

Toward a positive multilateral trade agenda for developing countries: Meeting conclusions and recommendations

After reviewing the deliberations, the meeting's participants noted that trade is essential for development and well-articulated policies regarding trade in health services may contribute to economic well-being. A special concern is that, historically, the health sector has suffered disproportionately in times of economic crisis and the poor are the most affected. The meeting therefore recommended that the health sector take an active role in services trade negotiations to help fashion the possible benefits while protecting the most vulnerable segments of the population from inequities.

The meeting urged governments to evaluate potential trade commitments in the light of their developmental needs and domestic health policy goals. This would include considering the benefits of promoting trade in health services between developing countries. Specifically, the meeting urged countries to:

- Explore the positive health benefits of commitments regarding the portability of health insurance coverage (mode 2: consumption

abroad). Said portability would enhance the ability of developing countries to attract and provide services to foreign patients.

- Eliminate discriminatory measures that impede trade, such as the ineligibility of foreigners for domestic subsidies.
- Evaluate the impact of commitments regarding the presence of natural persons in health service sectors. Developed countries in particular may wish to reconsider the necessity of visas and similar barriers to professional services mobility.
- Increased movements of health personnel can help to close supply gaps in the receiving countries while contributing to the economies of the originating countries through remittances and the transfer of knowledge.
- Give due attention to the recognition of foreign qualifications, licenses, and standards for health professionals and facilities. Liberalization benefits could be

hampered by friction in this and other areas of domestic regulation.

- Engage in partnerships to enhance regulatory capacity in developing countries. Such capacity could enhance the trade competitiveness of developing countries. The WHO should foster the participation of developed countries in these partnerships.
- Specify the economic needs tests currently referred to in their schedules of commitments. Precise language would enhance the reliability and predictability of trade conditions in the health sector and thereby encourage foreign investment.
- Improve the capacity of developing countries to negotiate on equal footing through technical assistance from developed countries, in order to identify trade interests in the health sector. This would include assistance in analyzing the economic and legal situation in commercially attractive markets.

Regarding the need for a greater understanding of the issues, task force participants called for conducting training and awareness activities for both health and trade personnel at the national level. Advocating the best policies, they noted, requires that health spokespersons be well-versed in trade issues. Trade negotiators, meanwhile, need to be sensitive to the health impact of the positions they adopt.

The task force recommended that the WHO initiate a planned process of “training the trainers”. The WTO might have an informal advisory role in this process. The proposed content of the training would include:

- Familiarization with existing health and trade information, data, research, and analysis (and its location). This also would entail addressing the information lacunae and research gaps.
- A general overview of the global situation of health and trade, including country experiences and the pros and cons of liberalizing.
- The structures, processes, and objectives governing trade liberalization, a review of the WTO and its functioning, existing agreements (both legal and lay texts), and dispute settlement decisions that directly or indirectly impact on health.
- A typical trade negotiation process model to help understand the process, players, and dynamics.
- The vocabulary of trade, what it means and its ramifications.
- A familiarization with the identity and location of experts in the health and trade field from academic, governmental, industrial, legal, policy, and NGO backgrounds.
- A discussion of the possible health sector impacts of trade in other sectors (environmental, e-commerce, and financial, for example).
- An overview of the markets for health services and health-service products and the opportunities and risks of trade liberalization in those areas.
- Briefings on the techniques to influence the trade agenda at the national and international levels so that sound health policy is considered.
- The identification of health constituencies, their interests, and objectives and guidelines for

forging alliances and collaborating in developing trade positions sensitive to health policy objectives.

The task force urged the WHO Secretariat to take the lead in developing multidisciplinary training and awareness materials and to offer a short (3-day) pilot seminar in a selected Region within the following six months. It requested that two additional regional workshops be held in the second half of the year 2000. The focus of the initial seminars would be on the multilateral trade agenda items most relevant to public health. The task force also recommended that:

- the WTO and the UNCTAD be invited to contribute to take part in the training process; and
- as the training material is developed, to make it available on the Internet.

Where research is concerned, the task force identified a number of needs that included analyzing the impact of multilateral trade on the health status of the population, studying the respective roles of each mode of trade, and conducting country situation analyses.

The latter were considered particularly important to inform trade negotiations so that potential health gains are realized and adverse effects are mitigated. The task force broke the situation analysis method into several steps. First, it was recommended that the four modes of trade be ranked according to their likely impact on the health sector. The task force suggested that rankings could be based on the criteria of equity, quality, and efficiency to illustrate why trade deserves the attention of decision-makers within ministries of health. Countries that export substantial numbers of health professionals may wish to pay particular attention to mode 4: movement of natural persons,

while others who are promoting health tourism may wish to place greater emphasis on mode 2.

Research is also needed, the task force agreed, to obtain data that will further an understanding of dynamic competitiveness in the health sector, particularly in countries that are contemplating or implementing various forms of economic integration measures. In addition, analyses of health care systems with mixed public and private financing should consider flows in both segments, or in the absence of data, acknowledge the existence of both segments. Software developed by the UNCTAD and known as “Measures Affecting Services Trade” or MAST may be applicable to trade in health services.

The second step recommended in conducting a situation analysis is to assess the intersectoral impact of trade liberalization. For example, remittances from health professionals working abroad may be an important factor to offset the perception that a brain drain has occurred, especially where health sector employment conditions are such that many of these professionals would be underemployed or working in other sectors.

Little is known about the motives for undertaking and not undertaking commitments in health services trade. Determining these motives also was considered a valuable research guide for countries contemplating commitments.

In light of these determinations, the task force recommended that the following actions be taken:

- The WHO, in concert with its regional offices, the WTO, and the UNCTAD should develop a template for gathering basic trade-flow data, where available. The WHO and the UNCTAD should explore

- the applicability of the MAST software produced by the UNCTAD for this endeavor.
- Assess the health impact of trade decisions according to such operational criteria as equity, effectiveness, quality, and efficiency.
 - Given that trade in health services has grown despite relatively few specific commitments under the WTO, study the rationales for making such commitments or not.
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