Trade and Health 6

Trade and health: an agenda for action

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This is the sixth in a Series of six papers on trade and health

Introduction

This Series of papers has highlighted the key links between trade, trade agreements, and health.1–3 Paper 4 outlined the increasing international flows of health professionals, generating concerns for the exacerbation of health worker shortages.1 Paper 5 discussed how the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) has created a new global system of patent protection that could increase pharmaceutical prices and reduce access to medicines and vaccines.2 Paper 3 raised issues of how trade and trade agreements affect social determinants of health, where the role of trade in rising food and energy prices, and the effect this is having on health, provides a recent example of the importance of broader forces at play.3 Paper 2 highlighted that, as well as cases where trade can affect health, there are also instances where health concerns have disproportionately influenced trade flows, such as with communicable diseases.4

The main challenge such links present to the public health community is how to position health more centrally in trade policy, to optimise opportunities to benefit health and health care, while minimising the risks posed. To do so requires understanding better the key issues at the trade–health interface, seeking to engage with trade on a more equal basis, and taking the initiative in the presentation of health at trade fora. The individual papers in this Series have described the key issues where greater attention is needed, and make specific recommendations about them. In this final paper, three cross-cutting priority areas are outlined: highlighting the need for stronger evidence concerning trade and health links; providing the foundation for building trade and health engagement and capacity; in order to facilitate the assertion of health goals in trade policy. Together, these three areas form the basis of an agenda for action (panel 1).

Key messages

• Increased trade and trade liberalisation is a defining feature of globalisation, and will directly and indirectly affect health and health systems
• There is a need for health officials, professionals, and scholars to understand the key issues and to seek engagement with their counterparts within trade and international affairs to secure an appropriate balance between the pursuit of health and trade
• This Series provides an overview of the evidence and issues concerning trade that are relevant for health and health care and makes specific recommendations
• This paper outlines three overarching issues relating to establishing evidence of the implications of linkages between trade and health, building capacity for analysis of these linkages, and ensuring that the health community has a strong voice in negotiations and decisions concerning these linkages
• An agenda for action following from this is outlined

Strengthening evidence on trade and health links

Trade can affect health, health systems, and wider social determinants of health through a diverse set of channels and intermediate variables. These direct and indirect causal links can be difficult to track and monitor and, as paper 1 indicates, an initial challenge is to obtain stronger evidence of these trade effects in three areas.5
First, there is a need for evidence measuring flows of health-related trade. For example, paper 4 highlighted the need for more systematic and precise data for flows of electronic health services, international movement of patients, foreign direct investment, and flows of health professionals.\(^6\)\(^7\) Second, evidence is needed for the effects of these flows on health, especially whether trade leads to enhanced or diminished health,\(^8\) health leads to economic development,\(^9\) or whether health and trade are mutually reinforcing.\(^10\) For example, paper 3 discussed the current uncertainty surrounding the effects of general trade liberalisation on government revenues, and how this affects government funding for public health services. Third, evidence is needed of policy responses to mitigate negative health effects, optimise health benefits, and distribute costs and benefits appropriately across different populations. For example, paper 5 suggested a range of national policy mechanisms to address concerns over the price of, and access to, medicines under TRIPS.

Action by trade and health academics working individually and collaboratively is therefore required to identify appropriate indicators, how best to measure them, and develop methods for analysis and interpretation. For example, methods are still being developed simply to assess the degree to which national health systems are actually open to trade.\(^11\) One useful step might be for those academics currently in national and international institutions that routinely collect data to consider moving beyond current indicators that address trade and health separately (eg, trade volume, tariff levels, and gross domestic product [GDP] vs life expectancy, infant mortality, and health system performance). Instead, they should look to harmonise specific indicators for trade and health that could be most appropriate for joint analysis of their relation. Although some studies have proposed this approach, it has not yet been implemented.\(^12\) Assessment might also require moving beyond the use of the nation state as the unit of analysis, since trade affects groups across borders, such as specific types of workers, socioeconomic status, or sex.

