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Main Identity

From: "AIDS-INDIA" <AIDS-INDIA@yahoogroups.com>
To: <AIDS-INDIA@yahoogroups.com>
Sent: Thursday, December 30, 2004 4:18 AM
Subject: [AIDS-INDIA] Action Committee Against Amendment of the Indian Patents Act

Joint Action Committee Against Amendment of the Indian Patents Act

Declaration

It now seems certain that the UPA government will give effect to the Third Amendment to the Patents Act through the promulgation of an ordinance. The Amendment is ostensibly intended to introduce a full-fledged product patent regime to make our patent legislation compatible with TRIPs. The ultimate undoing of the Patents Act 1970 is thus sought to be accomplished in a non-transparent manner without any deliberations in the Parliament.

Such a complex legilsation of far reaching importance should have been a subject matter of a thorough, public examination by an Independent Commission. At the minimum, it should have been referred to the deliberative bodies of the Parliament such as a Joint Parliamentary Committee or the relevant Standing Committees of the Parliament for their considered views and recommendations. Government seems to be deliberately avoiding such a course of action.

What are the arguments put forward in justification of this extraordinary attitude on the part of the Government and how valid are they? It is stressed that the TRIPs obliges us to introduce the product patent regime with effect from 1.1.2005 which leaves little time for any other course. It is also being argued that the quota regime restraining our textiles and garments exports will be coming to an end on 31.12.2004 under another Agreement of WTO viz.; Agreement on Textiles and Clothing (ATC) and there is linkage between TRIPs and ATC agreements; in other worlds, if we do not implement the requirement under TRIPs, the developed countries (USA and EU, in particular) would go back on their commitment to end quotas on textiles and garments exports.

Both the arguments are ill conceived and misleading. The WTO can not circumscribe the sovereign right of our supreme legislative authority to deliberate and decide upon such an important piece of legislation. The dissolution of the earlier Lok Sabha, the General Elections that followed and the short time at the disposal of the present Lok Sabha since the inception of the UPA government are but normal features of the functioning of our democratic polity which

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sometimes result in delayed passing of some pieces of legislation. Moreover, it is always open to introduce legal provisions to give retrospective effect to certain amendments where necessary. Indeed in the case of the provisions relating to the introduction of the exclusive marketing rights in our Patents Act, such a course of action was followed in the recent past.

In the instant case, the option of prescribing 1.1.2005 as the "priority date" for the proudct patents can also be used in order to ensure compatibility with the TRIPs obligation. In this background, it is unthinkable that any member of the WTO would suggest punitive action against us for the alleged delay in complying with the dateline prescribed by TRIPs. It is clear, therefore, that the bogey of 1.1.2005 is being raised to obfuscate the whole issue and preclude trasparent deliberations on the issue involved.

As regards the so-called linkage of textiles and TRIPs, it should be remembered that the abolition of the discriminatory regime of quotas on textiles exports has been the major demand of developing countries in GATT much before the WTO came into being.

The restrictive and discriminatory regime embodied in successive Multi Fibre Agreements (MFAs) was recognised to be anti-GATT and, therefore, no "price" or "quid pro quo" was ever contemplated in order to restore the application of GATT law to textiles.

The mandate of the Uruguay Round of Negotiations finalised in September 1986 included the goal of "eventual phase out of MFA", while the substantive matters relating to Intellectual Property Protection (IPRs) figured in this mandate only as late as April 1989.

Most important, the developed countries have recently tried their best to seek extension of the quota regime of ATC beyond 31.12.2004 through some proxy moves but have failed and the meeting of the WTO Council on Trade in Goods (CTG) held in October 2004 has categorically rejected any reopening of the question.

It is, therefore, misleading to suggest that some developed countries would resort to unilateral action against us by re-imposing quotas on our textile exports beyond 31.12.2004 only on the ground that we need a little more time to fulfill our due process of democratic deliberations on matters of far reaching importance in regard to the Amendment of the Patents Act.

The last few years starting with the Seattle meeting of WTO in 1999 have witnessed a remarkable change in the world opinion on the issues pertaining to IPRs, particularly where TRIPs regime threatens to adversely affect the human rights in regard to health care.

Academics have questioned the rationale of TRIPs having been made part of the world trade order and recognised the unequal nature of the bargain foisted on the peoples of the third world in the process.

Activists and statesmen the world over have expressed concern about the anti-people and pro-MNCs tilt to TRIPs. The spreading incidence of HIV-AIDS, particularly in poor African countries, on the one hand, and the tendency of the MNCs to profiteer out of the misery, on the other, has stirred the conscience of the world and exposed the inherent dangers of the IPR regimes constructed mainly to enhance the profits of MNCs.

The need to fully exploit the niches of flexibility available in TRIPs so as to redress the tilt in favour of the MNCs has now been universally recognised. In sharp contrast to this changing perception, the Government is adoptng a simplistic, conformist approach of hurriedly "aligning" our Patent Law to the coercive version of TRIPs.

The need of the hour is to follow a more creative and independent approach, while still remaining within the broad contours of TRIPs.

With this end in view, a number of concrete suggestions have been submitted to the Government. The amendments/modifications proposed related to the vital matters of

(i) definition and scope of patentability;
(ii) the subejct matter that is under the mandatory review provided in TRIPs;
(iii) eschewing retrospective protection to proudct patent rights not visualised in TRIPs;
iv) ensuring continued availability, at affordable prices, of medicines brought into the market with due approval of Government during the transitional period between 1995 and 2005;

(v) the need to fully exploit the flexibility provided in TRIPs in regard to issue of Compulsory Licenses and also the possibility of exports thereunder;

(vi)prescribing a salutary ceiling for payment of royalty to the right holders to avoid escalation of costs of medicines etc. to be produced under Compulsory Licenses;

(vii) maintaining the provision in the Act allowing "Pre-Grant Opposition" to avoid/minimize proliferation of non-serious claims for patent rights; and finally,

(viii) permitting "parallel imports".

We regret that the response received from the Government is totally disappointing. Not one of our proposals in the core areas mentioned above seems to have found favour with the Government. It is a matter of deep concern that the response of the Government shows little awareness of the basic public interest issues involved.

It seems to be following the line of the previous NDA government without any fresh thinking or reservation, whatsoever. It has remained oblivious of the sea change that today characterizes the world opinion in regard to the unequal global regime of TRIPs.

What is worse, it is reinforcing the tilt in favour of the MNCs by refusing to avail itself of the niches of flexibility in TRIPs. Worst of all, it is doling out untenable and misleading arguments to support its course of action.

In the circumstances, we reiterate our resolve to oppose the Third Amendment Ordinance. We appeal to all members of the Parliament to consider the momentous issues at stake and join hands to defeat the proposed Amendment to the Patents Act when the ordinance would eventually come up before the Parliament for approval.

We appeal to all right thinking sections of our people, the working class and the intellectuals in particular, to come forward to launch the following massive protest actions against the non-transparent and anti-people stance adopted by Government.

Action Programme:

1. Immediate joint demonstration at Delhi.
2. Joint Conventions at Kolkata, Mumbai, Chennai, Pune, Bangalore, Hyderabad, Bhopal, Punjab and other places. These Conventions should be completed by the end of January, 2005.
3. A Central Demonstration at Delhi (March to Parliament) on the second day of the opening of the Budget Session in February, 2005.

Sd/- S.P. Shukla
(Former Member Planning Commission)

Sd/- Dr. Vandana Shiva
(Research Foundation for Science, Technology and Ecology)

Sd/- B.K. Keyala
(National Working Groupb on Patents)

Sd/- Dinesh Abrol
(All India Peoples Science network)

Sd/- S.R. Pillai

(President, All India Kisan Sabha)

Sd/- P.K. Ganguly
(CITU)

Sd/- A.K. Basu
(TUCC)

Sd/- T.K. Mitra
(FMRAI)

Sd- A.K. Bhatnagar S
(AIIEA)

Sd/- Harish Sharma
(BEFI)

Sd/- M.K. Pandhe
President, CITU

Released to the Press

Joint Action Committee Against Amendment of the Indian Patents Act

Report of the meeting held at the CITU Central Office, 13-A, Rouse Avenue (near ITO), New Delhi on 21.12.04.

The meeting was presided over by Com. Dr. M.K. Pandhe and attended by the following:

M.K. Pandhe, President, CITU; Dr. Vandana Shiva (Research Foundation for Science, Technology and Ecology); Mohanlal, General Secretary, Delhi State CITU, Sudhir Kumar, President, Delhi State CITU; S. Ramachandran Pillai, President, All India Kisan Sabha; P.K. Ganguly (CITU); Basudev Acharya, MP, Lok Sabha; S.P. Shukla (Former Member, Planning Commission); B.K. Keayla (National Working Group on Patents); T.K. Mitra (FMRAI); A.K. Basu (TUCC); A.K. Bhatnagar (AIIEA); D.K. Abrol (AIPSN/DSF); Harish Sharma (BEFI).

The meeting discussed about the proposed Third Patents (Amendment) Bill to allow product patenting. P.K. Ganguly gave the introductions, Com. Pandhe briefed about the purpose of the meeting, to prepare a joint front to oppose the amendment. The Govt. was likely to promulgate an ordinance.

Sri SP Shukla explained about the situation and the danger of the amendment. Two amendments were earlier made. The third amendment would formally allow product patenting.

He exposed the misleading propaganda being made by the Govt. by

linking it to the Agreement on Textiles which would phase out the Multi Fibre Agreement by 31st December, 2004 removing the quota system for exports by the developing countries. He further exposed the bogey of amending the Patents Act by 1.1.05. He suggested for joint movements and opposition in Parliament by the MPs, so that the bill cannot get through when brought in Parliament.

Dr. Vandana Shiva pointed out that not only pharmaceuticals, the amendment of the Patent Act would severely damage agriculture. She urged that joint movements by all mass organisations including the peasantry, agricultural labour, students, youth and women are necessary.

Sri B.K. Keayle briefed about the activities of the National Working Group on Patents and the joint struggles ever since the Govt. started amending the Patents Act.

Com. Basudev Acharya said that the Govt. had already planned to promulgate the ordinance after the current session ended on 23rd December. He assured to mobilise MPs to oppose the Bill when it comes in the Parliament.

Com. S.R. Pillai informed about the ceaseless efforts being made by the left to stall the move taken by the Govt. to amend the Bill. Despite delegations meeting the Prime Minister, the Govt. remained insensitive to the opposition. He suggested several action programmes on an all India level to oppose the amendment.

Dinesh Abrol of All India Peoples Science Net Work suggested formation of the Joint Action Committee to launch united movement against the amendment.

Delhi State Committee of CITU suggested immediate demonstration at Delhi if the ordinance is promulgated and assured to mobilise the workers.

Decisions:

The meeting unanimously decided the following action programmes:

1. A demonstration will be organized at Delhi immediately after the promulgation of the Ordinance, with a press conference.
2. Joint Conventions to be organized at Kolkata, Mumbai, Pune, Chennai,
Hyderabad, Bhopal, Bangalore, Punjab and other places. All these Conventions to be completed by January end.
3. The Conventions to mobilise for a central demonstration (March to Parliament) at Delhi on the second day of the opening of the Budget Session (in February, 2005).
4. Sri SP Shukla was given the responsibility to bring out a small

booklet on the Patents Act.
5. A Joint Action Committee was constituted with P.K. Ganguly as the Convenor.

(P.K. Ganguly)
Convenor

Cross posted from: Ip-health mailing list
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http://lists.essential.org/mailman/listinfo/ip-health

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Another Globalisation IS possible

With the prospects of 'revolution' receding during the nineties, efforts towards various forms of solidarity and collective struggles received a serious setback.

The turn of the century, however, saw a resurgence at Seattle, and subsequently at various other meetings of international neo-con(servative) institutions like the World Bank and WTO, and at other gatherings like the World Economic Forum.

There has also been an impressive response in support of the World Social Forum processes that attempt to broadbase the opposition to the type of globalisation represented by 'neo-liberalism and domination of the world by capital'.

And recently the imperialist actions of the US in Iraq drew widespread protests on an unprecedented scale.

These protests have kindled a new hope among those who have 'kept the faith'.

Is this for real? Is there a real convergence?

Or are we seeing too much into these surges and waves of protest and affirmation?

Anti-War Upsurge *by Aijaz Ahmad,* Frontline, February 28, 2003
[C.ELDOC1070828]

Anti-War Upsurge

By Aijaz Ahmed

Millions of people poured into the streets of the world in protest against the United States' aggressive moves against Iraq, marking the convergence of the global movements against corporate globalisation and imperialist war. Close to a million people marched in Rome on February 15 to protest against their government's collusion with the United States on the question of the imperial blitzkrieg against Iraq; over a million marched in London on the same day, in the largest public demonstration in British history. In between, 90,000 protesters had gathered in Glasgow outside the hall where Blair was addressing a Labour Party conference. Meanwhile, a poll showed that 51 per cent of Britons considered him "Bush's poodle" and a staggering 90 per cent disapproved of his will to make war on Iraq.

Forty-one American Nobel laureates in science and economics issued a declaration on January 27 opposing a preventive war against Iraq without wide international support. These are, by no means, people who would otherwise be identified with a peace movement. Among them are Hans A. Bethe, an architect of the atom bomb; Walter Kohn, a former adviser to the Defence Advanced Research Projects Agency at the Pentagon; Norman F. Ramsey, a Manhattan Project scientist who readied the Hiroshima bomb and later advised the North Atlantic Treaty Organisation (NATO), and others of their kind.

This outpouring of humanity against an imperial war, which has not even begun, on the scale at which it is being planned, is of course deeply connected with the anti-globalisation movements, which have also become global in scale over the years, doing their work in a thousand locales across continents and periodically holding the various Social Forums which then culminate in the World Social Forum. Indeed, it was at the time of the European Social Forum (ESF) in Florence, Italy, that the first of the really vast anti-war rallies had taken place; 40,000 attended the ESF but ten times that many marched against the war. This convergence of movements against

corporate globalisation with movements opposed to imperialist war may well prove to be the forerunner of an authentic anti-imperialist movement of the 21st century. A notable feature of these anti-war mobilisations, as in the anti-globalisation movement, is that these consist overwhelmingly of young people, or of older people who have never marched before in their lives. The other equally important feature is the sheer breadth of the anti-war sentiment. What may prove decisive in building a truly anti-imperialist movement is the massive unrest and dissidence within the working class.

> ... the protesting multitude of 15 million people who poured into the streets of the world in something of a global chain really was vast and unprecedented. It began in Auckland, on the southeastern tip of the empire and gave to New Zealand easily the largest anti-war demonstration in its history. Next was Melbourne with 200,000 in the streets, and the centre of gravity in this human wave kept shifting as the sun itself moved westward. The epicentre was in Western Europe, especially the three countries of 'Old Europe' – the United Kingdom, Italy and Spain – whose governments are identified with the U.S.; Barcelona had seen nothing like this since the fall of General Francisco Franco three decades ago. Fifteen thousand in Paris and close to half a million in Berlin were a fraction of what the multitudes would have been if their governments had not broken with Washington.
>
> North America was in the next time zone and 400,000 gathered in New York even though the city government, backed by an extraordinary ruling by a Judge, had banned a march. This was synchronised with protest marches in roughly 300 small and medium-sized towns across the U.S. A hundred thousand people came out in Montreal and 80,000 in Toronto, in the largest peace demonstrations in the history of the two cities. What had begun in Auckland ended 48 hours later in neighbouring Australia, with a quarter million marching in Sydney. The sun had gone full circle, and it was dawn of another day. War against the planet had brought forth the first planetary rebellion against it.

This remarkable shift in the U.S. towards a fairly generalised anti-war sentiment in labour unions, city councils and the populace at large - not just in the larger and more cosmopolitan cities but deep into what Americans call 'middle America' - is taking place in the context of great scepticism among intellectuals, opinion makers and professionals of various kinds.

Using the very tools and processes of communication and media management of the current dominant form of globalisation, these surges of dissent and of affirmation for the need of a different world, signify a turning point.

Are we developing newer forms of international processes and institutions? Are these appropriate for what we want to achieve?

There is something else that we in India need to look at.

The 'occidental developmental world-view' is lurking within us. How easily we consider the rallies and protests that took place only in the developed world to have taken place the 'world over'!

When these protests took place, India was quiet. There was the tired flailing of fists, and the odd hoarse shouting, most of it from the usual suspects- the organised, conventional left. Is it that we felt that anyway most of our country people felt as we did, the war was and is wrong? Will that explain that just a few of the converted, again mostly the conventional left, rallied in India at the time of all those protests and rallies of the last few years?

We were well represented at those events abroad, but where was the country-wide upsurge in support of our people there?

The upsurge that Aijaz talks about is confined to the West, and to some extent to Latin America.

There's a lot of ground to cover before Another Globalisation is Possible!

