo-classical tradition of politico-economic thought (the argument in GATS-Fact and Fiction), when the transfer of not-for-profit public services into for-profit enterprises leads to 'pass-the-buck' mentalities within the services themselves, as well as immediate declines in their coverage. Yet in the context of environmental services, the issue becomes both more pronounced, and more absurd with regard to the potential socio-political implications.

The conundrum for trade in environmental services is that it reproduces problems already apparent in the trade in goods/trade in services distinction but at a more fundamental level. Whereas the production/consumption cycles of trade in goods are survey-able and hence could be subjected to 'territorial' political solutions, the expansion and economic importance of trade in services implicates governance more directly, and therefore contributes to the exacerbation of legitimation problems. Trade in environmental services particularly is a trade volume almost exclusively created by government/governance constellations – it exists per regulation, in turn a result of the recognition of problems created by 'over-consumption', or un-costed resource expenditure. The logical step is therefore the marketization of environmental services at two levels: The first level reflects an attempt to conceptualize the 'economic' transfer across the nature/culture divide, which is the monetary value of services provided by nature for human habitation, activity and development planet-wide. This is where the contribution by ecological economists is lodged, though they differ often radically in their views of how such conceptualizations should be interfaced with 'traditional' economics, and particularly the global political economy of the 'growth obsession' (Altvater, 2002). Their theoretical qualms, pace the inherent limitations of a costing approach to valuing geo- and biospheres, at least reflect certain unease over just how much anthropocentric utilitarianism ought to be permissible. They attest to fundamental uncertainties over what the relationship ought to be between the quantification and qualification of human development achievements and to which degree 'consumer'-models can be universalised in a global universe, which is clearly not a 'closed system'. Yet as heterodoxies from the perspective of mainstream economics, they neither affect nor concern the
role of ‘economics’ in the construction of global market constitutionalism (Gill, 2002).

From the perspective of trade-policy advancement, the costing of the services provided by nature for culture is simply an opportunity to create markets based on newly identified commodities. Within the ‘cultural realm’ the parcelization of entitlements, rights and duties is then argued to proceed most efficiently and effectively, if the regulated objectives are fettered by profit incentives to those enacting the ‘public’ mandate – an assertion for which there is at least no historical evidence for any length of time.

In this constellation, technological sophistication, theoretical refinement and an un-dialectical idealism with regard to an instrumental-rational appropriation of enlightenment thought (Husserl, 1989, p. 18) collude to render alternatives spurious, dangerous, or reckless. The bicycle metaphor for the free trade momentum contains within it at the very least the problem of the directionality of social action – whence does the ‘bicycle’ ride, or is riding it an end in itself?

How the contradictions immanent to the environmental services discourse push towards a situation where they can become manifest in political contest, can now be explored tentatively with reference to two case-examples, located at ‘opposite ends’ of the GATS environmental services continuum.

7. ENVIRONMENTAL SERVICES, ‘NATURAL’ MONOPOLIES, AND KNOWLEDGE TRADE: CASES

The consideration of cases of ‘Environmental Services’-trade in relation to the GATS must be approached with the key qualification in mind that it bears immediately only on the ‘pre-commitment’ stage, and that therefore the cases considered cannot straightforwardly be analysed in terms of impact assessment of the GATS. However, once this qualification is heeded, the questions that can be asked of the ‘pre-commitment’ stage can be appreciated in their full political importance: As already indicated above with reference to the generative role played by the state in the ‘production’ of Environmental Services Markets, the carving up and parcelling of environmental services is primarily a regulatory activity.

GATS lists, among environmental services to be included, sewage services, which, perhaps in the clearest fashion, have exhibited the structural properties of ‘natural monopolies’ at the ‘metabolistic’ juncture of nature/culture relations. Sewage collection and treatment depends on the maintenance of territorially bounded integrated systems, which provide – at least in orientation, if not at the level of achievement – a non-exclusive infrastructure (general public access). In general, sewage services and water services form parts of the same integrated infra-structural systems, and
WEBER: THE ‘NATURE’ OF ENVIRONMENTAL SERVICES

are usually subjected to efficiency and efficacy studies in those terms. This runs counter to the GATS environmental services stance, which currently remains focussed primarily on ‘end-of-pipe’ type services (WTO, 2002a, p. 8). At least in principle, a scenario would therefore be possible in which a member-country’s schedule includes sewage services (under section 6), but not water-provision services, reflecting the ‘constructed’ split within what functions in practice as in integrated cycle.