In this respect, WHO in collaboration with the WTO, the World Bank, and the UN Conference on Trade and Development (UNCTAD) is supporting work to develop a framework specifically to assist countries in collating and interpreting such information.\(^13\) This need for national programmes on trade and health resembles those that were required, and subsequently undertaken, in response to HIV/AIDS in the 1980s, and that have subsequently been undertaken for malaria, tuberculosis, and other diseases. The framework (panel 2) supports the development of a country paper that could then be used to help in planning, collaboration, and funding.

Since the health effects of trade, and the policy options, will vary substantially between countries, such evidence needs to be assembled at the country level. National governments will therefore be the institutions most likely to provide or sponsor information-gathering to monitor the health effects of specific trade agreements. National governments therefore need to be encouraged, through health ministries and professional bodies, to recognise the importance of achieving greater coherence across these sectors. Such activities will probably need both financial and technical support, especially in low-income

### Panel 1: Agenda for action in three priority areas

#### Strengthening evidence on trade and health links

**WHO to:**
- coordinate training for health professionals in analysis and interpretation of relevant data
- support establishment of, and assist with, data collation and transmission concerning health and trade and include a health and trade component within the Global Health Observatory
- change current data collection methods such that categories are conducive to comparative analysis of trade and health in collaboration with other international institutions
- advocate and support the development of research in this area, such as indicators for monitoring progress

**World Trade Organization (WTO) to:**
- improve information concerning aspects of trade related to health, including trade barriers for health-related goods and services, GATS (General Agreement on Trade in Services) commitments applying to health and health-related services (including general and mode-specific as well as sector-specific commitments)

**World Bank and International Monetary Fund to:**
- change current data collection methods such that categories are conducive to comparative analysis of trade and health, in collaboration with WHO
- provide funding, training, or both for trade professionals in analysis and interpretation of relevant data
- support establishment of, and assist with, data collation and transmission concerning health and trade, including support for a health and trade component within the Global Health Observatory

**National governments to:**
- provide funding for national and international data collection and analysis
- implement the framework for country assessment (panel 2) and share resultant country reports
- prioritise and strengthen data collection and monitoring mechanisms related to trade and health

**Non-governmental organisations and civil society to:**
- support acquisition of trade and health information
- establish an international information infrastructure to share evidence and experience on health-related aspects of trade

**Academics to:**
- develop methodologies required for analysis of balance of effects of trade and health
- provide training courses for health and trade professionals in analysis and interpretation of relevant data
- engage in and with research efforts to generate evidence on the relation between trade and health
- develop and test indicators for assessment of changes in health over time that are related directly and indirectly to trade indicators

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Building trade and health engagement and capacity

WHO to:
- support and coordinate capacity building within health on trade issues
- provide training for health professionals on relevant trade issues
- provide training for health professionals on negotiation and diplomacy skills
- liaise with trade organizations, such as WTO and World Bank, to establish joint training in trade and health for both health and trade professionals
- increase its capacity support for national and regional bodies, such as technical and other resources for supporting implementation of the existing frameworks for analysis

WTO to:
- increase focus on trade and health issues in their research, training, and technical cooperation activities
- liaise with WHO to establish joint training in trade and health for both health and trade professionals

World Bank, other related agencies, and foundations to:
- provide funding for capacity building within trade and development on health issues
- provide training for trade diplomats on relevant health issues
- liaise with WHO to establish joint training in trade and health for both health and trade professionals

National governments to:
- engage more actively in rule-making concerning trade and health at national and international levels
- ensure that health representatives are on trade delegations
- institute a joint cross-departmental committee to bring together relevant health and trade ministerial officials and stakeholders
- support capacity development and the training of people to be able to undertake a remit focused on trade and health issues

Non-governmental organisations and civil society to:
- exert political pressure to encourage health donors to be more sensitive to trade issues
- exert political pressure to encourage development donors to be more sensitive to health issues

Academics to:
- participate fully in the development, implementation and assessment of policies and mechanisms to cohere trade and health activities, agendas, and policies

For more on this collaboration see http://www.searo.who.int/LinkFiles/Publications_Policy_coherence.pdf

countries (panel 1), but care needs to be taken to ensure that such support does not undermine establishment of local priorities in accordance with local needs.

On a larger scale, there is a need for the establishment within WHO’s Global Health Observatory of a trade component, to function as a clearing house for these indicators and the production of regular, updated, reports tracking developments in trade and health. A first step in this process would be the wider adoption of the framework outlined in panel 2, which would provide consistent, comparable information on the extent of trade, trade policy, and the effect of trade developments.