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Sustaining Localisation

Throughout the world, agriculture is in crisis. Farmers are going bankrupt while international trade in food is booming. Every year, the distance between producers and consumers rises, to the point where the average American meal has now traveled more than 1,500 miles before it arrives on the dinner table. Is there an antidote to this spreading agri-sickness?

Globalisation of the food economy enriches a small number of agri-'businesses'.

In India we have the phenomenon where the state's granaries are spilling over, while at the same time there are starvation deaths! And as the WTO rules come into force the situation is getting worse...

These trends are directly linked to each other.

Helena Norberg-Hodge and Steven Gorelick give an overview of the political economy of localising food in their article - Bringing the Food Economy Home.

Today, roughly half the world's people, mostly in the South, still derive a large proportion of their needs from local economies. What can globalisation offer this majority, other than unrealistic promises? Localisation not only entails far less social and environmental upheaval, it is actually far less costly to implement. In fact, every step towards the local, whether at the policy level or in our communities, brings with it a whole cascade of benefits.

Bringing the Food Economy Home, *by Helena Norberg-Hodge and Steven Gorelick*. International Society for Ecology and Culture, UK, http://www.isec.org.uk/articles/bringing.html. [C.ELDOC6006689]

'Paryavarana Parasa', an invitation to *Dharti Utsav*. The Timbaktu Collective, June 2003 [C.ELDOC6007775]

'Community Grain Bank: An Alternative Public Distribution System' in Institutional Development in Social Interventions by *Vijay Padaki* and *Manjulika Vaz*. Sage, New Delhi, 2003. [B.Q80.P60]

Bringing the Food Economy Home

Hodge and Steven Gorelick

Localisation is essentially a process of de-centralisation - shifting economic activity into the hands of millions of small- and medium-sized businesses instead of concentrating it in fewer and fewer mega-corporations. Localisation doesn't mean that every community would be entirely self-reliant; it simply means striking a balance between trade and local production by diversifying economic activity and shortening the distance between producers and consumers wherever possible.

Where should the first steps towards localisation take place? Since food is something everyone, everywhere, needs every day, a shift from global food to local food would have the greatest impact of all.

What is 'global food'?

Global food is based on an economic theory which says that instead of producing a diverse range of food crops, every nation and region should specialise in one or two globally-traded commodities, which they can produce cheaply enough to compete with every other producer. The proceeds from exporting those commodities are then used to buy food for local consumption. According to this theory, everyone will benefit.

The theory, as it turns out, is wrong. Rather than providing universal benefits, the global food system has been a major cause of hunger and environmental destruction around the world.

The environment has been hit particularly hard. The global system demands centralised collection of tremendous quantities of single crops, leading to the creation of huge monocultures. Monocultures, in turn, require massive inputs of pesticides, herbicides and chemical fertilisers. These practices systematically eliminate biodiversity from farmland, and lead to soil erosion, eutrophication of waterways, and the poisoning of surrounding ecosystems.

Since global food is destined for distant markets, food miles have gone up astronomically, making food transport a major contributor to fossil fuel use, pollution, and greenhouse gas emissions.

Social and economic costs

As farms have become larger and more mechanised, the number of farmers has steadily declined. Further, most of what we spend on food goes to the middlemen, not farmers. In the US, for example, distributors, marketers, and input suppliers take 91 cents out of every food dollar, while farmers keep only 9 cents. As global corporations take over food marketing, small shopkeepers are also being squeezed out.

In the South, the globalisation of food is driving literally millions of farming families from the land. Dolma Tsering, a farmer in Northern India, described what has happened in her village: "Whole families used to work on the land. We grew almost everything we needed. Now imported wheat is destroying our market. It's just not worth going to the trouble of producing food anymore, and the village is being emptied of people." Thoughout the South, most of those displaced people will end up in urban slums - without community, without connection to the land, without a secure and healthy food supply.

The declining quality of food

Because of the global food system, people around the world are induced to eat largely the same foods. In this way, farm monocultures go hand in hand with a spreading human monoculture, in which people's tastes and habits are homogenised in part through advertising, which promotes foods suited to monocultural production, mechanised harvesting, long-distance transport and long-term storage. New additives and processes like UHT milk are continually developed to extend storage time.

For harried consumers, food corporations also provide 'convenience' foods that can be re-heated quickly in a microwave, and even items like 'macaroni and cheese on a stick', which can be eaten with one hand. Nutritional content? We're told not to worry, since some of the nutrients destroyed in processing can supposedly be reinserted. Flavour? Hundreds of additives are on hand to mimic the taste and texture of real food. Food quality? With producers in a competitive race to the bottom, it's not surprising that food

poisoning cases are steadily increasing, and new diseases like BSE have appeared.

Decades of government support for global trade have concentrated wealth and power in ever larger corporations, which increasingly dominate every aspect of the global food supply - from seed and feed to everything on supermarket shelves. Today just two companies, Cargill and Archer Daniels Midland, control 70 to 80 percent of the world's grain trade. One agribusiness, Philip Morris, gets ten cents out of every American food dollar - more than that earned by all US farmers combined.

Benefits of the local

Local food is, simply, food produced for local and regional consumption. For that reason, 'food miles' are relatively small, which greatly reduces fossil fuel use and pollution. There are other environmental benefits as well. While global markets demand monocultural production, local markets give farmers an incentive to diversify. Diversified farms cannot accommodate the heavy machinery used in monocultures. Diversification also lends itself to organic methods since crops are far less susceptible to pest infestations.

Local food systems have economic benefits. Most of the money spent on food goes to the farmer, not corporate middlemen. Juan Moreno, a farmer in the Andalucian region of Spain, told us, "When we used to sell our vegetables to supermarkets we got almost nothing for them. Now, through the local co-op, we're getting much more - three times as much for some vegetables."

Small diversified farms can help reinvigorate entire rural economies, since they employ far more people per acre than large monocultures. In the UK, farms under 100 acres provide five times more jobs per acre than those over 500 acres. Moreover, money paid as wages to farm workers benefit local economies far more than the money paid for heavy equipment and the fuel to run it.

Food quality

Local food is usually far fresher - and therefore more nutritious - than global food. It also needs fewer preservatives or other additives, and organic methods can eliminate pesticide residues. Farmers can grow varieties that are best suited to local climate and soils, allowing flavour and nutrition to take

precedence over transportability, shelf life and the whims of global markets. Animal husbandry can be integrated with crop production, providing healthier, more humane conditions for animals and a non-chemical source of fertility.

Even food security would increase if people depended more on local foods. Instead of being concentrated in a handful of corporations, control over food would be dispersed and decentralised.

More Food, Low Cost?

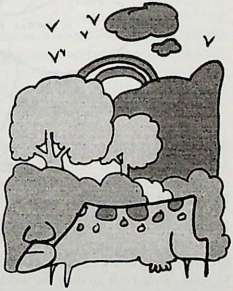
Many believe that the global food system is necessary because it produces more food and delivers it at a lower price. In reality, however, the global food system is neither more productive than local systems nor is it really cheaper. Studies carried out all over the world show that small-scale, diversified farms have a higher total output per unit of land than large-scale monocultures.

Global food is also very costly, though most of those costs do not show up in its supermarket price. Instead, a large portion of what we pay for global food comes out of our taxes - to fund research into pesticides and biotech, to subsidise the transport, communications and energy infrastructures the system requires, and to pay for the foreign aid that pulls Third World economies into the destructive global system. We pay in other ways for the environmental costs of global food, which are degrading the planet our children will inherit.

How do we go local?

Local food systems have immense advantages, but most policymakers - in the belief that more trade is always better - systematically support the further globalisation of food. As a result, identical products are criss-crossing the globe, with no other purpose than enriching the corporate middlemen that control the global food supply.

An immediate first step would be to press for policy changes to insure that identical products are not being both imported and exported. If we eliminate needless trade in everything from wheat, milk and potatoes to apple juice and live animals, the reduction in transport alone would bring immediate benefits. What's more, if people around the world were allowed to eat their own bread and drink their own milk, giant corporations wouldn't profit every time we sit down to eat.



Such a step would require a rethinking of 'free trade' dogma. Trade treaties need to be rewritten, reestablishing the rights of citizens to protect their economies and resources from corporate predators.

At the same time, subsidies that now support the global food system need to be shifted towards more localised systems. Governments have spent tremendous sums of taxpayers' money to prop up a costly food system which pretends to provide 'cheap' food. If even a fraction of that sum were devoted to supporting local food systems instead, the cost of local food would decrease substantially, and its availability rapidly grow.

Shifts in energy policy - which now heavily subsidise the large-scale centralised energy systems needed for global trade and industrial 'development' of all kinds - are critically important. In the South, where the energy infrastructure is still being built up, a shift towards a decentralised renewable energy path could be easily implemented, at a fraction of the cost

in dollars and human upheaval that huge dams, nuclear power and fossil fuels entail.

We also need to recognise the importance of local knowledge to maintain existing local food systems, and to reclaim those that have been largely lost. Today, a one-size-fits-all educational model is being imposed worldwide, eliminating much of the knowledge and skills people need to live on their own resources, in their own places on the earth.

Changes in tax policy would also help to promote food localisation. Now, tax credits for capital- and energy-intensive technologies favour the largest and most global producers. Meanwhile the more labour-intensive methods of small-scale diversified producers are penalised through income taxes, payroll taxes and other taxes on labour.

Re-regulating Global Trade, Deregulating Local Trade

As we've seen, the steady deregulation of global trade and finance has led to the emergence of giant corporations whose activities are highly polluting and socially exploitative. This in turn has created a need for ever more social and environmental regulations, along with a massive bureaucracy to administer them. That bureaucracy is strangling smaller businesses with paperwork, inspections, fines, and the cost of mandated technologies. The regulatory burden is too great for the small to bear, while the big happily pay up and grow bigger as their smaller competitors die out. How many dairies have gone out of business because they had to have stainless steel sinks, when porcelain had served them well for generations?

Today, there is an urgent need to re-regulate global trade, by allowing national and regional governments to control the activities of TNCs. At the same time, there is an equally urgent need to de-regulate local trade, which by its nature is far less likely to damage human health and the environment.

Turning the tide

These policy and regulatory shifts would open up space for thousands of community-based inititatives - many of them already underway - to flourish. From CSAs and box schemes to farmers' markets, food co-ops, and buy-local campaigns, people have already begun the hands-on work needed to rebuild

their local food systems. But these efforts will fall short if government policies continue to tilt the playing field towards the large and global.

When government ministers blindly promote trade for the sake of trade while at the same time discussing reductions in CO2 emissions, the possibility of sensible policy shifts can seem remote. And so it is, unless activists and other citizens unite behind the anti-global and pro-local banners, and exert powerful pressure from below. Already, unprecedented alliances have been created. Environmentalists and labour unionists, farmers and deep ecologists, people from North and South - are all linking hands to say 'no' to an economic steamroller that destroys jobs as quickly as it destroys species, that threatens the livelihood of farmers while driving up the price of healthy food in the marketplace.

Still more work is needed, however, including education campaigns to reveal the connections between our many crises, to spell out the truth about trade and the way we measure progress, and to graphically describe the ecological, social, psychological and economic benefits of localising and decentralising our economies.

Shortening the links between farmers and consumers may be one of the most strategic and enjoyable ways to bring about fundamental change for the better. How satisfying it is to know that by taking a step which is so good for us and our families, we are also making a very real contribution to preserving diversity, protecting jobs and rural livelihoods and the environment, all over the world.

In India, many groups have started reviving the notion among the community to grow local varieties, organically, and for local consumption, to beat this cycle. From the semi-arid deccan region, we have the examples of the Paryavaran Parsa, a celebration of local diversity and enduring tradition, and Community Grain Banks, an initiative among women and dalits. These are but two of the scores and hundreds of such initiatives that presage an essential step that will make another world possible.

Paryavarana Parasa (Environmental Festival)

(Adapted from an invitation to the Dharti Utsav facilitated each year by The Timbaktu Collective in the Rayalseema area of Andhra Pradesh)

This is a celebration
of the commons and
the common peoples of our land
of Forest dwellers, Farmers,
Fisher folk and Healers

This is a celebration
of how two thirds of our
population
meet their survival needs and
help the rest of the nation survive

This is a celebration
of the commons and
the rich and abundant biodiversity
of Agriculture, Artisanry and
Forests

This is a celebration
of all the commons and
the wisdoms on nurturing nature
and nature
of healing, growing, living and
reciprocating.

This is an assertion of the rights
which predate that very word!

The Timbaktu Collective has been striving to rejuvenate and regenerate the natural resources and the traditional genetic base of this area and to revitalise the Traditional Art forms – all three being in a state of degradation. The Collective along with a number of local Panchayats and peoples organisations celebrate every Environment day, as **"Paryavarana Parasa"** (Environment festival).

The intention is to provide understanding and inspiration to the common people to regain control over their natural resources and their traditional genetic base in order to combat drought and continue to live a sustainable agricultural lifestyle.

The Exhibition & Food stalls have

- Traditional seeds - both crops and indigenous tree and bush seeds are being collected from the local farmers and forests. Proper documentation is being done so that we will be able to display the history of all the seeds collected. Seeds will also be made available for sale. In an attached space, Mr. Narayan Reddy, a well-known organic farmer, will conduct four workshops through the two days for interested farmers;
- Traditional tools - tools used traditionally in household chores, agriculture, fishing and traditional hunting are being collected for display;
- Traditional herbal remedies - local mendicants have been contacted and they will display a number of herbs, roots, leaves and flowers, with charts explaining methods of preparing medicines and emphasizing certain diseases that are widely prevalent in the region. The mendicants will also be available for consultations.

To us this is another social forum, a bio-regional one.

'Community Grain Banks : An Alternative Public Distribution Sytem'

by Vijay Padaki and *Manjulika Vaz*

Zaheerabad in Medak District of Andhra Pradesh is a dry region in the Deccan. Traditionally, farmers in the region practiced rainfed agriculture and the main crop was jowar (sorghum) interspersed with some pulses and some greens. Recently, many of the rich landowners shifted to mono-cropping, preferring to grow cash crops. The poorer and smaller landowners as well as the landless were wage labourers on the large farms. They paid very little attention to their own few acres of land. They were highly dependent on the landlords for both wage earnings as well as food security. The shift to cash crops resulted in less employment, more land left fallow, degradation of cultivated land due to ecologically unsound practices, and threatened food security for the poor.

The Deccan Development Society (DDS) initiated programmes to develop the neglected land of the small / marginal farmers. The programme was initiated through village level organizations of women (*sangams*) from the marginalized communities. They carried out earthworks (such as bunding, water harvesting etc.) to break in this almost barren land. They also encouraged employment of people on their own land. Most important they revived traditional multi-cropping practices, which included legumes. This helped the refertilization of soil. The impact of all this was manifold :

- Regeneration of the land which led to a three-fold increase in its productivity.
- People regained confidence in the worth of their efforts.
- There were increased earnings per household.
- There was improved food security for every household.

This overall improved situation encouraged the sangam women to put more land under cultivation. In the late '80s they negotiated collective leasing of cultivable fallow lands from the larger, richer and mostly absentee landowners. DDS helped with a loan for the lease money. The crop – raising tasks were shared and managed by *sangam* women themselves. The programme led to changes in the social organization of farming, including the social status traditionally associated with farming. It was acknowledged that there was a shift - from men to women engaged in farming, from higher caste groups to dalits taking the lead.

A Setback

All this effort received a great setback in the early '90s from a statewide politically initiated programme introducing rice through the Public Distribution System at Rs.2 per kilogram. What was the need now for farmers to till their own lands, expend time, energy and resources when there was such an easy, cheap and attractive substitute? This step was hugely detrimental for the local region on many counts - agricultural, ecological, nutritional and cultural.

- Rice is produced in resource-rich irrigated belts at a distance from this region, thus supporting the big farmers, the transport lobbies and the nexus of middlemen.
- Rice is culturally alien, and not part of the daily diet. It is also a 'seductive' cereal, white, shiny, easy to cook, requiring no processing. The real problem, however, is that in comparison with the traditional staple diet of coarse grains rice is very low in nutritional value, if it is not complemented adequately with pulses, millets and beans.

A Return To Local Alternatives

It took a few years for the women of Zaheerabad to see the damaging impact of rice on their lives. Among other things, their families felt weaker, they were getting anaemic, and were not strong enough to do their hard jobs. The *sangam* women deliberated over these issues during their meetings. DDS animators facilitated the thinking with information on the situation - almost 100,000 hectares of land had been left fallow as a direct result of the PDS rice scheme. About half a million woman-days of wages were being lost. Fodder for their cattle, fencing material for their field and roofing for their houses was reduced. There was quite some pressure to get the Rs.75 per month to purchase the PDS rations which would come to the village for only two days.

The women knew that they had to reclaim their fallows, work on regenerating it, and produce their traditional grains. This is when the idea of not only producing but also collectively storing and distributing the local produce was born.

It started off as an experimental project in one village in 1993. They needed finance of Rs.2500 per acre. No bank would offer them a loan for a dryland crop. They approached the Ministry of Rural Development through DDS with a project proposal for an alternative PDS through a Community Grain Fund. That was in1994.

