

Making trade work for public health

WTO talks in Seattle offer an opportunity to get public health on the trade agenda

Recent trade disagreements over hormone treated beef, genetically modified foods, and antiretroviral drugs have captured the public interest and revealed the tensions between national public health policies and the need to comply with trade agreements overseen by the World Trade Organization. A new round of global trade negotiations will be on the agenda next month at the World Trade Organisation's ministerial conference, and the World Health Organization will attend the talks to ensure that the voice of public health is heard.

The World Trade Organization is the forum for negotiating trade agreements and resolving trade disputes between countries. It was established in 1995 to provide the institutional and legal foundation for the multilateral trading system, which is designed to permit trade to flow as freely as possible worldwide without undesirable side effects. The underlying assumption is that human welfare will increase through economic growth fuelled by trade liberalization.

The General Agreements on Tariffs and Trade (GATT), adopted in 1948, focused on reducing tariffs on traded goods "at the border." Over the past 50 years, though eight rounds of trade talks, the multilateral trading system has expanded to include matters beyond the border and trade in services and intellectual property rights. The dispute settlement system created by the GATT has been strengthened. In resolving disputes the World Trade Organisation, though recognising the need to protect public health, favours practices that promote the least trade restrictive measures.¹

Four specific agreements have important implications for public health. The agreement on the trade related aspects of intellectual property rights sets minimum standards of protection for intellectual property rights including patents, copyrights, trademarks, and industrial designs. A major debate concerns incentives to create knowledge and the desirability of treating knowledge as a global public good and of decreasing the knowledge gap between countries.⁵ The agreement has implications for the production and access to drugs and vaccines.¹ Will more effective patent protection lead to new drugs being developed for diseases affecting the poor in developing countries or will it increase the current lack of access by raising prices? Questions are also being asked about the "patentability" of traditional medicines that have been in the public domain for centuries as well as of new drugs, diagnostic agents, and therapies resulting from the application of biotechnology.

The agreement on the application of sanitary and phytosanitary measures affects national policies for food safety. For countries to restrict trade they have to show scientific evidence of risks to health, though the agreement does allow countries to implement provisional measures in the absence of available scientific evidence. Current discussions centre on whether precautionary measures should be taken to protect

health even when "current" scientific evidence shows the safety of traded foods.

The agreement on technical barriers to trade has implications for the production, labeling, packaging, and quality standards of pharmaceuticals, biological agents, and foodstuffs. Most agreements stipulate that products must be compared to "like" products without considering production methods or practices, creating a potential bias against the adoption of health and safety regulations if these add to production costs.²

The general agreement on trade in services covers the movement of consumers and providers across borders to receive and supply health care, foreign direct investment in health, and the emerging area of commerce and telehealth. Increased trade in health services could open the sector to increased competition, bringing with it needed technology and management, and for some countries, increased export earnings. It could also deepen current inequities in access and promote the migration of skilled health professionals from already underserved areas.

The agenda for the new round of global trade negotiations may include changes in existing provisions or the negotiation of new rules in areas such as investment, competition, and the environment and on specific issues such as trade related aspects of biotechnology (such as genetically modified organisms). The World Bank and others have called for these negotiations to be more equitable to reflect more the interests of the developing world and to ensure an "early harvest" of benefits for low income countries (JE Stiglitz, Geneva, 1999). These talks also present an opportunity to make the World Trade Organisation more sensitive to health issues. In particular the negotiations to increase the openness of trade in health services (due to start in January 2000) provide the public health community with an opportunity to ensure that trade agreements improve access to good quality health services, particularly for poorer populations.

Trade openness can contribute towards a more equitable distribution of economic benefits and a just society, but this requires linkage of the trading system to sound social policies, including the recognition of health as a global public good. By developing a closer relationship with the World Trade Organisation, the World Health Organisation is trying to ensure that public health interests are represented on the trade agenda.

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- 1 Croome J. *Guide to the Uruguay Agreements*. Geneva: World Trade Organisation, 1999.
- 2 Correa C. *Public health and multilateral trade agreements*. Geneva: World Health Organisation, 1999.
- 3 United Nations Development Programme. *Human development report 1999*. New York: UNDP, 1999. 1 Velasquez G, Boulet P. *Globalisation and access to drugs. Perspectives on the WTO/TRIPS agreement. Health economics and drugs*. Geneva: World Health Organisation, 1998. 5 Koivusalo M. *World Trade Organisation and trade-creep in health and social policies*. Helsinki: STAKES, 1999.