Political economy and environmental services: sewage

Owing to their closeness to the now unfashionable conception of ‘natural monopolies’, sewage services do not obviously qualify for service trade, and require substantive regulatory intervention in order to facilitate their commodification in the first place. Equally, because their liberalization can effectively only entail the competition for periodic (usually mid to long-term) monopolistic control by bidders for the services, the day-to-day operations of sewage services must be policed by the regulator (state, or state-appointed regulatory agencies). Even the idea of consumer-driven pressure on prices, sometimes mobilised on behalf of the justification of trade-liberalization as a ‘common good’ (Petersmann, 2000), therefore, is precluded.

Moreover, the investment benefits of privatization/liberalization are less than obvious when the wider investment climate is taken into account. The pressures on utilities businesses such as water and sewage service providers as private profit-driven companies are to produce investor-returns which are oriented towards returns to capital investment generally available in other sectors, such as finance, or momentary ‘high-growth’ sectors, such as telecommunications in the late 1990s (Altvater, 2002). The incentives, therefore, may be high either to diversify portfolios towards these sectors, effectively leading to dis-investment in the core-business, or to safeguard investor-returns by recouping higher fees, or securing additional public funds to shore up shareholder interests.

These trajectories are explored in a survey of cases relating to the privatization of water services in general, and sewage services in particular (Lobina and Hall, 1999). Lobina and Hall explore the contradictions for competition policy which arise from ‘natural monopolies’, and draw out key critical implications of the substitution of ‘social-objective’ driven infrastructural service approaches, and profit-oriented privatization of such services. The profit-objective measures the core-business of the provision of infrastructural services such as sewage services against investment returns available elsewhere in the market (some water services providers, like France’s Vivendi, have therefore diversified into high-growth sectors such as telecommunications). This ‘competition’ for investment returns biases the privatisation of infra-structural services against sustained
investment in public agenda oriented service improvements, and provides an incentive for de-skilling, downgrading, or even the slide into disrepair of the infrastructural hardware.

Pro-privatization arguments stress the problem of under-investment in sewage services particularly in the developing world, which is the result of narrow tax-bases and high subsidies, as well as ‘corruption’ and inefficiency in public management (Butkeviciene, 2002, p. 12). Although case studies suggest that both, pro-privatisation as well as cooperative, mutual, or publicly owned sewage services are, under particular circumstances viable and successful, the GATS-commitment ‘lock-in’ is designed to foreclose the reversal of any privatisation/market-access provision, insofar as it facilitates the invocation of punitive measures on behalf of investor-interests.

The structural position of sewerage services, which constitute at one level, a achievement for civilization (making large and complex communities possible), is therefore, relatively precarious. Price-hikes, which might be necessary to track investment returns elsewhere in the market, are likely to fuel political resistance, while the incentive for ‘streamlining’ core maintenance tasks is high. The contradictions of the environmental services sector identified above are here most clearly visible in terms of the ‘natural monopoly’ problematic. Governments as regulators and licensors for privatization and the for-profit transformation of public services are both, providers of legitimation for the businesses, as well as targets of legitimacy challenges, when the prospected improvements fail. When privatised utilities fail to generate the expected returns, the public purse invariably has to pick up the bill (This reflects the analysis of the contradictions of the capitalist state form offered by Offe and Ronge, 1975).

Consultancy

In distinction to market access to a ‘natural monopoly’, as in the sewage case, environmental consultancy relies rather on GATS mode four supply, the movement of natural persons. Consultancy is considered crucial to the facilitation of industry compliance with environmental standards (such as ISO14001), and in this role, consulting consists of the provision of expertise and the design of solutions for businesses having to adapt to new legislation or public pressure.21

The structure of the environmental consultancy market does not deviate significantly from the broader trend in the environmental services market. Those capable and interested in trading environmental services internationally are generally looking to developing countries, where both, environmental regulation and the enforcement of environmental standards are often relatively weakly established (the NAFTA example is illustrative here, with Mexico’s weak enforcement regime receiving a boost from
WEBER: THE ‘NATURE’ OF ENVIRONMENTAL SERVICES

imports of US environmental consulting and legal teams). The key difference is that the provision of consulting services lacks a comparative medium- to long-term investment commitment to the ‘natural monopolies: Consulting services can be employed on a strictly competitive basis, and are based on contracts and agreed objectives mainly between private players vis-à-vis the regulatory environments.

This constellation changes, however, with the clear presence of public funds when it comes to consultations for public policy design. The tendency inherent to the ‘out-contracting’ approach is often towards a decline in public expertise and competency, where and when private companies can offer pay-packages which provide incentives to leave the public sector. While a degree of this is certainly non-controversial, the ‘balance-of-knowledge-power’ between private enterprises and the public administrative system can get out of sync to a degree which renders the public accountability of the latter problematic and hence leads to a shift in public perception away from the acceptance of administratively assured legitimation to challenges of legitimacy.