In each village the women identified 100 acres of fallow land belonging mostly to marginal farmers. The modalities of the project were worked out

with the farmers as project partners. The required money was advanced over a three year period to the farmers for ploughing, manuring, sowing and weeding in a timely manner. The money was to be repaid in the form of grain. Rates were fixed in advance for the grain to be repaid over the three years, thus avoiding the influence of market fluctuations.

Repayment schedules were worked out, and formal agreements were drawn up and signed. Committees of women were set up to look after all the activities of the project in each village. In turn they selected about 20 acres each, which they supervised personally. The women became the managers of the scheme, and handled complex management tasks.

Operations

The grain was collected by the village committees. This constituted the Village Grain Bank. The collection is done in a decentralized way. (Storage of sorghum in bulk is difficult.) Natural and indigenous storage and pest control methods were employed.

The next step in the system was a method of grain distribution. An innovative democratic process was followed to arrive at a wealth ranking within the community. The objective was for the grain bank to cater differentially to the needs of the poorer families. The criteria for assessing rural poverty were evolved in a participatory exercise by the villagers themselves. An assessment of every household in the village was done on a five-point scale. Each level of ranking was identified with a different colour. In the large village map drawn up, each house was marked in a specific colour after much deliberation. The households selected for grain distribution at the end of this open and transparent process received a sorghum card from the sangam with the colour coding for the ranking clearly indicated.

The card entitled the household to 25 kilograms of sorghum per month at a subsidized price of around Rs.2 per kilogram for six months starting from the rainy season. This is when wage earnings are low and food is scarce. The proceeds from the sale of the grain were deposited in a bank as the **Community Grain Fund**, which goes towards reclaiming more fallows, and extending the reach of the food security scheme. ▶

For more see : Food Security for Dryland Communities, By P V Satheesh, Director, Deccan Development Society. http://www.eldsindia.com/foodsec_dryland.htm [C.ELDOC6007488]

The Times of India, Ahmedabad

Tuesday, February 17, 2004

Killer parents signal collapse of social support system

By Radha Sharma
TIMES NEWS NETWORK

● *February 5: Father Salim Sheikh throws his five daughters, all aged between 3-9 years, into the Narmada river in Bharuch. He later confesses to the killings citing poverty and constant strife with his wife as the reasons.*

● *February 9: Debt and domestic problems drive yet another man, Jayanti Nanji, to kill his wife and two young daughters in a remote village in Halvad taluka of Surendranagar. Later, he attempts suicide.*

● *February 11: Natwar Moti strangulates his son and daughter with a chain. He then commits suicide by hanging himself from a tree near Jambusar on Thursday.*

Ahmedabad: In the last two weeks itself, Gujarat has witnessed three cases of parents killing their children and committing suicide in fits of depression, mainly driven by huge debts and family discord.

Experts say people wiping out their families indicates the collapse of the social system that has been on the edge since the earthquake of 2001.

"Where is the 'feel good' factor? The social system has collapsed, governance has collapsed, the economy has collapsed, law and order has collapsed. You may pull wool over the world's eyes by hyping the state as 'Vibrant Gujarat' but the reality is that a big per cent of the state populace is snapping under the unbearable socio-economic burden. What else can a man do but kill those he cannot feed?," quizzes co-ordinator of the Ahmedabad Women's Action Group (Awag) Ila Pathak.

"The frustration of being helpless is manifesting as aggression where a father is ready to kill his children and free himself of all miseries," says psychiatrist Dr Mrugesh Vaishnav.

Mass suicides or homicide followed by suicide has also been on the rise since the communal riots in Gujarat. At least five families committed suicide after riots ebbed in Ahmedabad. Poor economic condition led Meenaben Panchal (32) of Ghatlodia to kill herself and all her three children — twin daughters Disha and Devrishi and son Darshan — by dousing them with kerosene and setting them and herself on fire on June 25, 2002.

A similar reason forced Narendra Patel and his family to end their lives in room number 1 of Awkar Guest House in the Gita Mandir area.

A failing book-binding business led Popatbhai Prajapati (37) to commit suicide with his wife Kamud and two sons Chetan (18) and Mayur (15) at their residence on Kathwada road in Naroda area.

Earlier, Saraswati Govind (65) and three members of the same family residing in the Goyal Intercity complex, committed suicide by consuming poison.

"It was never this bad in Gujarat where people are known to brave it out with the help of community support. Mass deaths at such frequent intervals indicates the state of mind of the people and immediate intervention is necessary to bring the people back from the brink of hopelessness," says psychiatrist Dr Hansal Bhachech.

Bhachech, who is also mental health advisor to the state government, feels that the state should initiate mental health screening in primary health care centres to prevent depressed people from resorting to killing to escape from misery.

Globalis + Health
research file
Jan
26/2/04

EC-4.

A costly prescription

The United Progressive Alliance government's promulgation of an ordinance amending the Patents Act of 1970, a model piece of legislation hailed around the world for checking exploitation by pharmaceutical MNCs, draws international criticism.

SIDDHARTH NARRAIN
in New Delhi

INDIA'S patent legislation, hailed as a model all around the world for its far-reaching provisions, is on the verge of being amended. The Union Ministry of Commerce has promulgated an ordinance amending the Patents Act, 1970, to fulfil India's obligations under the World Trade Organisation's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The ordinance, promulgated in December 2004, makes wide-ranging changes to the Act and paves the way for a product patent regime to replace the process patent system. A process patent only protects the method or process that the patent holder uses to manufacture a drug. This allows other pharmaceutical companies to make the same drug using a process different from the one that is patented. The different versions of the medicine thus produced are called generic drugs.

The British-framed Patents and Designs Act (1911), which was in force until the 1970 Act was legislated, provided for a product patent system. Prior to 1970, 85 per cent of medicines available in India were produced and distributed by multinational corporations (MNCs) and the prices of drugs in the country were among the highest in the world.

The Patents Act was framed after years of deliberation and on the basis of the recommendations made by the Justice Rajagopal Ayyangar Committee (1958). The report of the committee, which was constituted by the Central government to revise the law relating to patent and design, said: "[T]he monopoly created by patent and the reward to the inventor by the grant of such monopoly offer advantages which have been claimed for the system only in highly industrialised countries which have a large capital available for investment in industries and a high degree of scientific and technological education." The Act provided for process patents for pharmaceuticals and agro-chemical products. This enabled the growth of a strong local generic drug industry, which produced the same drugs as the MNCs at relatively low prices (see Table 1). When Indian generics such as Cipla, Ranbaxy and Cadere began manufacturing drugs, especially for Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS), at much lower prices, the demand for these drugs grew in countries that could not afford to buy these drugs from MNCs.

DEVELOPED countries first linked intellectual property rights with the development of trade, investment and services during the General Agreement on Tariffs and Trade (GATT) negotiations which began in Uruguay in 1986. This international regime, given a final shape in the TRIPS agreement in 1994, was to control and govern almost all aspects of intellectual property rights. TRIPS had no caveats and no member-country could withdraw from it. The only concession given to developing and least developed countries (LDCs) was an initial discretion in implementing the provisions, which were to be progressively eliminated.

However, the derailment of the WTO's Seattle Ministerial Conference in 1999 by anti-globalisation activists forced a rethink. The Doha Ministerial Conference in 2001 adopted the Doha


REUTERS

Ciprofloxacin being manufactured at a factory of the German multinational Bayer A.G. A file picture.

Declaration in which countries agreed to implement the TRIPS agreement in a manner supportive of the WTO members' right to take measures to protect "human, animal, plant life or health or of the environment at the levels it considers appropriate". India, along with Brazil and South Africa, played a crucial role in bringing together developing countries on the issue (*Frontline*, December 7, 2001).

According to TRIPS, while developing countries (which includes India) had time until January 1, 2005, to enact domestic legislation to conform with the agreement. LDCs were given time until 2016. Since the Indian patent regime did not provide product patents for pharmaceuticals and agro-based products, it became obligatory to provide for a "Mail Box" facility for filing patent claims to protect these products with effect from January 1, 1995. Similarly, those "Mail Box" patent applications that satisfied certain conditions were entitled to receive exclusive marketing rights (EMRs) for five years. The date of application of TRIPS provisions, other than product patents, was January 1, 2000. The Indian government introduced the Patents (Second Amendment) Bill in December 1999 in order to implement TRIPS provisions other than product patent provisions. This Bill was referred to a Joint Parliamentary Committee. It was amended on the basis of the recommendations made by the committee and enacted in December 2002. The National Democratic Alliance (NDA) government tabled a Bill in December 2003 to introduce the product patents regime in all fields of industrial economy. The Bill lapsed when general elections were called in March 2004. The United Progressive Alliance (UPA) government's ordinance has made only minor changes to the Bill.

Table 1 **Comparison of drug prices, Indian and international**
(in Indian rupees)

Drugs, dosage and package details	India	Pakistan	Indonesia	United Kingdom	United States
Anti-infectives					
Ciprofloxacin 500 mg, 10 tablets	29.00	423.89	393.00	1,185.70	2,252.30
Norfloxacin 400 mg, 10 tablets	20.70	153.71	130.63	304.78	1,642.85
Ofloxacin 200 mg, 10 tablets	40.00	248.30	204.34	818.30	1,973.79
Cefpodoxime Proxetil 200 mg, 6 tablets	114.00	357.32	264.00	770.21	1,572.58
Anti-ulcerants					
Diclofenac Sodium 50 mg, 10 tablets	3.50	84.71	59.75	60.96	674.77
Ranitidine 150 mg, 10 tablets	6.02	74.09	178.35	247.16	863.59
Omeprazole 30 mg, 10 capsules	22.50	578.00	290.75	870.91	2,047.50
Lansoprazole 30 mg, 10 capsules	39.00	684.90	226.15	708.08	1,909.64
Cardiovasculars					
Atenolol 50 mg, 10 tablets	7.50	71.82	119.70	N.A.	753.94
Amlodipine Besylate 5 mg, 10 tablets	7.80	200.34	78.42	338.28	660.21
Anti-viral/fungal					
Zidovudine 100 mg, 10 capsules	77.00	313.47	331.65	996.16	895.90
Zidovudine 300 mg, 10 capsules	274.00	N.A.	NA	4,767.02	4,988.62
Anti-histamine					
Caterizine 10 mg, 10 capsules	6.00	35.71	57.50	262.19	927.29
Anti-anxiolics/psychotics					
Alpramazoo 0.5 mg, 10 tablets	7.00	160.57	31.05	N.A.	446.81
Fluoxetine 20 mg, 10 capsules	25.80	444.53	143.40	395.79	1,416.42
Anti-cancer					
Boposide 100 mg, injection	190.00	554.69	242.90	1,217.43	6,210.30
Cholesterol reducer					
Atorvastatin 10 mg, 10 tablets	39.00	N.A.	565.95	537.74	1,102.92
Anti-asthmatic					
Salmeterol 25 mcg	210	N.A.	782.65	1,628.25	N.A.
Urology					
Sildenafil Citrate 50 mg, 4 tablets	48.00	N.A.	1,356.93	1,614.89	1,744.93

Conversion rate of exchange considered

U.S. dollar - Rs.45.50, British pound - Rs.83.51, Pakistani rupee - Rs.0.84, Indonesian rupiah - Rs. 0.005

Sources for prices: U.S. prices - Red Book 2002; U.K. prices - U.K. MIMS February 2004
Pakistan - Pharmaguide, June 2002-03
India - IDR November/December 2003

The amendment expands the scope of what can be patented. Vandana Shiva, director of the Research Foundation for Science, Technology and Natural Resource Policy, said: "The second amendment of the patent law opened up agricultural patenting. It deleted old exceptions; for example, plants were not patentable earlier. With the third amendment they have now brought product patents. In agriculture, a product patent could mean that a company may take the gene of a salinity-resistant rice variety, put it into a variety of rice through genetic engineering, and take a patent on it. But since the product patent is on the trait or salinity resistance, it means that any occurrence of that trait without paying a licence fee is an infringement, and there are cases to this effect. So, in the Basmati rice case, if we had not defeated Rice Tech, there would have been several cases of Rice Tech claiming a patent and then having that monopoly on the aroma and the size of the grain."

Vandana Shiva said: "While the government was preparing to table the ordinance, it tabled another totally unnecessary law called the Seed Act. The Seed Act of 1966 was doing its job fine. It provided for quality and reliability in seeds. The farmer's varieties were not regulated. The new Seed Act undoes the

1966 Act. It now requires compulsory registration of all farmers, which means that any farmer growing his or her own traditional varieties will be treated as illegal. This is the way this compulsory seed registration has been used in other countries to shut down the farmer's seed supply alternatives. Therefore I would say that the implications for agriculture are huge."

The ordinance also makes patentable computer software, which has technical application in any industry or which can be incorporated into hardware. This could impede the development of software in the country. Richard Stallman, the co-developer of the Linux/GNU operating system and proponent of free software, said: "Every programme is full of implementations of various methods on how to do things. If each of those computational methods could be patented, then writing a programme can mean infringing hundreds of patents." According to him, moving from a copyright to a software patenting regime is a mistake and will increase the cost of developing new software. Indian software companies which want to develop their own products and compete at the global level will be hit hard by this amendment.

"Invention", as defined by the ordinance, is too broad and could lead to "ever-greening", that is, filing patent applications for new forms of older patented drugs and of new uses of older drugs, thereby blocking the entry of generic drugs into the market. B.K. Keayla, convener of the National Working Group on Patent Law, said: "China and the United States define 'invention' broadly in their patent laws and have to deal with over three lakh claims annually. This kind of volume will create chaos in India." The ordinance prohibits "mere new use" for a known substance, which does not clarify whether polymorphs, hydrates, isomers, metabolites and so on are patentable, which can lead to "ever-greening". D.P. Shah, secretary of the Indian Pharmaceutical Alliance, said: "A good example is Aventis, which in 1979 obtained a patent for fexofenadine hydrochloride. In 1996, Aventis obtained a second patent for the same compound claiming that it was a substantially pure drug."

Gajanan Wakankar, executive director of the Indian Drug Manufacturers' Association, said: "The compulsory licensing provisions are adequate only as far as the conditions are concerned. But the procedures are extremely lengthy and we feel that these procedures will defeat the purpose. The procedures are such that the patent holder has the upper hand and can thwart the application of a compulsory licence by delaying it."

The ordinance reduces the grounds for pre-grant opposition and says that henceforth it will only be treated as a representation and not as a party to the proceedings. It has a provision for post-grant opposition directed against the Controller who grants the patent. Ironically, the Controller will finally dispose of the post-grant opposition. The weakening of pre-grant opposition makes it tougher to prevent the filing of frivolous patents.

Commerce Minister Kamal Nath described the ordinance as an interim measure to fulfil India's obligations within the stipulated time. He stated that it would be discussed in detail in the Budget session of Parliament. While justifying the provisions of the ordinance, he claimed that the fear that prices of medicines will spiral is unfounded because 97 per cent of all drugs manufactured in India are off-patent and will remain unaffected.

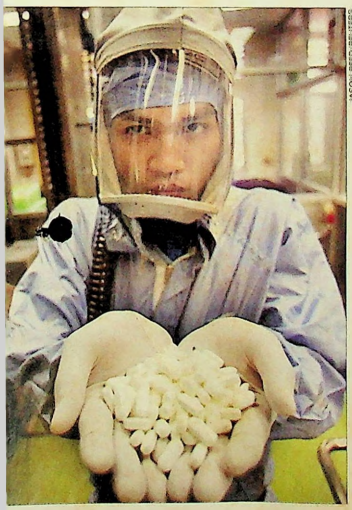
D.G. Shah said: "We have been told a number of lies consistently by the government. Our estimate is that drugs worth Rs.3,000 crores will have to be withdrawn from the market. Our total market is worth $4.5 billion. PhRMA, the association representing the U.S. pharmaceutical industry, claims that its members are losing $1.8 billion worth of revenue [or 40 per cent of the total Indian drug market] because there is no patent regime in the country. If the U.S. pharmaceutical industry is saying that 40 per cent of the market is eligible for patent, on what basis is the Minister saying that only 3 per cent will be eligible?" (see Table 2).

There are an estimated 9,000 applications for drugs pending in the "Mail Box". The government, in reply to a question raised in Parliament, said that there were 5,636 applications for drugs in the "Mail Box", of which 4,398 were filed by foreign corporations. With 78 per cent of the patent applications for drugs having been filed by foreign nationals and with the danger of "ever-greening", the prices of medicines are likely to rise. The government has said that the prices of life-saving drugs will not rise. But details of which drugs are in

Table 2 The share of patented drugs in the Indian market

Therapeutic group	Under patent (in per cent)
Antibiotics	40.23
Antibacteriols	98.80
System antifungals	25.66
Anti-leprotics	69.96
Cardiovascular	40.18
Non-steroidal anti-inflammatory drugs (for conditions like arthritis)	22.16
Tranquilisers	74.12
Anti-convulsants	65.93
Anti-peptic ulcer drugs	65.92
Oral diabetics	55.30
Anti-asthmatics	47.53
Anti-histamines	21.34
Cytostatics and anti-leukemic	32.41
Contraceptive hormones	88.79

Source: "Indian Pharmaceutical Industry and Patent Regime for Drug Security" by B. K. Keayla and Biswajit Dhar, National Working Group on Patent Laws. September, 1993.