In view of the long delays that are likely while required evidence is obtained and methodological advances are undertaken, much of the initial health community engagement with trade issues will be done in a fairly evidence-free environment. In this situation, there might therefore be a strong case for approaching negotiations under a precautionary principle, where the assumption is the worst-case scenario until evidence proves otherwise (as recommended in paper 2). In this case, the recommendation from papers 3 and 4—that countries do not engage in GATS (General Agreement on Trade and Services) commitments before establishing the benefits of doing so, because of the binding nature of policy reforms—would follow.

Building trade and health engagement and capacity

As outlined in paper 1, current engagement between trade and health tends to be undertaken in a collaborative vacuum. Those involved in health tend to consider trade from the perspective of health system and population health effects, with the objective of maximising health indicators such as life expectancy, with little regard for indicators of interest to the trade agenda. Conversely, those involved in trade consider health as a potential barrier to trade, with the objective of maximising economic indicators, such as gross domestic product. Predictably, little attention is given to indicators of interest to the health agenda.

As has been stressed throughout this Series, there is an urgent imperative for concerted and strategic action to address the links between trade and health. At the 59th World Health Assembly (WHA), WHO member states urged their governments to ensure that the interests of trade and health are appropriately balanced and coordinated, and ensure that ministries of finance, trade, health, and foreign affairs work constructively to address public health-related aspects of international trade (WHA 59.26). In this respect, governments need to consider the establishment of interministerial committees related to trade and health, where representatives from each side can bring and discuss their agendas.

One of the most developed examples of such a collaboration is in Thailand. Here an intergovernmental committee on Trade in Health and Social Services consists of representatives from the ministries of public health, commerce, and food and agriculture, together with representatives from the Private Hospitals’ Association and various professional councils. The function of this committee is to study the implication of liberalisation policies on the Thai health system, develop negotiation methods for liberalisation of trade in health services under bilateral, regional, and multilateral trade agreements, recommend policies and positions for health in trade negotiation, and build a network and undertake coordination of concerned agencies. Such a committee might also be well placed to secure, for example, the recommendation from paper 5 that current TRIPS flexibilities are used to protect access to medicines, and to engage more directly with issues concerning TRIPS-plus
conditions (bilateral trade agreements imposing standards in excess of those required by TRIPS). A dedicated staff in the ministry of health working on WTO issues and dedicated staff in the ministry of trade working on health issues would also be beneficial.

The essential elements for negotiating policy coherence in this way have been explored elsewhere, but are fundamentally built on the development of a common understanding of key trade and health policy issues through ongoing engagement between parties on both sides. As the Thailand case illustrates, achieving this cooperation requires commitment and leadership from the relevant ministries to work together, sustainable institutional mechanisms, early, transparent, and effective stakeholder involvement, to build trust, and the development of negotiation skills. Such skills will be especially important, since some goals will inevitably be incompatible, and will thus require mechanisms for managing conflict, and skills in negotiating resolutions.

Ministries of health are especially disadvantaged by existing institutional configurations, and must be supported in their efforts to analyse and interpret evidence to understand the more technical aspects of trade agreements, and to act to promote health interests. The current activities of WHO support the improvement of governmental analytical capacity, notably in low-income and middle-income countries, to participate meaningfully in trade negotiations. WHO also provides and supports training on the health-related implications of trade agreements, not only to ministries of health, but also ministries of finance, foreign affairs, trade, and commerce, on trade and health issues. However, in all these cases countries need to request this support, and if more did so, the organisation would soon run short of capacity itself. This shortage would require WHO, supported by member states, to ensure capacity is increased accordingly. Civil society organisations also make a crucial contribution to supporting negotiators by providing technical assistance to low-income and middle-income countries and mobilising public opinion to regulate the behaviour of powerful states and corporate interests. As outlined in paper 2, such capacity-building is a necessary prerequisite if the health community is to engage in debate in a manner that will facilitate policy convergence and coherence.

