

An approach to trade and health at Health Canada¹

Jake Vellinga²

The approach that Health Canada is putting in place to address the issue of health and international trade aims, specifically, at ensuring that trade discussions reflect its health perspective and concerns. In this context, Health Canada's activities in 1999 had their origins in past trade events, where important lessons were learned. After pointing out those lessons, I will indicate not only what Health Canada is presently trying to do, but also why and how.

The timing for the Inter-Regional Meeting on Health and Trade "Toward the Millennium Round" is very opportune, since the World Trade Organization (WTO) Ministerial Meeting for launching a new round of negotiations in Seattle is just around the corner. But, even closer and currently under consideration in Ottawa, is an announcement to be made on Monday, November 15, by the Canadian Government on its approach to the WTO negotiations on health and trade issues.

The local and national newspapers as well as the news over television and the radio have been presenting something distinctively Canadian on matters concerning the health care system. A very visible, public debate has started to emerge in the media and elsewhere concerning the future of Canada's health care system (known as Medicare). In this case, the emerging debate concerns the WTO negotiations and the protection of the health system, as shown by a sampling of headlines from a few Canadian newspapers.

One prominent press article was headlined:

"Medicare not up for grabs: Pettigrew."

Other headlines announced:

"Health, education unprotected on trade-talks shopping list,"

"Trade table to include health care, education...,"

and

"Feds deny Medicare tradeoff...".

¹ Summary of oral presentation.

² Senior Policy Analyst, Health Policy and Consultation Branch, Health Canada-0908 B, Brooke Claxton Building, Tunney's Pasture, Ottawa, Ontario K1A 0K9, Canada.

All this attention was triggered by the fact that Canada's Minister for International Trade, Pierre Pettigrew, had just tabled in Parliament some key features of Canada's approach to the upcoming WTO negotiations. The Minister made it clear that the government would not give up its rights or abilities to regulate in key sectors such as health. Trade opponents, on the other hand, saw things differently. But that's a whole different subject.

BACKGROUND ON HEALTH AND TRADE

The upcoming round of WTO trade negotiations is not Canada's first experience concerning the health and trade issue. There was the previous Uruguay Round of WTO negotiations on services under the General Agreement on Trade in Services (GATS). During those negotiations, Canada chose to protect its health system and made no commitments to liberalize trade in its health services.

Going back several years, Canada, the USA, and Mexico negotiated the North American Free Trade Agreement (NAFTA). The NAFTA debate in Canada showed how sensitive the health sector was about negotiations to liberalize trade, particularly in such areas as investment and cross-border trade in services. In the NAFTA, Canada took out a social services reservation and a more general reservation to protect social services, including health, from such obligations as most favoured nation (MFN) and national treatment.

Then there were the Multilateral Agreement on Investment (MAI) negotiations. As you may know, these were not successful. Again, these negotiations pointed to the sensitivity of the health sector, and the concern of Canadians that it be protected. One message used by MAI opponents that

struck a responsive chord with Canadians was that the MAI threatened Canada's health care system.

SOME LESSONS LEARNED

The NAFTA, MAI, and GATS experiences pointed up some important lessons:

- Health matters and the protection of the health sector—particularly Canada's health care system—is of major importance to Canadians when considering the opportunities and risks involved in trade negotiations.
- Multilateral and bilateral trade negotiations, and the obligations agreed to by countries have the potential for significant direct and indirect impacts on the health sector, either directly through negotiations on services, or through WTO agreements on sanitary and phytosanitary measures, and technical barriers to trade; but also, via other sectors such as investment, intellectual property, and e-commerce.
- The Health Department has to champion the cause of sound health policy approaches and considerations in trade negotiations. In the government, this is where the health policy expertise resides, and officials need to work with trade officials and negotiators so that negotiations take proper account of the health perspective.
- It is important to have a more strategic and coordinated Health Canada approach on trade and health in order to provide the Trade Department with a focus for their relations with the Health Department and to enhance the Health Department's own ability to

reflect health concerns within trade policy discussions and negotiations.

THE HEALTH CANADA APPROACH

Senior officials have recognized that the Department's approach has been rather piecemeal and uncoordinated on matters of health and trade, and this wouldn't be effective in current and future trade discussions that would have a growing importance for the health sector and the Department's ability to manage issues concerning health and trade. A better approach was needed, a more coordinated approach. So it was agreed that Health Canada's International Affairs Directorate would assume responsibility for strategic management of trade issues and coordination across trade policy files in the Department.

Objectives of Health Canada's Approach

What was put in place is only a few months old; there is still lots of work to do, but the objectives of the approach are:

- to prepare an overall departmental health and trade policy strategy;
- to coordinate the Department's input to government trade policy initiatives;
- to develop an outreach strategy to influence the government's trade policy agenda, and ensure that health is factored into decision-making at an early stage; and
- to represent the Department in discussions related to trade negotiations that cover a range of departmental issues.

In this approach, already existing arrangements in the Department for

handling particular trade issues remain unchanged. For example, those working on pharmaceutical issues and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) will continue to do this work. That is also true in the case of individuals in the Department responsible for international trade issues related to the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). The objective is not to replace such activities; it is to work with those doing this work so that the department's efforts on trade policy issues that have health implications are better coordinated and more strategic.

How is it being done?

Support from senior departmental officials was essential to mounting this initiative. Some key steps in the process of putting the approach in place include:

- identifying and bringing together all players in the Department with health and trade responsibilities, and establishing a working group. Its mandate is threefold: to map out a trade policy agenda; to ensure information sharing and a coordinated departmental approach (including communications strategies); and to assist in the development and analysis of policy issues.
- Establishing formal and informal links, lines of communication, and working relations with Trade Department officials, particularly with those working in the areas of trade policy and communications.

This was facilitated via a letter from a senior Health Canada official to inform a senior International Trade De-

partment official of the new approach adopted by the Health Department.

Through this formal, as well as through other informal approaches at the working officials level, the Health Department is, for example, now part of all major interdepartmental committees where trade issues are discussed, and part of a government-wide network of officials involved with international trade policy and developments.

Also, health officials frequently consult, share information, and work on common issues with trade officials; e.g., it may be a piece of correspondence from the public concerned about trade and health, or speaking points for senior officials on this issue.

Is the approach succeeding?

Although it is still early, the efforts described can be seen to have an impact on a number of fronts, from working more closely with Health Department colleagues on health and trade issues, to becoming more active on these issues in our discussions with officials in the International Trade department.

We are confident that Canadian preparations for trade negotiations, such as those at the WTO, will be informed by and reflect health policy considerations.

The approach just outlined is a long term one: focusing on both current and future international trade policy to ensure that health concerns are considered in trade policy discussions and negotiations.