JASON REED/REUTERS

A pharmaceutical worker with a new anti-HIV/AIDS medicine, dubbed by government officials as the "world's cheapest anti-AIDS cocktail", at a laboratory in Bangkok, Thailand. A file picture.

the "Mail Box" have not been made public. "How does one classify a disease like cancer? Can one say cancer drugs are not life-saving? If a drug is not listed as essential medicine in the Drug Price Control Order, does that mean it can be priced at exorbitant rates?" asked Leena Menghaney, who is part of the Affordable Medicines and Treatment Campaign (AMTC), a coalition of non-governmental organisations (NGOs), patient groups and health care workers that campaigns for sustained accessibility and affordability of medicines in India. A comparison of the generic and patented drug prices shows how drug prices are likely to rise exponentially (see Table 3).

The government has to pass the ordinance in the Budget session of Parliament. While the NDA has said that it will oppose the ordinance, the Left parties are against it in its present form. D. Raja, national secretary of the Communist Party of India, said: "We have told the government that we will oppose the ordinance as it is not in the national interest. It will have serious implications for the pharmaceutical industry, agriculture and biodiversity. The government will have to amend it drastically keeping in mind the national interest. This is bound to come up in the coming Budget session and the Left parties will take up the issue clause by clause."

A detailed discussion on the contents of the legislation with such far-reaching impact is essential. Wakankar said: "It is an important piece of legislation and should be considered by either a joint committee or a standing committee of Parliament." A.D. Damodaran, former Director of the Council of Scientific and Industrial Research's (CSIR) Regional Research Laboratory in Thiruvanthapuram, said: "Patent law is a techno-legal document. It must be given to an expert committee for consideration and the report of the committee should be made public."

K. K. MUSTAFA

At a retail medical outlet in Kochi, Kerala.

INTERNATIONAL reaction to the ordinance has been critical. Indian generic companies brought down the prices of antiretroviral therapy for HIV/AIDS from $12,000 to $140 a year. Bill Haddad, chairman and chief executive officer of Biogenerics Inc., the largest generic drug company in the U.S., said: "Two-thirds of the world' s population will be systematically deprived of life-saving drugs as of January 1, 2005. Countries in Africa dependent on Indian generic products, the WHO [World Health Organisation] and AIDS organisations worldwide have written to the Indian Prime Minister asking him to reconsider the ordinance." Activists have organised demonstrations against the ordinance in front of Indian embassies across the world. Olivier Brouant of the Medecins Sans Frontieres said: "ARV treatment is given to 25,000 HIV/AIDS patients worldwide. The Indian government has a big responsibility to the rest of the world to ensure that these drugs remain affordable."

The New York Times said in an editorial on January 18 that the ordinance was heavily influenced by multinational and Indian drug-makers eager to sell patented medicines to India's huge middle class. Describing the decree as "a double hit that will cut off the supply of affordable medicines and remove generic competition that drives down the cost of brand-name drugs", the newspaper said that the ordinance was so tilted towards the pharmaceutical industry that it did not even take advantage of the rights countries enjoyed under the WTO regime to protect public health.

There are options in TRIPS allowing countries to meet public health goals. For instance, Article 31, or the compulsory licensing provision, enables governments of member-countries or third parties authorised by these governments to use the subject matter of the patent without the permission of the patent holder. Article 8 stipulates that "in formulating or amending the national patent laws and regulations, members may adopt measures to protect public health and nutrition and to promote public interest in sectors of vital importance to their socio-economic and technological development". The ordinance contradicts the UPA's Common Minimum Programme, which promises that the government will "take all steps to ensure availability of life saving drugs at affordable prices".

Table 3

Prices of cancer drugs that are already in the "mail box"

Active pharmaceutical ingredients	Therapeutics	Innovator	Brand name	Package details	Indian generic MRP	Patented drug price
Gefitinib	Anti-cancer	Astra Zeneca	Iressa	250 mg, 30 tablets	$222.00	$1,802.00
Temozolomide	Anti-tumour	Scherring	Temodar	250 mg, 5 capsules	$500.82	$1,835.00
Zoledronic acid	Anti-cancer	Novartis	Zometa	4 mg, 1 vial	$64.00	$873.00
Letrozole	Anti-cancer	Novartis	Femara	2.5 mg, 30 tablets	$6.82	$224.30
Ganciclovir	CMV infection	Roche	Cytovene	250 mg, 60 capsules	$150.00	$254.00

Source: National AIDS Control Association

DYING FOR TRADE:

Why Globalization Can Be Bad for Our Health

Ronald Labonte, Ph.D.

CSI FOUNDATION FOR RESEARCH & EDUCATION

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CSJ FOUNDATION FOR RESEARCH & EDUCATION

Dying For Trade:
Why Globalization Can Be Bad for Our Health

by Ronald Labonte, PhD

The CSJ Foundation for Research and Education

Toronto
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DYING FOR TRADE:

Why Globalization Can Be Bad for Our Health

Introduction

Globalization – the increasing interconnectedness of people and nations through economic integration, communication and cultural diffusion – is not new. Jared Diamond, in his book, *Guns, Germs and Steel* (1997), recounts how the history of most humankind has been one of pushing against borders, expanding, conquering and assimilating. Today's globalization, many argue, is simply capitalism's attempt to complete this global colonization process. As before, globalization may bring new benefits to societies. But such expansionary processes also carry many risks, particularly for health. These risks arise through globalization's largely negative impacts on:

- Poverty and inequality— poverty being the single greatest determinant of disease.
- The environment — the disease perils of over-consumption, pollution and climate change are well known.
- The capacities of national governments – binding trade rules and multi-lateral institutions like the World Trade Organization limit the social and environmental 'regulatory space' of national governments, and undercut institutions that support public health and social well-being.

It is globalization's impact on national authority that cause health activists the greatest concern, since it can prevent governments from enacting policies that lead to health and equity at the local levels where people live, work and play. A concern for many health activists is the impact of the General Agreement on Trade in Services (GATS) on the growing trend towards health care privatization.

This paper examines the impact of trade agreements on our health and health care system, and what governments can do to ensure that health and human development are not sacrificed at the altar of 'free

trade.' It begins with a discussion of how globalization affects our *global* health through changes in economic growth, poverty, inequality and the sustainability of our environment. Globalization's harshest impacts have yet to be fully experienced by Canadians. But for the poor living in Africa, the former Soviet republics, and much of Asia and Latin America, the adverse impacts of globalization are lived daily. As Toronto's recent scare with SARS teaches us, our own health is increasingly threatened by 'Diseases without borders'. In this globalized world, we are posed with the challenge of protecting not just the health of all Canadians, but the health of everyone on the planet.

Globalization and Health: The Pros and Cons

First, let's acknowledge that there *are* several potential health benefits of today's globalization. The diffusion of new knowledge and technology, for example, can aid in disease surveillance, treatment and prevention. The globalization of gender rights and empowerment can have tremendously positive health effects. In some poorer countries, when women gain control over household income, they usually invest it in their children's health and education, which benefits the larger community as well as their own family. But these benefits do not stem from free trade policies or from governments attending ever more closely to the needs of big business.

There is also an oft-made economic argument linking globalization with improved health. Liberalization, proponents claim, increases trade. This, in turn, increases economic growth, which increases wealth, which decreases poverty; and any decline in poverty automatically improves peoples' health (Dollar, 2001; Dollar and Kraay, 2000). Improved health, particularly amongst the world's poorer countries, also increases economic growth (Savedoff and Schultz, 2000; CMH, 2001) and so the pro-liberalization, pro-globalization, pro-health circle virtuously closes upon itself.

Sound in theory, this virtuous circle has, in fact, a vicious undertow. This includes the increased adoption of unhealthy 'Western' lifestyles, which underpins our growing global pandemic of obesity

(Lee, 2001). It has also worsened epidemic diseases in developing countries. The World Health Organization estimates that almost 25% of disease and injury worldwide is connected to environmental decline attributable to globalization, with 90% of malaria deaths caused by rainforest colonization and large scale irrigation schemes, which increase exposure to mosquitoes (WHO, 1997a). The diffusion of new health technologies to developing countries, in turn, usually benefits the wealthy, often at the expense of already underfunded and fraying public health care systems for the poor.

As for 'gender empowerment,' there is emerging evidence of a global 'hierarchy of care.' Women from developing nations employed as domestic workers in wealthy countries send much valued foreign currency back home to their families. Some of this is used to employ poorer rural women in their home countries to look after the children they have left behind. These rural women, in turn, leave their eldest daughter (often still quite young and ill-educated) to work full-time caring for the family they left behind in the village (Hochschild, 2000). Health gains increase for those higher up the hierarchy; health risks accumulate for those lower down.

More fundamentally, trade and financial liberalization does not inevitably lead to increased trade or economic growth. And even when it does, such growth does not inevitably reduce health-damaging poverty, and almost always leads to health-damaging inequality (Cornia, 2001; Weisbrot et al, 2001; UNDP, 2000). Increased trade in goods also means increased use of fossil fuels, more exploitation of already scarce environmental resources, and more toxic pollution. The health damaging effects of all of these are 'inherently global,' since contaminants, like diseases, do not respect borders.

Globalization and the Health Scorecard: Unfulfilled Promises and Increasing Threats

Much remains to be understood about how globalization through increased 'free' trade might harm or help peoples' health. But we now have twenty years experience of increased liberalization and

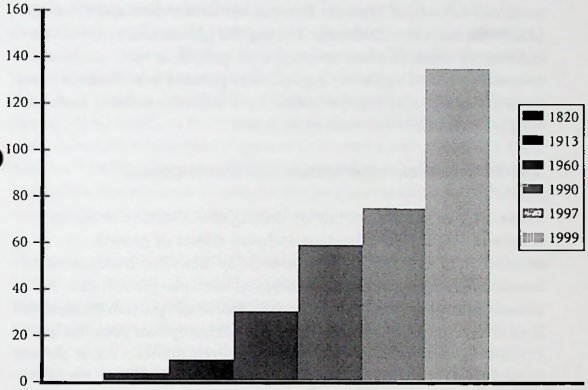
market integration through World Bank and International Monetary Fund (IMF) 'structural adjustment' policies of liberalization and privatization imposed upon poorer countries as loan conditions; and ten years experience of enforceable trade rules in which wealthier countries voluntarily agreed to essentially the same policies. With respect to trends in two fundamental health-determining pathways (poverty/inequality, and the environment), the impacts have been largely negative.

Poverty and Income Inequality

The past decade has seen a reduction in global poverty rates at the $1/day level, but a worsening in such rates at the $2/day level (Ben-David, Nordstrom and Winters, 1999).[1] We might cynically conclude that our recent era of globalization has successfully transferred income from the extremely poor to the absolutely destitute. Free trade promoters counter that this is simply because poor countries have insufficiently globalized. If they had liberalized more, they would have benefited more. But the empirical evidence doesn't support this claim, at least for poorer nations. A 1999 study of forty developing and least developed nations found that trade openness (liberalization) actually increased poverty. Those countries liberalizing most rapidly fared worst (Rao, 1999).

This is not true for all countries, however, and there is still much debate whether trade liberalization will eventually succeed in reducing health-damaging poverty. But there is less disagreement that trade liberalization is increasing inequality (see Figure 1). Whether income inequality is the root of disease remains a contentious topic amongst population health researchers (Deaton, 2001). Yet, as much recent evidence makes clear, across the world inequalities *are* associated with declines in social cohesion, social solidarity and support for strong states with strong redistributive income, health and education policies that have been shown to buffer liberalization's un-equalizing effects (Deaton, 2001; Global Social Policy Forum, 2001; Gough, 2001). The developing countries experiencing the greatest economic growth (China, Vietnam and India) are also the ones experiencing the sharpest increases in income inequality.[2]

FIGURE 1: Rising Global Inequalities:
Income Ratio of World's Wealthiest to Poorest 20% of the World's Population, 1820 - 1999.



1820-1999. (Source: UNDP, 1999)

A recent 'scorecard' provides more evidence that globalization has been far from equal in distributing its benefits. This scorecard compares health, economic and development indicators for the 'pre-globalization' (1960-1980) and 'rapidly globalizing' (1980-2000) periods (Weisbrot et al, 2001). During the globalizing period, economic growth per capita declined in all countries, but declined most rapidly for the poorest 20% of nations. The rate of improvement in life expectancy declined for all but the wealthiest 20% of nations, indicating increasing global disparity. Infant and child mortality improvements slowed, particularly for the poorest 40% of nations. The rate of growth of public spending on education also slowed for all countries, and the rate of growth for school enrolment, literacy rates and other educational attainment measures slowed for most of the poorest 40% of nations.

A study by Branko Milanovic, a World Bank economist (2003), reached a similar conclusion: In the pre-globalization period, two out of four of the world's poorer regions grew faster than the wealthier nations of Western Europe, North America and Oceania (Australia and New Zealand). During the globalization era of the last twenty years, this was reversed with growth in rich countries outpacing that of any other region. The greatest beneficiaries from the policies of today's globalization have been the wealthy nations largely responsible for creating its rules.

The Environment and Sustainable Development

There are two primary pathways linking globalization to the environment: (1) the liberalization-induced effects of growth on resource depletion and pollution, and (2) increased transportation-based fossil-fuel emissions. Ecological limits to growth and consumption are rarely considered in economic growth models, yet if all countries 'developed' to the same consumption patterns found in Canada and the US, our species would require four more planets to exploit ((Footprints of the Planet Report, n.d.). There are also numerous examples where trade and investment liberalization have increased the pace of environmental damage.

The combined effects of deregulation, privatization, and weak governmental controls on the Indonesian logging industry, implemented to increase economic growth through increased trade, have lead to the loss of more than one million hectares of forest per year. Health effects range from short-term and widespread respiratory disorders associated with extensive burning to long term ecosystem disturbances and potential climatic change (Walt, 2000). In Uganda, trade liberalization in the form of industrial privatization and tariff reduction on fishing technology contributed to overfishing of the Nile perch in Lake Victoria, and a degradation of the lake's ecosystem and water quality (UNEP, 2001), with potentially severe health impacts – about 20% of all deaths in children under 5 in developing countries are caused by unsafe or insufficient water (WHO, 1997b).

Mauritania, a poor sub-Saharan African country, has sold fishing rights to factory-ships from Europe, Japan and China to earn the foreign currency it needs to pay back liberalization-induced foreign loans. Meanwhile, fish, the staple protein for the country's poor, has largely disappeared from local markets (Brown, 2002). Child malnutrition and health, previously improving, is now worsening (Social Watch, 2002, 2003). In Argentina, trade liberalization and promotion of fisheries exports led to a five-fold growth in fish catches in the decade 1985-95. Fishing companies gained an estimated US $1.6 billion from this growth. But depletion of fish stocks and environmental degradation has produced a net cost of US $500 million (UNEP, 2001). Loss of fish stocks increases food insecurity, and public investments to rebuild stocks come at the cost of funding essential health care or educational services.

There are also indirect climate change effects due to de-regulation of foreign investment. A recent example of this was the Brazilian currency crisis of 1998, precipitated by the greatest inflow and outflow of speculative capital ever experienced by a developing country (UNDP, 1999; de Paula and Alves Jr., 2000). The government lacked sufficient foreign reserves to stabilize its currency and was forced to borrow from the IMF. The rescue package called for drastic public spending cuts, including a two-thirds reduction in Brazil's environmental protection spending. This led to the collapse of a multi-nation funded project that would have begun satellite mapping of the Amazonian rainforest as a first step in stemming its destruction. The loss of this program combined with ongoing logging will have a profound impact on climate change, with long-term and potentially severe health implications for much of the world's populations (Labonte, 1999). Hopefully the Brazilian government's more recent commitment to set aside large tracts of the remaining Amazonian rainforest will begin to change this bleak assessment (Mitchell, 2002).

Most empirically-based projections of the environmental impacts of trade liberalization show severe ecological damage (Labonte and Torgerson, 2002). Especially damaging are agricultural and fisheries subsidies, which go primarily to wealthier producers within wealthy

countries, and wreak havoc on local production in poorer countries by flooding the market with below-cost commodities that severely damage the environment. WTO members in 2001 committed themselves to "reductions, with a view to phasing out, all forms of [agricultural] export subsidies; and substantial reductions in trade-distorting domestic support" (WTO, 2001a). But the EU and Japan, which heavily subsidize their domestic farmers, have been slow to comply; and the US Bush Administration in 2002, despite the 2001 agreement, signed into law the largest increase in domestic farm subsidies in American history.[3] There will be no winners from such policies, and the biggest loser will continue to be the environment.