**Asserting health goals in trade policy**

The dominance of the economic over the health imperative has meant that the framing of policy issues has seen the use of health as a component for trade policy, such as infectious disease outbreaks providing a rationale for trade restrictions, and, increasingly, as an object of trade policy, such as increasing trade in health professionals. This policy environment privileges the pursuit of trade interests to the detriment of health. For instance, current international rules, such as the Sanitary and Phytosanitary Agreement (animal and plant health standards) or TRIPS, have been driven by trade and not health objectives, which makes any achievement of balance dependent on the health community proactively asserting health goals in the interface with trade.

How might this balance be achieved? As papers 1 and 2 describe, the institutions and structures governing trade, and hence trade and health, are legally established and binding, whereas those within health provide far looser and fragmented governance. At the global level especially there is one governance institution around which trade issues coalesce—the WTO—which has strong legal foundations, a clear focus, and capacity. Contrast that with health, where governance is multiplied and
diversified, serving to fragment health in taking control of health-related aspects of trade. Thus, trade issues with respect to health firmly come under trade jurisdiction and hence the trade agenda. For example, issues around pharmaceuticals are treated in a firmly legal manner under the WTO TRIPS Agreement, yet in a more normative fashion under the WHO Essential Drugs List. Thus, although the political priority given to selected health issues might be on the rise, the rules of the game remain firmly trade-oriented.

As indicated in papers 1 and 2, action is needed to strengthen the substantive involvement of the WHO with international trade organisations. Although WHO’s influence comes from a range of sources, perhaps based on its technical expertise but also including its global reach and historical legacy of respect among developing countries, there is undoubtedly a need to strengthen this in a more formal manner. For instance, although WHO has worked with WTO on joint publications, country missions, and training courses, this collaboration has been mostly informal. More formally, although WTO can intervene at WHO governing bodies and make statements at the WHA, WHO has only limited ad hoc observer status at WTO proceedings, and only in areas judged to have direct health implications from trade. As recommended in paper 2, one key action is therefore for WHO to become a full observer of the General Council of the WTO, providing WHO an equivalent position with respect to the WTO, and have stronger representation on the WTO TRIPS and General Agreement on Trade and Services (GATS) councils. WTO member states need to lobby for this development, as well as increase transparency of its negotiating and decision-making process.

As well as closer collaboration between trade and health organisations at the global level, concerted action is also needed by national governments. Although health authorities might not be in a position to directly affect decisions about trade policy at the national level, their knowledge on the determinants of population health and their jurisdiction over social and health policies place health policy makers in a privileged position to ensure that, in a increasingly global economic environment, domestic policies and regulations are designed to improve social protection. Health authorities should therefore seek a role in trade policy-making bodies concerning decisions where appropriate, with national governments, and particularly trade ministers, encouraged to give greater weight to them in their deliberations.

Conclusion
This Series reviewed how trade is increasing, and is increasingly relevant to health, health systems, and the wider social determinants of health. There are important risks, as well as possible opportunities to protect and promote health, arising, for example, from the negotiation of particular measures that could affect health within WTO agreements, including: the exemption of tobacco from General Agreement on Tariffs and Trade; clarification of the freedom of governments to regulate health services under GATS; and the role of drug patents under TRIPS.

This paper outlined the overarching issues linking trade and health, the need for better evidence of the health implications of these links, and the imperative for both the trade and health communities to deal with them more effectively than they have previously.

This change will not happen, however, without a concerted effort on both sides to engage with this challenge. The recommendations in panel 1 target a range of actors, including the WHO, WTO, and World Bank, regional agencies, foundations, national governments, civil society, non-governmental organisations, and academic institutions. For the trade community, ignoring health concerns will be at its peril. Forms of economic globalisation that harm the livelihoods of millions, create divisive inequities in the distribution of resources, and ultimately damages the health of people and the planet, is unsustainable. The trade sector needs to be far more accommodating of the direct and indirect effects of trade on people’s lives.

For the public health community, there is urgent need for substantial and sustained effort to engage with issues of trade, to strengthen institutional capacity in this area, and to push for health to be much higher on the agenda for trade negotiations.
The stewardship of a domestic health system in the 21st century requires a more sophisticated understanding of how trade affects, and will affect, a country’s health system and policy. This requirement places an onus on those within the health sector to better understand the importance of trade and to engage where appropriate in trade and trade policy. We hope that this Series has prompted, enabled—and possibly even inspired—readers to embrace and engage with the importance of these issues.

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