8. CONCLUSION

If the above analysis is correct, the ‘nature’ of the GATS Environmental Services Agenda can be apprehended as centrally concerned with legitimating the expansion of market-liberal responses to the social and political pressures applied by green movements. Given the contradictions within this attempt to shore up capitalism as the rationale for global socio-political order, the adversarial relationship between free-traders and political ecologist looks set to continue with even greater vigour, once the Trade in Environmental Services Agenda begins to reveal itself more clearly in its policy implications, rather than at the formative stages where it currently is. Even if, in the grander scheme of things, the sector itself may not be the one with the most actual impact on ecological integrity (the ‘transport’-sector, for example, has significant knock-on effects on ecology, though it is not covered by the Environmental Services Sector), it is one which significantly encompasses some of the most socially experience-able areas of nature-culture relations. Through the GATS agenda in general, which involves prospective ‘for-profit’ privatization, ecological concerns become subjugated to a relentless exchange logic in which substantively non-exchangable ‘services’ are subjected to ‘for-profit’ exploitation. Environmental Services in the GATS are presented as ‘pro-environmental’ services, suggesting substantive contributions to the ‘improvement’ of social relations with nature. Following the above analysis, it is clear that this stance must be understood primarily as a political discourse, aimed at legitimating the consolidation of pro-market measures in a field where the latter have traditionally not fared well. Yet, it does so in a field where the few substantive implications
it has, push the contradictory objectives of profit-seeking and qualitative social and political change into the sphere of lived experience, and thus towards increasing politicization.

Where substantively non-exchangeable 'services' (non-exchangeable because uniquely localized, for instance in the case of sewage systems) are subjected to for-profit exploitation, the experience of 'benefits' to the users of the services become critical. This puts the 'competition policy' element of the GATS environmental agenda into focus, raises discontent, and ironically will serve in the medium run to re-invigorate political ecology, despite its more recent intermittent decline.

This perception is exacerbated when the fickle nature of profitability under conditions of globalized financial markets is considered (Altvater and Mahnkopf, 1999; Weber, 2003). The Environmental Services Agenda, parcelled with its 'pro-environment' discursive stance, is then revealed as part of the backlash against the initially successful politicization of transnational publics by green issues, which came saddled with the idea that 'things could be otherwise', and invoked in the name of solidarist social action. Such visions of a break with the unidirectional conception of modern capitalist development gave rise to a posture that threatened, for a short time, to mobilise in favour of ‘alternative modernities’. It will now become increasingly clear that the ‘defeat’ of this first ‘green wave’ was not substantial. Notwithstanding the failures of eco-romanticism, it has become more and more obvious that the green position captures an essential dilemma of globalising capitalist social relations and neo-liberal ideology. Given the move of the GATS-agenda – in the context of other advances through the WTO (TRIPS, TRIMS, and the possibility of the resurrection of the MAI) – towards the ‘metabolistic’, experientially grounded areas of socio-ecological life, the inherent contradictions will become more glaringly obvious.

ACKNOWLEDGEMENTS

My thanks to the three referees for valuable comments and suggestions, which helped in the production of the final version. My thanks also go to the editors of the Review of International Political Economy for further suggestions and assistance. This article began as a paper at the workshop 'GATS-Trading Development', which was held at Warwick in 2002. The discussions and exchanges of views during and around this workshop were invaluable, and I would like to thank all the participants, as well as the organisers, Heloise Weber and Richard Higgott. All the flaws and problems remaining in the argument that follows are solely my responsibility.

NOTES

1 Howse, 2002; Wesselius, 2002; Gill, 2002
2 NGOs (Oxfam, 2002; Greenpeace, 2001)
For example, the ‘World Social Forum’ – movement.

Political ecology, though characterised by immense diversity, is unified at the conceptual level by a commitment to the alternative social and political organization of social relations with nature based on qualitative rationales. The early challenge of ‘green/alternative’ movements expressed this more clearly in terms of a sustained challenge to the dominant mode of the ‘societalization’ of nature through the (capitalist) economic system, which is premised on the ‘translation’ of qualities into quantifiable units. More on political ecology follows below in the reconstruction.

The TIES agenda refers to the broader context of developing markets for environmental services, and includes actors and institutions not (yet?) directly linked with the advance of the GATS. The GATS environment discourse, in turn, is not merely a discourse about environmental services (in the sectoral sense), but one which positions the agreement as such with regard to environmental issues and challenges.

Throughout the article, the term ‘Global Governance’ (GG) refers to the array of practices, institutionalised and informal, which reach through the ‘international system’ to extend legal and/or political authority. It is thus used congruently with the concept of ‘complex multilateralism’ (O’Brien et al., 2000). Within GG, rules, norms and political discourses are advanced with reference to ‘issue’ areas, suggesting the incremental entrenchment of GG. In the article, I mention two, Global Environmental Governance (GEG), and Global Trade Governance (GTG). I use these terms descriptively, not analytically; as should become clear below, the stipulation of discrete delineations which enable a politics of, for instance, ‘dealing with environmental impacts of trade as a separate issue’, are of course not politically innocent, and form a part of what the political contest over GG proper is about.