Health Care, Privatization, and Trade Agreements

Of course, our health is determined by much more than our environmental and economic conditions. Above all, our health care systems determine the care we receive when sick. The concern for many of us with globalization is how trade agreements affect the increasing privatization of our public health care system. The problem with increased privatization, alongside a 'public' system, is that it leads to inequalities in access. As private health care expands for those who can afford it, the higher salaries and better working conditions it offers pulls health care professionals away from the public system, leading to the public system's slow decline or collapse.

In Brazil, for example, private health care currently provides 120,000 physicians and 370,000 hospital beds to the richest 25% of the population, while the public system has just 70,000 physicians and 565,000 hospital beds for the remaining 75% (Zarrilli, 2002a). Another effect of increased health care privatization is a decline in support for universal public programs by higher-income earners in favour of 'user pay' private insurance and private health care systems.

Trade agreements are *not* the cause of today's health care privatization. But trade agreements 'lock in' current levels of privatization and can prevent any future expansion (or re-creation) of the public system. There are three trade agreements with a direct bearing on

Canada's public health care: NAFTA (North American Free Trade Agreement), GATS (General Agreement on Trade in Services) and TRIPS (Agreement on Trade Related Intellectual Property Rights).

NAFTA

NAFTA's negative impacts on public health care arise from its Chapter 11 provisions that permit private *foreign* companies to sue democratically elected governments if their regulations result in 'expropriation' of real or potential earnings. Canada, for example, withdrew its intent to legislate 'plain packaging' for cigarettes when American tobacco companies threatened to sue our government for 'expropriation' of their intellectual property, i.e., their trademarks. NAFTA does allow governments to expropriate foreign-owned investments, but only if it is for a public purpose.

The problem for Canada is that because the provinces have allowed health care privatization to increase in recent years, it is hard to argue that our health care system is administered strictly for a *public* purpose. This opens the door to NAFTA claims that measures to expand public health insurance in Canada to prescription drugs, home care and dental care, or to restrict private for-profit provision of health care services, amount to expropriation and that compensation must be paid to American or Mexican investors who are adversely affected. Article 15 of the Free Trade Area of the Americas' (FTAA) Chapter on Investment similarly allows investor-state suits. It is currently "bracketed" text, meaning there is as yet no agreement amongst the nations negotiating the FTAA on its content. Canadian FTAA negotiators, however, are not calling for its removal.

GATS

The General Agreement on Trade in Services (GATS) is a WTO agreement. There is considerable pressure from commercial services groups, particularly in the US and European Union (EU), to use GATS to open up government services for commercial and foreign provision (Sinclair, 2000). European negotiators are urging greater service liberalization because they see China as a lucrative market, as

that country dismantles its previous state welfare infrastructure (Pollock and Price, 2000). Private US health care providers regard GATS as the main vehicle for overcoming market access in countries where public funding and provision currently predominate.

Health services liberalization, proponents claim, can lead to new private resources to support the public system, introduce new techniques to health professionals in developing countries, provide such professionals with advanced training and credentials, and introduce new and more efficient management techniques (Zarrilli 2002b). But there are powerful counter-arguments to each of these points. Private resources disproportionately benefit the wealthy and increase the regressive privatization of health systems. Private investments in health services concentrate in services for the affluent that can afford to pay for them (Lethbridge, 2002), undermining support for universal, public provision of health services. Liberalization in the movement of health professionals can worsen the already critical 'brain drain' from under-serviced poor countries to wealthier nations (see Box 1). Finally, there is nothing preventing countries from trading in health services in any of these modes *without* making any commitments under the GATS agreement. The only effect of such commitments is to make it extremely difficult for countries to change their minds in the future.

To date, 54 WTO members have made commitments to liberalize some health services under GATS (Adlung and Carzaniga, 2002). (See Table 1) The number of health-liberalized countries grows to 78 if one includes private health insurance. The GATS agreement has a built-in requirement for "progressive liberalization" meaning that countries can only liberalize more, not less. Once a service sector has been committed under GATS, there is no cost-free way of reversing it (Canadian Centre for Policy Alternatives, 2002). Canada committed private health insurance under GATS in 1994. Should Canada wish to extend its public system into areas that are privately insured, and so reverse the current trend away from privatization, this commitment could trigger trade penalties.

Box 1: The "Brain Drain"

Each year the global "brain drain" of trained health professionals from developing to developed countries gets worse. Developing countries are estimated to lose over US$500 million each year in training costs alone of doctors and nurses who migrate to wealthier nations (Frommel, 2002). The problem is most acute for African countries, but also exists for many Caribbean countries. Several Canadian provinces, such as Alberta and Saskatchewan, have actively recruited health professionals from South Africa to fill their own vacancies in rural communities (Bundred & Levitt, 2000). The South African government in 2001 formally complained to the Canadian government over the number of its physicians being allowed to take up practice in Canada, yet in 2002 the number of South African-trained physicians in Canada increased by another 174, to total 1,738 (McClelland, 2002).

The problem is not simply active recruitment by wealthier countries – a result of their own poor health human resource planning – or even the "pull factors" of higher earnings and greater opportunities available in other countries. There are also the "push factors" of low salaries, lack of positions and little infrastructure for research or advanced training, problems that are rooted in the under-development of public health systems in poorer countries.

The GATS agreement offers an exception for "a [government] service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers" (Article 1:3b). This is often cited as evidence that concern over privatization is misplaced. This clause, however, may collapse under an eventual challenge, since most countries allow some commercial or competitive provision of virtually all public services (Sinclair, 2000; Pollock and Price, 2000).

Table 1: Commitments to Liberalize Health Services

Service Category	*Total WTO Members*	*WTO Developing Country Members*
Medical and dental services	54	36
Hospital services	44	29
Nursing and midwifery services	29	12
'Other' health services	17	15

(Source: Adlung & Carzaniga, 2001, 2002).

Health care is not like other commercial services. It is essential to the creation and maintenance of a public good. Public systems for health care arose in most countries because private systems proved inadequate and inequitable. Whatever problems exist with health care provision today, increased privatization and private sector involvement is not the solution. Whatever forms of cross-border exchanges in health services we might want to engage in, for all of the positive reasons cited in favour of GATS, let us be clear on this: Trade treaties – which are intended to promote private commercial interests – are no place to negotiate international rules for health, health care and other essential public goods such as education and water/sanitation.[4]

TRIPS (Agreement on Trade-Related Intellectual Property Rights)

Unlike other WTO agreements, TRIPS does not 'free' trade, but 'protects' intellectual property rights, almost all of which are held by companies or individuals in rich countries. The TRIPS agreement requires WTO members to legislate patent protection for twenty years, although least developed countries don't have to do this until 2016. One effect of the TRIPS agreement has been to increase sharply drug costs in most countries, including Canada. This decreases the amount of public funding available for primary health care or other public programs in first world countries, where 75% of prescription drug costs are publicly or privately insured. But it is particularly hard on persons living in poor countries where the health portion spent on drugs is already much higher and often a direct personal cost.

The TRIPS agreement does allow countries, in cases of public health emergencies, to issue compulsory licenses to generic drug manufacturers. The Doha Declaration on the TRIPS Agreement and Public Health (WTO, 2001b) strongly affirmed these provisions. But the Doha Declaration failed to solve the problem of developing countries that have to 'parallel import' these drugs from other countries such as Brazil or India, something the TRIPS agreement currently does *not* allow.

Last December, the US scuttled a complicated WTO deal that some thought already watered down the Doha declaration (WTO, 2002). After insisting on even more measures to prevent cheap generics from entering rich country markets, and pleas from African countries reeling from AIDS, a new compromise deal was struck. But groups like Doctors Without Borders claim the new restrictions will still price generics out of the reach of poor countries. The deal is a far cry from the promise made in Doha, and many developing countries view it only as stopgap.

WTO Agreements and Health Determinants

The risks that trade agreements pose to public health care systems are real and need urgent attention. But health care is only one determinant of our health. Other important determinants include income, education, safe water and sanitation, healthy lifestyles, employment, workplace and environmental health, and supportive social relationships (what is sometimes today called "social capital" or "social inclusion"). Each of these determinants is affected by domestic public policies that, in turn, are increasingly affected by trade agreements.

Some of these health-damaging effects are general in nature. Trade liberalization lowers tariffs (taxes) on imported goods. This reduces the amount of revenue that governments have to spend on health, education, and environmental protection. Tariff reduction hasn't meant much for wealthy countries, such as Canada, which collect less than 4% of their public revenue from tariffs (World Bank, 2000). But it has been hard on developing countries, which get

much of their revenue from tariffs. Between 1980 and 1997, for example, tariffs as a percentage of total national taxes fell from 48% to 23% in Jordan, 50% to 16% in Sri Lanka, and 39% to 12% in Botswana. In the past decade, the Congo Republic saw its international tariff share of tax drop from 21% to 6%, and Mauritius from 46% to 26% (World Bank, 2002). Few countries experiencing these declines have been able to institute alternative revenue-generating sources, and have not experienced sufficient growth in trade to offset the drop (Hilary, 2001). This seriously reduces these countries' abilities to provide public health, education and water/sanitation services essential to health.

Trade liberalization can also damage the more fragile domestic economies of developing countries. In return for World Bank and IMF loans, Zambia opened its borders to cheap, often second-hand textile imports. Its domestic manufacturing, inefficient by wealthier industrialized nation standards, could not compete. Within eight years, 30,000 jobs disappeared and 132 of 140 textile mills closed operations, which the World Bank acknowledges as "unintended and regrettable consequences" of the adjustment process (Jeter, 2002). Huge numbers of previously employed workers rely on precarious street vending. User charges for schools have led to increased dropout and illiteracy rates. The Zambian government is now seeking to undo most of these policies. But this is proving difficult because of the extensive economic and social damage now existing.

Finally, liberalization of financial markets (investment) has led to 'tax competition' which, by one estimate, costs developing countries over US$50 billion in foregone corporate taxes each year (OXFAM, 2000). This is more than the estimated additional annual costs of ensuring adequate health care for every women, man and child on the planet.

Several WTO agreements *specifically* restrict the right of governments to regulate for health and environmental protection. The WTO *Agreement on Sanitary and Phytosanitary Measures* requires that a country's food and drug safety regulations be based on a scientific risk assessment, even if there is no discrimination between

domestic and imported products (Drache et al, 2002). Canada joined the US and Brazil in a WTO dispute to force the EU to accept imports of hormone-treated beef. The EU does not allow the use of these hormones on its cattle. There is also evidence that these hormones may cause cancer in animals. But the WTO dispute panel (which did not include any scientists) concluded that the EU failed to conduct a proper scientific risk assessment proving that hormones were a human health risk.[5]

The *Technical Barriers to Trade Agreement* requires that all domestic regulations be "least trade restrictive," and treat "like products" the same. Domestic regulations can be higher than international standards only if they can be justified. Canada used this agreement to argue that France's ban on the use of asbestos products was discriminatory since asbestos was "like" the glass fibre insulation France allowed. Canada lost this case – the only such instance where the WTO ruled in favour of health over trade – partly because of the enormous amount of scientific data proving the cancer-causing risks of asbestos (WTO, 2000)[6]. This certainty of proof is rarely the case with most human or health hazards.

The *Agreement on Trade-Related Investment Measures* prevents countries from placing performance requirements (such as requiring local content) on foreign investment. Such requirements have been used to benefit corrupt government officials or their families. But they have also proven useful in the development of a viable domestic economy, partly by ensuring health-promoting employment and income adequacy for marginalized groups or regions. Similarly the *Agreement on Government Procurement* requires governments to take into account only "commercial considerations" when making purchasing decisions, banning preferences based on environment, human or labour rights. Currently a voluntary agreement to which few developing countries have signed on, wealthy countries, including Canada, are pushing to make this agreement mandatory and binding on all WTO members.

What Can Be Done?

Governments have had a hand in creating today's globalization by negotiating multi-lateral trade agreements. They can also play a major role in changing these agreements, and in shifting the trajectory of globalization away from purely economic objectives that benefit elites, towards health and human development goals that benefit everyone, especially the poor. If they are seriously committed to social justice, governments - including our own - must make the following policy changes.

Protect Our Health Through Promoting Public Services

There should be a full "carve out" from trade agreements of public services essential to our health (health care, education, water/sanitation, occupational and environment health). To its international credit, Canadian trade negotiators have listened to this repeated argument from health and social policy activists, and have put their trading partners on notice that Canada will *not* commit any of our health, education or social services under GATS, nor ask that any other WTO member do so. But our private health insurance commitments remain a weak link and, more importantly, GATS negotiations are ongoing with the intent to progressively liberalize more services. Many observers believe that pressures to liberalize health and other essential public services will continue to build unless stronger and internationally agreed upon exceptions for such services are created. There are at least two ways this can be done:

1. Negotiate a general exception in the GATS agreement freeing any services related to health care, water/sanitation or education from the requirement for progressive liberalization; or a full "carve out" of these services from any of the GATS "disciplines" (trade penalties). A country could then withdraw GATS commitments in these services at any time without invoking a trade penalty.

2. Create international agreements on exchanges, including trade and investment, in these services, *outside* of the WTO structure and under the goal of achieving improved and greater equity in health outcomes. The Canadian government is working on a similar agreement to protect cultural diversity rights. Are essential health-promoting public services any less important?

Discriminate in Favour of Developing Countries

Countries need strong domestic economies to create the income and employment necessary to fund the public services essential to health. As the Zambia story showed, today's weaker economies cannot become strong if they are forced to compete with goods and services from already well developed economies. The WTO in its founding documents recognized the need of developing countries for "special and differential" (S&D) exceptions to trade rules that might otherwise damage their domestic economy or for which they lacked the domestic capacity to comply. A 'level playing field' (one set of rules for everyone) only becomes fair when all of the players can equally play the game. WTO members at the Doha meetings affirmed the need for different rules for poorer nations when they declared that the WTO should review "all Special and Differential provisions...with a view to *strengthening them...*" (WTO 2001a; emphasis added). But negotiations at the WTO to do just this have failed to produce any tangible results because many of the wealthier WTO member-nations, including Canada, object to this necessary double standard.

Wealthier member-nations of the WTO need to accept developing countries' requests for stronger S&D exceptions *even if these may have negative economic impacts for wealthier member-nations in the short term.* Developing countries should be able to use such exceptions for purposes of health and human development (in particular, to fulfill their obligations under the 'right to health'), and for domestic economic development. Their right to do so should be a core, non-negotiable principle of the WTO, and should be based not on a given time period (as is the present case), but on when they

attain a certain level of economic development (as has been urged by many UN agencies, developing countries, international development organizations and the European Union).

Reverse the Burden of Proof

The burden of proof in health and environmental protection disputes argued under the exceptions in GATT XX(b) and the Sanitary and Phytosanitary Agreement should be reversed. Countries claiming that another nation's domestic standards are unnecessarily trade restrictive need to prove that they were *not* imposed for health reasons, and that changing the standard would *not* create a health risk.

Fines, Not Sanctions

The WTO has the option to levy fines instead of trade sanctions, but rarely does. Fines, especially if tied to a country's Gross Domestic Product, would create a much fairer penalty system. Part of the fines could even go to global funds for health, education and social development, allowing the dozens of countries now lagging behind in reaching the Millennium Development Goals for infant and child health, maternal health, gender empowerment and universal education to start catching up.[7]

Human Rights Oversight

Finally, existing agreements must continually be assessed for their impacts on internationally-agreed human rights, human development, health and environmental sustainability goals, with changes made when WTO agreements conflict in any way with their accomplishment. The WTO as an institution should be judged for how it contributes to accomplishing these goals, rather than on the degree to which it succeeds in trade and investment liberalization.

Conclusion

The above suggestions focus on reforms at the WTO, an organization that is only nominally democratic (one country, one vote). The economic clout of wealthier nations, and the larger and much better funded teams of negotiators they have at the WTO, means that most of our global trade rules so far have disproportionately benefited rich countries, often at the expense of poor ones.[8] There are signs this is changing, as developing countries increasingly organize around *their* interests, often supported by evidence from independent UN agencies, researchers and development agencies, and by activism from civil society groups around the world. This hasn't yet resulted in fairer trade rules, but it has ground WTO negotiations to a near-halt.

Some activists urge the complete elimination of the WTO, and the two other institutions – the World Bank and IMF – that are most responsible for today's global economic rules. Others call for their reform, particularly for the WTO. At this juncture, reform may be the best option, as simply eliminating the WTO will mean the return to bilateral trade agreements (those between two countries) and, as experience has shown, these invariably benefit the more powerful nation. Currently, the US, in its trade negotiations with individual developing nations, demands that they give up some of their rights under WTO agreements, including their right to avoid patent legislation under existing TRIPS provisions. The WTO at least allows developing countries to unite against the self-interests of wealthier countries.

For the moment, WTO reform is a necessary but insufficient global reform. Whether the United Nations and its various agencies can regroup after the assault on its credibility by the US/UK invasion of Iraq is a hotly debated question. But we desperately need effective multilateral institutions that are democratic, transparent, equitable and guided by goals of health and human development, including commitments to the global redistribution of wealth and power.

We live in perhaps the most important historical moment of our species. Our planet is dying amidst excessive affluence and poverty. Once far-away conflicts and diseases imperil global health and security. Thirty years ago social justice activists around the world rallied to the idea of a 'global village'. But what dominates today is a 'global market'. The challenge we face is how to re-regulate economic practices that governments have allowed to slip beyond their own domestic control. We know the global policy options that will work to promote health. Just as we know that the new rules must be shaped to the differing needs of rich and poor countries, and subordinated to health, human rights and environmental objectives. The problem we must solve is how to create a system of global governance for our common good. Our health depends on it.

EndNotes

1 The $1 and $2 a day figures refer to the average income earned by individuals in poorer countries. The calculations are made by the World Bank, and have been criticized for faulty assumptions that substantially underestimate global poverty rates. Nonetheless, they are still useful benchmarks for comparison over time.

2 Economic growth is important to improving peoples' health but, in itself, is insufficient. First, there is little gain in average life expectancy once per capita income approaches US $5,000 (Wilkinson, 1986; World Bank, 1993). Second, much depends on how the wealth of economic growth is shared or invested. There are high growth/low health countries (Brazil) and low growth/high health countries (Sri Lanka, the Indian State of Kerala, Cuba). Many of the low growth/high health countries have policies supporting social transfers to meet basic needs, universal education, equitable access to public health and primary health care, and adequate caloric intake (Werner and Sanders, 1997) – pro-poor policies that are now being eroded by trade liberalization.

3 The US Trade Representative, Robert Zoellick, subsequently proposed global reductions in such subsidies, including those in the US (*BRIDGES Weekly Trade News Digest* 6(38) 7 November 2002). This is a common ploy by wealthier countries in the WTO. Before agreeing to reduce trade-distorting tariffs or subsidies in sectors important to their own economies, they first dramatically raise them.

4 Some trade agreements may even violate the 'right to health' guaranteed under the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights, to which Canada is a 'State party.' In 2002 the UN Commission on Human Rights created the position of a Special Rapporteur to recommend measures to promote and protect this right. In his first report (Hunt, 2003) the Rapporteur noted that "States are obliged...to ensure that no international agreement or policy adversely impacts upon the right to health, and that their representatives in international organizations take due account of the right to health" (28), specifically citing the GATS and TRIPS Agreements as potentially violating this right. Over 100 countries recognize a right to health in some form in their constitution, and all but a few countries have ratified human rights conventions that include the right to health (Blouin, Foster and Labonte, 2002). The exact standing of the right to health in Canada is not as clear as it is for countries where this right has been written into their constitutions.

5 The EU still does not allow hormone-treated beef into its countries, and is paying millions of dollars each year to the complaining countries in compensating trade sanctions.

6 Article XX(b) of GATT (the WTO's General Agreement on Tariffs and Trade) permits exceptions to WTO rules "necessary to protect human, animal or plant life or health."

7 A related idea, though outside the WTO ambit, is to create a 'Tobin Tax' on currency exchange. Such a tax, named after the Nobel economist who first proposed the idea, would impose a small tax each time foreign currencies were exchanged. This will dampen tremendously damaging speculation and, based on 1995 data, would raise about US $150 billion annually. Such a tax could be split three ways, with a third going to each national government whose currencies were being traded, and the remainder to an international development fund.

8 A recent and important book, based on interviews with WTO staff and delegates, shows the many ways in which an ostensibly democratic system is subverted to ensure that the 'agreements' that are reached are those the major powers – primarily the US and the European Union – want, irrespective of the views or interests of most developing countries, who form the great majority of the membership (Jawara and Kwa, 2003). The problems it identifies suggest precisely how the WTO might be reformed to be more democratic in fact, and not just in principle.

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EC-4.

GLOBALIZATION, WORKPLACE AND HEALTH

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OUTLINE:

1. Introduction

World trade has risen rapidly over the past two decades (Metzler 2004). The production of information, knowledge, and technology increased vastly, so that the global gross domestic product at market exchange rates is now USD 36892.9 billion (IMF 2005), implying the average person produces about USD 5675 annually. Nevertheless, not all are benefiting from this change. Global statistics show that globalization under liberalized markets has mainly benefited the strong industrialized economies and marginalized the weak. The average gross national product per capita, for example, varies by a factor of about 12 between high- and low-income countries, and between 1960 and 1990 the poorest countries' share of world trade fell from 4% to 1%. Further, investment flows have concentrated in only few countries instead of benefiting the broad majority. Poor countries have been marginalized from investments and markets and have not developed the capacity or exposure to engage in investment or trade. Instead, they compete against each other for a small share of the market, which drives down the returns to trade through economic and labour-market concessions. Increasing debt burdens can then consume a mounting share of scarce domestic resources, further reducing the possibility of development. Not surprisingly, income has declined for a quarter of the world's people, many of them in sub-Saharan Africa and even within regions and countries there are widening disparities in wealth and economic opportunity. In southern Africa, for example, globalization has produced mixed employment outcomes and the highest-paid 20% of the population controls 10–20 times the income of the lowest-paid 20% (Loewenson 2001).

It is evident that globalization has contributed to the spread of human rights and the development of equity in employment law; wider employment in nontraditional spheres of employment has brought more people into the workforce. New information technology, and chemical, biotechnological, and pharmaceutical production processes have also widened industry options for low-waste, low-energy, and recycling strategies, which has generated new types of work organization and a shift from "blue-collar" to "white-collar" employment. However, for the large majority of workers in the less-industrialized countries, liberalized trade has been accompanied by transfer of obsolete and hazardous technologies, chemicals, processes and waste, including asbestos and pesticides which are no longer produced or used in many industrialized countries. Globalization has also been associated with an increase in assembly line, low quality jobs, with minimal options for advancement, and a growth of insecure, casual employment in a small-scale informal sector. The International Labour Organisation (ILO 2005) estimates that the number of people unemployed or underemployed in the world today exceeds 800 million, or nearly one third of the labour force. Globalization has also freed capital from many of its historic and nowadays obsolete boundaries: National workplace standards, collective bargaining as well as supervisory state agencies and courts, instruments that became an indicator for development, an institution to secure and humanize working conditions. Hence, the economic benefits and social costs of globalization are not evenly distributed. A logical outcome of these facts is that people in uncompetitive enterprises are adversely affected. A weaker role of the state has led to cuts in government expenditures, which resemble a vital

element for the poor in terms of health systems, education, social safety nets, agricultural extension services and poverty reduction.

Occupational safety and health (OSH) as well as Work health promotion (WHP) are more than newsworthy topics in this context. Due to the ongoing movement of capital to regions and countries with low standards in OSH and WHP, these vital issues for workers' health and safety need strong advocates. Manufacturers in high-income countries have increasingly shifted their operation and production to low and middle-income countries where workplace health and safety conditions and standards are comparatively lower. Furthermore, production and many hazardous procedures are being transfered from North to South causing an important impact on the nature and type of occupational exposures, as well as on the labour force. The current process of globalization especially influences women's health at work.

The effects of globalization are considered to contribute to the high numbers of workplace-related fatalities and accidents every year. The ILO found that a total worldwide amount of about 6000 fatalities is being reported from workplaces every day. This implies that work kills more people than wars. Every 15 seconds a human dies because of an occupational accident or disease. Work-related fatal accidents and diseases add up to 2,2 million cases annually. There have been 270 million occupational accidents and 160 million work-related diseases reported in 2004. Taking into account that the global gross domestic product (GDP) reached about 30.000 billion USD in 2004, the loss due to occupational accidents and diseases adds up to an annual 4% of the global GDP, which underlines the economic importance of OSH and WHP (ILO 2005).

The multidimensional framework according to Landsbergis (2003) and being extended in this paper provides a good understanding of the complex issues related to globalization and its impact on the workplace and brings up comprehensive examples how stakeholders can tackle present and the future challenges in order to provide and ensure decent work for all.

2. Safety and Health as a Basic Human Right: Legal Framework

Recent developments show that the global distribution of capital follows its idiosyncratic characteristic to detect and exploit the most economical environment available to produce goods and services for the global marketplace. Cost of capital is lower in places where workers health is a secondary issue and costly occupational and safety regulations are omitted. Many critics argued that the global distribution of work and capital, according to the logic of the economic goal of efficient production would lead to a global "Race to the Bottom" in labour standards (Sight / Zammit 2004).

These trends led to an international consensus to find global versions of national regulative institutions by establishing universal minimum standards of work, international inspectorates and courts to monitor and enforce them. A pivotal effort in the field has been taken by the introduction of the ILO's Core Labour

Standards, which mark the furthest reaching international agreement in securing Decent Work as a basic human right (see table 1). Standards, risk control, and compensation systems are outcomes of both scientific evidence and workers' struggle. The systems thus vary across countries and institutions such as ILO have played a prominent role in promoting policy convergence. For example, ILO conventions have set norms for safe work and for managing occupational health and safety, including ILO Conventions 155 (tripartite occupational health systems, rights, and responsibilities), 161 (occupational health services), 170 (chemical safety), and 174 (prevention of major industrial accidents). The ILO Tripartite declaration of principles concerning multinational enterprises and social policy requires common standards across all branches of multinational enterprises, and the Code of practice on safety, health and working conditions in the transfer of technology to developing countries requires technology exporting states to inform importing states about hazardous chemicals or technologies (Singh / Zammit 2004).

Table 1: ILO Core Conventions

	Year	Convention	Number of Countries Ratifying
Forced Labour	1930	No. 29	168
Freedom of Association and Protection of the Right to Organize	1948	No. 87	144
Right to Organize and Collective Bargaining	1949	No. 98	154
Equal Remuneration	1951	No. 100	162
Abolition of Forced Labour	1957	No. 105	164
Discrimination Convention (Employment and Occupation)	1958	No. 111	162
Minimum Age	1973	No. 138	140
Worst Forms of Child Labour	1999	No. 182	156

Source: ILOLEX 2005

The core labour standards are those embodied in the various ILO Conventions (see Table 1). Freedom of association and collective bargaining (Nos. 87 and 98), freedom from forced labour and discrimination (Nos. 29, 105, 111) and abolition of child labour (No. 138, subsequently amplified by the Convention Concerning the Elimination of the Worst Forms of Child Labour, Convention No.182), are regarded as the basic principles of the ILO. At the 1998 International Labour Conference, the Member States unanimously adopted the Declaration of Fundamental Principles and Rights at Work, embodying the eight core conventions in Table 1. By doing so, the nations of the world accepted the obligation to implement the core conventions by virtue of their membership of the ILO, whether or not they had ratified the conventions themselves (Singh / Zammit 2000).

Convention 81 (1947; Ratified by 134 Countries) on Labour Inspection was officially declared to be one of the fundamental Conventions of the ILO, which significantly assists in implementing the core labour standards of the Organization. The objective of Convention No. 81 is the establishment of a system of labour inspection responsible for securing the enforcement and bringing to the notice of the competent authority any possible loopholes in existing legal provisions relating to conditions of work and the protection of workers in industrial workplaces, from which mining and transport enterprises may, however, be excluded. Convention No. 129 proposes the establishment of a system of labour inspection for the agricultural industry in general. The Conventions lay down the main rules governing the setting up, organization, means, powers and obligations, functions and competence of the labour inspectorate as an institution responsible for ensuring respect for the protection of workers in the exercise of their duties, and for promoting legislation adapted to the changing needs of the world of work (ILO/SafeWork 2005).

The Conventions and Recommendations forming the legal framework on labour standards are an essential pillar for promoting and ensuring safety and health at the workplace. Nevertheless, globalization requires increasingly creative and holistic approaches, taking into account the changes in the world of work. The prevention of occupational accidents and diseases, the promotion of employees health, workplace security and the investment in a preventative culture will become competitive advantages which will allow companies and countries to compete in a globalized world. As one important element in enforcing compliance with the above mentioned legislative subjects as well as promoting a heath and safety culture at the workplace, labour inspectors play a vital role in making decent work a reality. In a holistic approach Work Health Promotion (WHP) and Occupational Safety and Health (OSH) have to work hand in hand. After taking a closer look at the impacts of globalization on the workplace and worker's health in chapter 3 and 4, best practices of Corporate Social Responsibility (CRS) and ways of developing sustainable strategies will be pointed out in order to protect and enhance the health of workers in the worldwide economy. The pivotal role that labour inspection plays in a preventative approach for better health and the reduction of diseases and accidents at the workplace will be illustrated and practical solutions for better governance will be worked out (Singh / Zammit 2004).

3. Effects of Globalization on the Workplace

Direct effects of globalization on the actual workplace can be illustrated in a three-dimensional model, in which the main variables consist of the external-, meta- and internal sphere. The influential factors for the external sphere can be found in the external working context, the meta-sphere is the organizational context and the internal sphere is resembled by the actual working context itself (Landsbergis 2003).

3.1. External Context

Various factors and changes due to globalization come into play by analyzing the external working context. The legal and political framework, demographic trends as well as technological innovations at all levels contribute to the external framework conditions of the world of work. Trade and regulatory policies and aging societies heavily influence the workplace itself. Shifts in the distribution of high- and low-skilled labour following manufacturing prices, labour costs and skilled workers mainly contribute to an increasing North-South gradient. While working conditions improve in certain industrial countries, examples of slavery and exploitation of labour are being reported from other parts of the world. The role of Labour Inspection in this context is of vital interest, not only for safety and health issues concerning the workplace but also for the enforcement and monitoring of fundamental human rights. Labour inspectors have the ability to freely enter any workplace and therefore act at the inception of the value chain. There they can actively promote labuor standards at the workplace and act as a vector for development by acting as an mediator between employers and workers and by providing technical assistance, advice and expertise. This way labour inspectors can mainstream decent work into all their functions, programmes and activities (ILO/SafeWork 2005).

3.2. Organizational Context

Due to international sharing and spreading of management tools and practices, the organizational globalization is evolving quickly. Restructuring, downsizing, quality and process management initiatives, telecommuting and variable compensation systems have become common practices all over the world. The effects on workers safety and health are ambiguous. Downsizing has been found to have a negative effect on the safety of workers in the US (Richardson/Loomis 1997). Fatal accidents increased in the study after companies downsized their workforce in the construction and manufacturing sector. Also in hospitals, the accidents among nurses rose due to understaffing and stressful working climate. Overtime work and lack of concentration is considered to be one of the main causes for severe accidents at the workplace. In contrast to these figures, recent research has shown that there is a negative correlation between the empowerment of the workforce, good relations between management and workers and the risks of severe accidents. Factors like autonomy, efficacy, delegation of control and low grievance rates were found to be sound indicators for the prevention of occupational accidents and injuries (Landsbergis 2003).

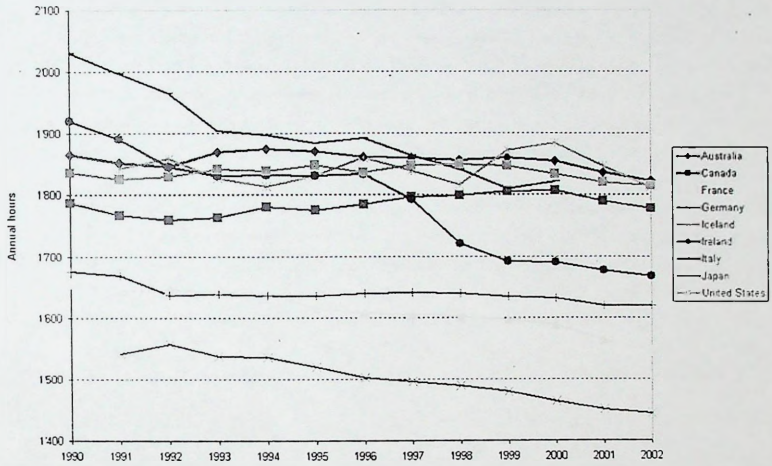
To make the organizational changes clear, the ILO found that working hours per person have been declining in Japan and many parts of Europe during the 80s and 90s, while the trend is being reversed in

the last years. In contrast, there has been a constant increase in working hours in the US, nowadays resembling one of the longest average working hours in the developed world (1820 hours per worker in 2002). A number of surveys conducted between 1977 and 1996 show dramatic increases in "time constraints", i.e. the time pressure and workload demands on workers. The increasing pressure on workers and related stress exposure lead to the evolvement and spreading of occupational diseases and disorders. Clearly a phenomenon, which is not entirely new to the world of work, but which has been shifting form primarily physical to more and more psychosocial illnesses.

Even though today's highly competitive business environment increasingly demands extended working hours and overtime, its important to keep in mind that it is the human resources – the workers – that frequently hold the key to the company's competitive advantage (Messenger 2004).