This position is given a general articulation, for instance, in the report to the German Bundestag by the Enquete Commission on Globalisation, 2002, p. 161–9.

For the analysis offered here, questions of the cohesion, comprehension, or commitment to ‘constructive solutions’ in movements posing the legitimacy problem are not important. The focus is on exploring the development of a political dynamic over core contradictions in social and political objectives, not the likelihood of the success or failure of the movement-challenge itself.

These problems are exacerbated when considering the effects and implications of second-order ‘lifestyle’ pollution, such as that caused by excess use of antibiotics, or other bio-chemical effluents which enter sinks and sources with health implications, as well as ecological consequences (for instance, fertility drops in wild water-birds…).

This absence is only non-problematic, so long as trade practices by signatories are not challenged through the WTO; as the case of the NAFTA and the NAAEC shows, once sufficiently institutionalized, service trade agreements can lead to a rapid increase in claims over damages to investment (see, for instance, Westcoast Environmental Law for examples, at www.wcel.org).

This point is mostly overlooked in the public debates over GATS and its environmental impact, which focus mainly on envisaged overall implications of trade and trade in services liberalization. It conveniently helps, however, the proponents of the GATS-agenda to project the image of a pro-green agreement by stressing, for instance, technology transfer overspills for environmental objectives, without being challenged on potential negative side-effects.

March 2003
This point is reaffirmed by the critical response to the WTO’s ‘GATS: Fact and Fiction’ in Sinclair and Grieshaber’s (2002) *Facing the Facts*.

This is evident, for instance, in the Secretariate’s note on Trade in Environmental Services (WTO, 1998, S/C/W 46), which sets up environmental service trade in ‘green’ terms, i.e. exclusively with reference to environmental degradation, pollution, and the effects of industrialization and urbanization.

On the politics of the ‘economistic colonialism’ not just of the social world of day-to-day life, but also within the academy, see Fine (2001). A restatement of neo-liberal cum Hayekian supremacy of market-based social governance can be found, for instance, in Pennington (2001), with criticisms of such positions for instance in Dryzek (1990), Eckersley in Christoff (2001), and much writing inspired by Critical Theory.

The human pursuit of freedom can have the effect of leading to coercion. This basic motif of a ‘dialectic of enlightenment’ (see, e.g. Horkheimer and Adorno, 1995) comes into its own in the context of the political ecology challenge. Capitalist social relations, uniquely adept at propelling a rapid advance in the emancipation of humanity from the heterogeneity of material scarcity, take on the characteristics of an all-encompassing complex of coercion, which pervasively precludes the pursuit of alternative courses of action outside its core logic. This is the meaning of TINA (‘there is no alternative’), and, of course, denies ‘freedom’.

Here, the ‘systems-theoretic’ metaphorical inventory is more revealing of social reality than the more generic use of ‘anthropocentrism’ as a moral-critical category for normative political ecology.

Kuznets asserted that the relationship between levels and inequality of income followed a U-shaped curve, suggesting that inequality needs to get worse during the development process, but gradually evens out as overall wealth increases. Adapted to the ecological problem (Environmental Kuznets Curve, EKC), the general hypothesis is that transitional economies should be expected to pollute more, and become ‘cleaner’ as they become wealthier. This reasoning, among other problems, fails entirely to take into account approaches to valuing such as the ‘ecological footprint’—approach, which demonstrates the culpability in resource consumption of the wealthiest economies.

The ‘fictitious commodity’ land in Polanyi’s account is here read as a placeholder for the natural environment. This may need some more attention in terms of a more systematic defence. However, for the purpose of the squeezes experienced in what I’d tentatively call the ‘social spheres’ of the fictitious commodities, this reading seems plausible, not least when considered in the context of the ‘strange’ alliance of labour and environmental movements in the context of the NAFTA.

Referring to the split within Germany’s green party between the pragmatist wing actively seeking political power (‘Realos’), and the ‘Fundí’ wing (‘fundamentalists’), whose oppositional stance was directed at the institutions of government and governance (a radical democratic challenge).

It is worthwhile to note that current negotiations in the GATS converge on the issue of the ‘tight’ handling of ‘soft’ environmental services: Services ‘with an environmental component’—such as ‘eco-architecture, green tourism, or the like—are to be scheduled under their respective service sectors. While this underlines the delineative troubles, as well as the conceptual contradiction identified above that environmental services are always inadvertently present, it also points to a practical problem for future challenges under the dispute settlement system.
WEBER: THE ‘NATURE’ OF ENVIRONMENTAL SERVICES

REFERENCES