Graphic 1:

Annual hours worked per person, selected developed economies, 1990-2001



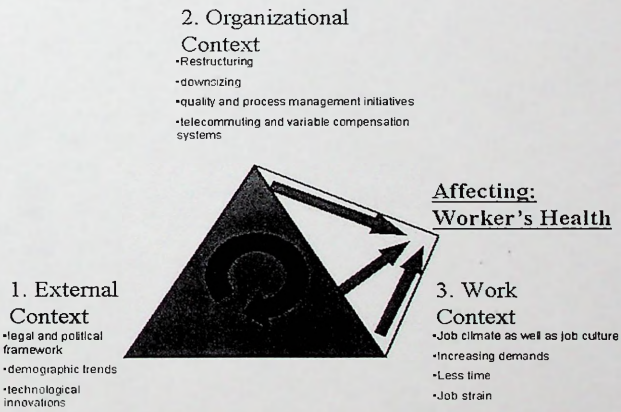
Source: ILO: Key Indicators of the Labour Market 2005

3.3. Work Context

Job climate as well as job culture are considered to undergo massive changes in the context of a globalizing world of work. Social relations at work and worker's role in the organizational context are considered to be important indicators for the well-being and psychological health of the workforce. Increasing demands on workers' quantity and quality of labor and less time to compensate their stress levels in terms of free time is causing job strain. Job strain is defined as the combination of high job demands and low job control. These issues are considered to be an important risk factor for the evolvement of stress related diseases, such as hypertension and the cardiovascular disease.

The following graphic illustrates the influential factors on worker's health in a three-dimensional model. The three different contexts and especially the changes undergoing in these spheres have a dramatic influence on the well-being of the worker in physical as well as psychosocial terms. This illustration clearly focuses on the direct links to the workplace and leaves further external issues such as social and family background apart. These issues would be subject for further research.

Picture 1: **Three-dimensional Model on the Effects of Globalization on Worker's Health**



(Source: Landsbergis, 2003, modified)

4. Effects of Globalization on Forms of Work

It is an acknowledged fact, that workers health and safety is exposed to external-, organizational- and work-related factors, which are certainly undergoing constant changes, not only due to globalization. Although the issues discussed above seem to refer mainly to the industrialized world, they are present all

around the globe. Globalization not only implies changes in the workplace itself, but also brings along entirely new forms of work and contributes to the expansion of existing working models. The transfer of low skilled manufacturing and processing jobs to less developed countries with generally lower standards of work lead to the formation of export processing zones, informal sectors and the need for workers to travel over long distances. Migrant workers, people who are the prototype of the on-demand workforce, have become one of the most prominent features of globalization (ILO/SafeWork 2005).

4.1. Safety and Health in Export Processing Zones

Examples of occupational health under liberalized tax and trade regimes can be seen in export processing zones (EPZs). EPZs have been associated with high levels of machine-related accidents, dusts, noise, poor ventilation, and exposure to toxic chemicals. Job stress levels are also high, adding further risk. It has been reported that accidents, stress, and intense exposure to common hazards arise from unrealistic production quotas, productivity incentives and inadequate controls on overtime. These factors create additional pressure to highly stressful work, resulting in cardiovascular and psychological disorders. With young women, the stress in EPZs can affect reproductive health, leading to miscarriage, problems with pregnancies, and poor fetal health. Some EPZ companies were even reported to offer prizes to women undergoing sterilization, to avoid losing time from maternity leave.

In the dormitory-style hostels of EPZs hygienic conditions have been described to commonly be in poor state. Also sexually transmitted infections including HIV/AIDS, for example, are a prevalent phenomenon. These side effects are usually not classified as occupational, but are certainly work-related.

The ILO recently introduced a handbook for Labour and Factory Inspectors to deal with the issue of HIV/AIDS in their work. In particular, it will help inspectors apply the ILO Code of Practice on HIV/AIDS and the world of work, which was adopted in June 2001. The Code provides guidance for governments, employers and workers, as well as other stakeholders, in formulating and implementing national action plans and workplace policies and programmes to combat HIV/AIDS. To this end the Guidelines aim to make it clear why HIV/AIDS is also a labour issue and a development challenge to discuss the ways it concerns labour/factory inspectors. Further they aim to help inspectors understand and apply the ILO Code of Practice on HIV/AIDS and the world of work to examine the links between HIV/AIDS and the principles and practice of labour inspection, with particular reference to occupational safety and health to develop practical tools for use during inspection and help inspectors integrate HIV/AIDS into their future activities (ILO/SafeWork 2005).

4.2. Safety and Health of Migrant Workers

Production systems across the south have long used migrant workers, but increased trade and financial flows have added new waves of migrants, including informal sector traders. Migrant workers may be found in various industries, notably construction, agriculture and manufacturing (in "sweatshops") but in other

sectors of employment as well. They are often exposed to poorer working conditions and may be further disadvantaged by a limited knowledge of the language in their host country and a lack of understanding of their legal rights. This poses a number of cross-boundary problems when trying to locate migrant workers who were exposed to severe shortcomings in working conditions at former employers. Studies in Botswana and South Africa, for example, signal the potential size of the problem, in the thousands of undetected or unreported cases of occupational lung diseases in former mineworkers in the rural areas of southern Africa.

There are several international Conventions and other instruments on migration and migrant workers. While it is for Governments to ratify such Conventions, labour inspectors have a key role to play in promoting compliance with national standards for migrant workers, monitoring conditions of work and enabling migrant workers to lodge complaints and seek remedy without intimidation. In 2004, the International Labour Conference agreed to a Multilateral Framework for Migrant Workers in a Global Economy. Among other things this promotes the strengthening of labour inspection as a means by which national standards on migrant workers can be effectively applied. Therefore the activities of labour inspectors in the field of migrant work have the potential to fill a crucial gap in the reporting line of national authorities, to identify fundamental drawbacks at their roots and to ensure social justice. Further, labour inspectors can play a vital role not only at the end of the trafficking cycle, when a migrant is already in the position of a victim, but also at the beginning of the trafficking cycle, i.e. the recruitment stage. Monitoring and inspecting can also be extended to recruiters and thus be used during the prevention phase. Recruiters fall under the term agency as defined by the ILO Private Employment Agencies Convention No. 181, 1997 (ILO/SafeWork 2005).

5. Holistic Approaches for OSH and WHP

The effects and consequences of globalization on the workplace face local authorities as well as policy makers with new challenges, which demand further measures than traditional, unilateral approaches, focusing only certain elements of the socio-economic working context. Globalization requires increasingly integrative and holistic approaches, taking into account the changes in the world of work and the advent of new risks and opportunities merging the traditional technical and medical with the social, psychological, economical and legal areas. To protect and enhance the health of people in the workplace in the worldwide economy, practical strategies have to be worked out to make Decent Work become reality. A main pillar of the mutual efforts is based upon the understanding that a preventative culture at the workplace has to be developed in order to promote a sustainable decrease of occupational accidents and diseases.

5.1. Public Private Partnerships

The ILO and the WHO participate in a number of global public–private partnerships (PPP). These collaborative relationships transcend national boundaries and bring together at least two parties, a

corporation (or industry association) and an intergovernmental organization, in order to achieve a goal on the basis of a mutually agreed and explicitly defined division of labour. The proliferation of public-private partnerships is rapidly reconfiguring the international safety and health landscape. There are various factors, which have led to the convergence of public and private actors (Buse / Walt 2000). Generic factors such as globalization and factors specific to the safety and health sector, as well as market failure in product development for special diseases and missing commitments to higher safety standards, are brought forward by researchers. This relatively new trend in global cooperation is demonstrating significant possibilities for tackling problems that formerly seemed intractable, particularly those requiring increased research and development (R&D) on drugs and vaccines for diseases disproportionately affecting the poor or modern safety as well as health regulations where investments have to be made before measurable financial ease is being produced. Partnerships with the private sector have also demonstrated an ability to advance public messages, serving as positive examples to demonstrate that economic benefits can be reached by implementing sustainable practices, which promote a modern and adequate health and safety culture. Industry incentives for the development of safer and healthier products are being generated. Further companies feel the need to follow the advancing competitor in the field of profitable safety and health strategies. Through collaboration, the United Nations (UN) have the opportunity to gain access to resources and expertise so as to further its mission, while the commercial sector may, through an improved corporate image, among other things, attract new investors and establish new markets. Many benefits, therefore, including the immediate health-related ones, favor the continued development of public–private collaboration for safety and health.

5.2. The ILO-GTZ-Volkswagen Project

In 2004 the ILO started a PPP project with the Gesellschaft für technische Zusammenarbeit (GTZ: German technical cooperation agency) and Volkswagen AG, which has agreed upon a Declaration on Social Rights and Industrial Relationships including the affirmation to assure the principles of core labour standards within the company and even beyond, by setting standards for their suppliers. The overall objective of the project was to establish and implement a national SafeWork action programme in 3 countries based on ILO standards, focusing on occupational health and safety and a pilot implementation of a prevention culture at enterprise level in each partner country.

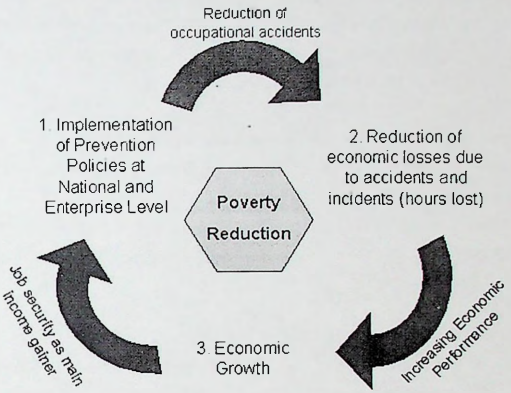
The project strongly emphasizes on the new linkages and the possible knowledge exchange that can be established by including a multi-national company in the project. VW has a strong interest to improve the social performance of their suppliers, as it does not only result in more job-satisfaction for the workers and the suppliers enterprises, better quality of the products or higher economic performance, but it also increases the overall corporate social responsibility (CSR) standards for Volkswagen. The project is drawing on the experience of the BMZ/GTZ with Private-Public partnership arrangements in the field of technical cooperation.

The project is based on the idea to implement social standards of Decent Work through establishing a health and safety culture at both, national and enterprise level to prevent accidents to happen and new poverty to arise ("good health is good business"). In June 2002, VW has defined a Codex for social rights and industrial relations in a Social Charter, the first one in the automobile industry. The Federal German Ministry for Economic Co-operation and Development strongly supports activities, which aim at implementing ILO's Core Labour Standards. The strong common interests of all project partners in the field of social standards have born the idea of a joint OSH and CSR project.

The Global Compact, a UN initiative aiming at poverty alleviation and making globalization more stable through enterprise commitment, is a new approach for sustainable development. Launched in 1999, it is based on three major principles encompassing human rights, labour standards and environmental sustainability. The Global Compact is challenging enterprises to pursue these principles. The project will contribute to implement the global compact programme by providing a sustainable and lasting approach to face the challenges of globalization at the workplace. Through its far-reaching impact, targeting upstream business activities at the supplier level, it sets an example for corporate social responsibility beyond company boarders.

At enterprise level, VW will provide guidance to their suppliers on how to improve the social performance of the company. This will be done through enterprise audits or other forms of assessment. As a follow up action of the audit, the supplier will have to implement the recommendations given and adjust their standards to the relatively high VW OSH standards. The suppliers will have to designate a person responsible for the follow up of the audit recommendations. This person could also become a first contact person for labour inspectors while conducting inspections.

By establishing a health and safety prevention culture, the enormous economic losses due to accidents, incidents, early retirement or sickness benefits can significantly decrease and these unspent budgetary funds can easily be invested to increase the enterprises performances and to create new jobs, allowing the poor to be able to escape the vicious circle of poverty in the long run. Policy makers, labour inspectors, safety and experts, etc all play an important role in the prevention process and initiation of a shift from short-term profits towards long-term investments in safety and health.



Picture 2: The strategic outline for the ILO/GTZ/Volkswagen-project (Source: ILO)

According to the national needs, a national OSH programme could be established or further developed. This implies assistance in drafting national OSH strategies or labour inspection policies. A mini profile on OSH could be introduced to better assess the current situation and find means and ways for improvement. The national OSH programmes aim at promoting a health and safety culture, strengthening the national OSH system and it also implies targeted action on specific subjects (e.g. high-risk sectors, HIV/AIDS; SME's, etc.).

Establishing and implementing a health and safety prevention culture at national level requires the active participation of the labour inspectorates. Labour Inspectors are the only state enforcement agents who actually have access to the enterprises and who can bring the health and safety messages across. It is therefore crucial to increase the labour inspectorates' capacities in terms of organizational structure, frequency and quality of inspections, knowledge on its advisory role, competency, etc. in a sustainable approach. This shall be achieved through a range of proposed activities, such as policy analysis and policy reform, the development of training modules, the training of national labour inspection trainers, the setting up of a competency network and the development of international guidelines on supply chain management.

Based on a training needs analysis, specific modules will be developed for training of labour inspectors. The subjects are to be defined according to the national needs. Training could also be set up for the responsible OSH experts at enterprise level. If training needs of the labour inspectors are in coincidence with the needs of the VW suppliers joint training workshops could be organized.

The project also intends to set up an internet-based system that can provide the basic information on potential accidents and health hazards in certain working environments. This database could be accessed by anyone who needs advise on occupational safety and health, including small and medium sized enterprises. The project will bring on board the Internet technology and experts to set up such a system at national level. It will be adapted to the national content and the system would need maintenance from a dedicated and motivated national expert.

Through this project it has been practically made clear that OSH resembles a cornerstone for corporate social responsibility (CRS) and promotes decent work through various channels. Through the integration of suppliers and associated partners the programme is a far reaching vector to raise social and economic capabilities of the countries and institutions participating. Not only the workplace itself, but also the surrounding spheres, such as the well-being of workers' families and their social and economic perspectives experience sustainable improvement. In the context of globalization, merging traditional technical, social, psychological, economical and legal areas, workers' health increasingly relies on strong partnerships. Commitments by companies to follow a preventative path in order to increase the social and economic capabilities in global competition, play a vital role in promoting and securing safety and health at the workplace. Therefore this example can be seen as a prototype for further PPP-Projects, leading the way to a comprehensive approach, integrating all major stakeholders and ensuring sustainable development.

5.3. Corporate Social Responsibility

In the modern commercial era, companies and their managers are subjected to well publicized pressure to play an increasingly active role in society -- so called "Corporate social responsibility". Corporate social responsibility (CSR) has recently been the subject of increased academic attention. While social responsibility has figured in commercial life over the centuries, in the modern era increasing pressure has been placed on corporations to play a more explicit role in the welfare of society.

Over the past decade the concept of sustainable development has expanded to include the simultaneous consideration of economic growth, environmental protection, and social equity in business planning and decision-making. Many multinational enterprises engage in corporate citizenship programs to promote sustainable development. Corporate citizenship programs are often defined narrowly, however, as philanthropy or external relationships with stakeholders to address social problems.

In the 1970s international organizations, such as the International Labour Organization, the Organization for Economic Co-operation and Development and the United Nations already tried to introduce international codes of conduct, which were rejected at that time. Fortunately the interest in such measures has increased again in the course of the 1990s. These days, interest in codes of conduct is primarily the result of actions by consumer groups and other non-governmental organizations, and by managers of transnational corporations themselves. These actors have started to think about social responsibility and self-regulation in a more proactive fashion. Social and financial performances seem to be linked. More recently, governments and international organizations have also become involved again.

A study published by Kolk; van Tulder and Welters in 1999 examines 132 codes of conduct drawn up by four different actors: social interest groups, business support groups, international organizations and firms. The contents of the codes and their capacity to address the regulatory void left by processes of globalization is assessed. Complementary to the literature on codes of business ethics their article's analytical framework centers on specificity and compliance mechanisms. The likelihood of compliance not only depends on the contents of the code, but is also heavily influenced by the interaction of various stakeholders in its formulation and implementation. The content analysis of a large number of codes drawn up by the four different actors, supplemented by two case studies, improves understanding about the dynamics and likely policy implications of codes of conduct. Voluntary transnational company (TNC) codes are showing clear potential in addressing unstable socioeconomic relations provided other actors do not step aside.

5.4. The 3M Business Conduct Manual

Although 3M has business operations in more than 60 countries, the company has only one set of Business Conduct Polices that apply globally. It sets a high standard of conduct for every employee. The Business Conduct Manual helps define everyday ethical and lawful business conduct and is available to employees electronically and in print.

All 3M employees, supervisors, managers and other leaders are responsible for understanding the legal and policy requirements that apply to their jobs and for reporting any suspected violations of the law or 3M's Business Conduct Policies. Training is provided to help employees understand their responsibilities and the resources available to them. Executives and managers also are accountable for creating and promoting, by sound leadership and good example, a workplace environment in which compliance and ethical business conduct are expected and encouraged. A number of policies and management systems are in place to guide the company and its employees in continuous improvement in the areas of environmental protection, social responsibility and economic progress (3M 2005a).

According to the company, the 3M Environmental, Health and Safety Management System is a key element for sustainability. It builds on activities that are already occurring in facilities around the world. Policies and management systems supporting a socially responsible workplace are described in the

"Business Conduct Manual" and "Ethics in Employment" sections of the report. Policies and management systems supporting community involvement are described in the "Stakeholder Interaction" section of the report.

Ethical behavior includes acting in a socially responsible way towards potential, current and former employees. As an ethical and law-abiding company, 3M complies with government regulations around the world concerning human rights, employees and employment laws and expects ethical behavior from employees in accordance with their global Business Conduct Manual. The conduct goes beyond obligation to include policies that help support a challenging, productive and enjoyable work culture (3M 2005b).

As part of the Business Conducts, the company implements security measures and practices crisis preparedness. Further it is auditing against the ILO Core Labor Standards in which the company ensures that its operations adhere to the ILO Core Labor Standards through self-audit checklists and annual ethics audits. Managing Directors responsible for 3M's operations in countries outside of the United States complete self-audit checklists each year to confirm compliance with the standards. In addition, in 2005 3M is expanding its ethics audits to include the labor standards. These audits are conducted annually for each of 3M's country subsidiaries.

Various Initiatives, such as the Corporate Safety and Health Policy, Global Safety and Health Plan, Global Safety and Health Plan Self Assessment and Employee Health and Safety (EHS) Management System work together to help maintain the safety and health of employees and provide a safe and healthy workplace worldwide. The goal is to implement sustainable Health and Safety systems to bring about continuous improvement towards zero incidents. The company invests in safety and health worldwide in a number of ways, including providing EHS resources, safety and health training, personal protective equipment, and capital investments to improve safety and health. The investment in personal protective equipment, including items such as safety eyeglasses and safety shoes, amounted to $4.8 million in the year 2002. Over the past five years, 3M has spent over $172.4 million in capital to improve safety and health (3M 2005c).

The company reports, that it has been their experience that incorporating good ergonomics into the manufacturing and administrative processes is effective in reducing the number and severity of musculoskeletal disorders (MSDs). The ergonomic efforts not only benefit employees, but can precipitate increased productivity and make good business sense. 3M has increasingly focused on identifying and preventing illnesses and injuries related to ergonomic factors. Fifty-eight percent of recordable incidences in the company now are related to ergonomics factors. The top two causes of injury are due to manual material handling and repetitive motion.

In 2001, 3M rolled out an expanded ergonomics program consisting of a management system for hazard awareness, assessment and implementation of ergonomic solutions. As we increase the effectiveness of

3M's ergonomic programs and employees are educated on the signs and symptoms of musculoskeletal disorders, the severity rate of ergonomics injuries has improved significantly.

The company recently introduced a new EHS Scorecard, as an important part of the EHS Management System, which also tracks the safety and health progress at the facility, division/subsidiary and corporate levels. In the EHS Scorecard, health and safety metrics cover all critical performance issues of their operations. For some of these, the company sets targets to drive safety and health improvements. The following table shows 3M's progress on the safety and health front in terms of recordable and lost time incidents and workers' compensation from the early 1999 through 2004. The Global Safety and Health Plan, along with self-assessments, are driving continuous improvements in this area. All are part of the 3M EHS Management system (3M 2005c).

Table 2: **Annual Comparison of Safety and Health Data**

	1999	2000	2001	2002	2003	2004
3M U.S. Recordable Incident Rate	4.54	5.19	5.16	4.27	3.56	3.35
U.S. Bureau of Labor Statistics Recordable Incident Rate for Manufacturing	9.2	9	8.1	7.2	6.8	N/A
3M Worldwide Recordable Incident Rate	2.83	3.11	3.12	2.74	2.35	1.70
3M U.S. Lost Time Incident Rate	0.8	1.06	1.14	1.04	.93	.92
U.S. Bureau of Labor Statistics Lost Time Incident Rate for Manufacturing	2.2	2	1.8	1.7	1.6	N/A
3M Worldwide Lost Time Incident Rate	0.63	0.79	0.82	0.86	0.81	0.57
Worldwide Fatalities	1	1	0	0	0	1

Source: 3M Public Homepage (3M 2005c)

6. Conclusion

Fair rules for international trade, investment, finance and the movement of people, which take into account their differing needs and capabilities, have to be agreed upon. This requires an intensified dialogue process at all levels bringing the key actors together to work out ways of handling major global issues and putting them into practice. Fair globalization also calls for more emphasis at national level, for improved governance, an integrated economic and social agenda and policy coherence among global institutions. After all for every individual worker globalization is a workplace issue. Along those lines, national policy makers should make use of the available resources of Public Private Partnerships, Corporate Social Responsibility Guidelines and labour inspectorates to strengthen the capacities of every individual company, institution and at the bottom line the worker's well being. These measures have been identified as useful tools to promote and secure employees heath, workplace security and the investment in a preventative culture. The paper makes clear, that a preventive approach for better health and the reduction of accidents and diseases at the workplace must be linked to labour inspection services. They have a pivotal role in promoting compliance with core labour standards, in giving advice and in providing information on how those standards can be implemented in daily work. Labour inspectors are the controlling authority for OSH and many work- related activities such as preventative measures. The effects of globalization changed the role of labour inspectors who should also exercise the role as a facilitator, an advisor and a net-worker. Strengthening labour and health inspection is crucial for ensuring a high standard in the labour protection and health promotion, thus contributing to overall economic stability. A number of recently conducted studies and publications point out the positive effects of combining workplace health promotion and occupational safety and health to provide sound and sustainable solutions and interventions for present issues and future challenges in the world of work.

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EC-4.

Trade liberalisation and the diet and nutrition transition: a public health response

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Abstract

The liberalisation of trade, including of agriculture and food, remains at the forefront of debates about globalisation, not least because it is viewed as a model of progress – economic growth through market liberalisation – that can help address poverty and deliver public health improvement. In debates about trade, insufficient attention has been paid to its implications for health and nutrition, and, in particular, dietary health. Yet the WHO's Global Strategy for Diet, Physical Activity and Health (2004) provided a powerful warning that the future health burden will be increasingly determined by dietary health in the form of diet-related chronic diseases. This article thus examines the "diet and nutrition transition" in the context of liberalising trade and commerce, with the objective of providing to the public health and health promotion community an awareness of the importance of food trade in their efforts to promote healthy diets worldwide. We first describe the evolution of trade agreements, noting those particularly relevant to food trade. We then briefly review the association between trade liberalisation and health and the changing global dietary and disease profile. We then show how trade liberalisation is linked with the diet and nutrition transition through the food supply chain from foreign direct investment and food cultural change, such as supermarketisation and advertising. We propose three discernable scenarios for change, presenting the case for public health professionals and advocates to become centrally engaged national policy making in the food and agriculture arena.

Key words: Globalisation, trade, commerce, economic development, epidemiological transition, diet, nutrition, food governance, public health.

Background

World Trade Policy, Agriculture and Food

The last half-century has witnessed the massive growth in international trade. The volume of global merchandise trade has increased 17-fold, more than three times faster than the growth in world economic output. [1] Agricultural trade has grown around the same rate as world economic output but accounts for less than ten percent of world merchandise exports. The World Food Summit in 1996 made the case that international trade permits food consumption in a country to exceed production and to iron out national and local fluctuations in supply, but it was also noted that trade, through competition, might produce harmful effects, such as the disruption of traditional food production systems or deleterious environmental consequences. [2]

Since 1994, world trade policy has been managed by the World Trade Organisation (WTO), a supranational body dedicated to liberalising (i.e. opening up) commercial interactions between nations. Member States of the WTO negotiate trade deals in a series of "Rounds", addressing international trade issues such as protectionist mechanisms (tariff and non-tariff barriers), subsidies, intellectual property, foreign investment, food safety and other matters once solely the province of nation states or international trade groupings (Box 1). Given this breadth of scope, trade policy should be understood not simply in terms of the movement of goods across borders, but commerce in the broadest sense.

Until 1994, trade policy was subsumed by the loose trade 'club ' of member nations known as the General Agreement on Tariffs and Trade (GATT). The final GATT Round, the Uruguay Round (1987-1994), established the WTO, and for the first time brought agriculture and food into the negotiations, leading to the Agreement on Agriculture (AoA).

As a result of the work in the GATT, the average tariff on non-agricultural goods fell from around 40% in 1947 to 4.7% by the end of the Uruguay Round in 1993. In contrast the average level of protection for agriculture, despite fluctuations, has risen in both percentage and volume terms. Producer support in OECD countries was an estimated $US 279 billion in 2004[3] while total world trade in agriculture in 2003 was $US 674 billion. [4] When it assumed the responsibilities of GATT, agricultural liberalisation was high on the WTO agenda but it made little headway. Such protectionism is thought to in part explain the decline of food exports from developing countries from about 50% of total world exports in the early 1960s to less than 7% by 2000. [5]
Addressing protectionism in agriculture thus remains high on the agenda of the current Doha Round of WTO negotiations, which aims to create "substantial improvements in market access". [6] WTO negotiations on agriculture have, however, proved painfully difficult (the 1999 talks held in Seattle collapsed, as did the Cancun talks in 2003). So while agricultural trade has unquestionably increased since the AoA, numerous barriers still exist and, arguably, far greater agricultural trade liberalisation is yet to come.

Food is also affected by other trade agreements. The WTO Agreement on Technical Barriers to Trade (TBT) applies to food quality standards and labelling (e.g. of nutrients), and the Trade Related Intellectual Property Rights Agreement (TRIPS) to seed patents. The Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) has been notably important in food trade, applying to any trade-related measure taken to protect human health from unsafe food. SPS recognises the standards set by another important trade-related text: the Codex Alimentarius (the joint WHO/FAO international food code). Reflecting the considerable emphasis placed on food safety in trade, SPS notifications to the WTO

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6 Information on the Doha Development Agenda mandate can be found at http://www.wto.org/english/tratop_e/dda_e/dda_e.htm

increased from 196 in 1995 to 855 in 2003.[7] Nutrition, in contrast, has received negligible attention.

Trade policy is also set through "regional trade agreements", such as NAFTA (the North American Free Trade Agreement between the US and Mexico), MERCOSUR (between Brazil, Argentina, Uruguay and Paraguay), and the EU (the European Union is a free trade zone). Such agreements are becoming critically important in the face of tensions at the WTO, as are what are known as "bilateral agreements", such as the recent US – Australia Free Trade Agreement and the new Central American Free Trade Agreement (CAFTA), a series of bilateral agreements between the US and each of the five Central American countries and the Dominican Republic.

Box 1: Definitions of Trade Terms

Agreement on Agriculture (AoA): The AoA, part of the document founding the World Trade Organisation, provides the rules governing international agricultural trade and, by extension, production. It bans the use of border measures other than tariffs, and it puts tariffs on a schedule of phased reduction.

Foreign Direct Investment (FDI): Foreign direct investment is investment of foreign assets into domestic structures, equipment, and organisations

GATT: General Agreement on Tariffs and Trade, superseded by the WTO

GATS: The WTO's General Agreement on Trade in Services.

Multilateral, regional and bilateral trade agreements: Multilateral trade agreements (MTAs) require that reductions in trade barriers should be applied on the same basis to all WTO members. Under Regional or Bilateral trade agreements (RTAs, BTAs) reductions in trade barriers apply only to parties to the agreement. They must be consistent with the WTO rules governing such agreements, which require that parties to a regional trade agreement must have established free trade on 'substantially all' goods within the regional area within ten years, and that the parties cannot raise their tariffs against countries outside the agreement.

Non-tariff barriers (NTBs): Non-tariff measures which pose barriers to trade, such as quotas, import licensing systems, sanitary regulations, prohibitions, etc.

Quotas: Quantitative restrictions (commonly known as import quotas) are used to control the number of foreign products that can enter the domestic market.

SPS: Agreement on the Application of Sanitary and Phytosanitary Measures (1995). Sanitary and phytosanitary measures are those to protect human, animal and plant life and health, and to help ensure that food is safe for consumption.

Tariffs: Customs duties on merchandise imports.

Technical Barriers to Trade (TBT): Measures that countries use to regulate markets, protect their consumers, and preserve natural resources, but which can also discriminate against imports in favour of domestic products.

Trade liberalisation: The reduction of tariff and non-tariff barriers to trade and other forms of commercial interaction

Subsidy: There are two general types of subsidies: export and domestic. An export subsidy is a benefit conferred on a firm by the government that is contingent on exports. A domestic subsidy is a benefit not directly linked to exports.

WTO: The World Trade Organisation WTO) is "the only global international organisation dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business."

7 Regmi A, Gehlhar, M, Wainio, J., Vollrath, T., Johnston, P. and Kathuria, N. Market Access for High-Value Food. Agricultural Economic Report Number 840. Washington DC: USDA, 2005

Codex Alimentarius: The joint FAO/WHO international food code, managed by the Codex Alimentarius Commission (CAC)

Sources: Based on WTO Glossary (http://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm) and Shaffer[8]

Trade policy and public health

Underlying trade agreements is the postulate that trade liberalisation and economic globalisation – defined here as the trend of economic integration and interdependence of countries - benefits all societies, especially poor ones. The idea is that increased trade lowers prices for consumer goods (notably food, which makes up a relatively larger proportion of the expenditures of poor people), economic openness boosts the incomes of agricultural producers (who comprise large segments of the populations of low-income countries), and the resulting economic growth increases the relative demand for skilled labour, in turn raising the demand for education and public goods. The result is a virtuous cycle of economic growth and social and health improvement. According to Lant and Summers, 40% of differential mortality improvements between countries could be explained by differences in national income growth; if the income of people in developing countries rose 1% as many as 33,000 infant and 53,000 child deaths would be averted annually. [9] Others have suggested that liberalising markets extends life expectancy; [10] even where inequality is increased, positive benefits outweigh the negative ones. [11] In other words, economic growth via trade liberalisation is 'good for health'. [12] [13]

Advocates of trade liberalisation present a powerful economic, indeed, moral case. However their evidence is disputed since predicted outcomes, including poverty reduction, have often not been borne out in reality. Some suggest that *insufficient* liberalisation is to blame, others being more concerned that trade rules inevitably favour the powerful.[14] According to the former chief economist at the World Bank, the new trade rules, the adjudication process on the rules, and the required domestic disciplines, reflect the priorities and needs of developed countries more than developing countries. [15] It has also been alleged that advocates of trade liberalisation confuse mechanisms with outcomes. For example, the Food and Agriculture Organisation (FAO) of the UN, says that market openness should not be viewed as a policy tool to achieve growth but primarily as an economic outcome;[16] consequently globalisation "does not automatically benefit the poor". [17] Removing protective tariff barriers may produce benefits for some groups but may also reduce state expenditure on public goods, such as education or health services, which benefit the poor most. [18] Some have also raised concerns about trade policies, cautioning that health may deteriorate if the new patterns of economic activity are more dangerous, general working conditions deteriorate, or trade facilitates the transfer of disease or unhealthy consumer goods and practices across borders. [19] [20] [21]

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8 Shaffer ER, Waitzkin, H., Brenner, J., Jasso-Aguilar, R. Global trade and public health. American Journal of Public Health (2005) 95,1:23-34

9 Pritchett, Lant, and Lawrence H. Summers (1996), "Wealthier is Healthier." Journal of Human Resources 31 (4): 842-68.

10 Owen, Ann L. and Wu, Stephen, "Is Trade Good for Your Health?" (November 2001). Hamilton College Working Paper No. 01-09. http://ssrn.com/abstract=291055

11 Martin Ravallion 2004. "Pro-poor growth: A primer." World Bank Policy Research Working Paper # 3242, March. Washington, D.C.: World Bank.

12 Dollar D. Kraay A. Growth is good for the poor. J Econ Growth 2002;7:195-225.

13 Dollar D. Is globalization good for your health? Bull WHO 2001;79:827-833

14 Oxfam. Rigged Rules and Double Standards: Trade, Globalization and the Fight Against Poverty. Oxfam, 2002

15 Stiglitz, Joseph E and Charlon Andrews (2004): "A Development Round of Trade Negotiations?" - Report prepared for the Commonwealth Secretariat by the Initiative Policy Dialogue (IPD) in collaboration with the IPD Task Force on Trade Policy. http://www0.gsb.columbia.edu/ipd/pub/CompleteCommonwealthReport11_3.pdf

16 Food and Agriculture Organisation of the United Nations , World agriculture: towards 2015/2030: An FAO perspective, Rome: Earthscan, 2003

17 Food and Agriculture Organisation of the United Nations, The State of Food and Agriculture 2000, Rome, 2000

18 Tim Conway, Trade liberalisation and poverty reduction, London: Overseas Development Institute, October 2004

19 Owen, Ann L. and Wu, Stephen, "Is Trade Good for Your Health?" (November 2001). Hamilton College Working Paper No. 01-09. http://ssrn.com/abstract=291055

20 Shaffer ER, Waitzkin, H., Brenner, J., Jasso-Aguilar, R. Global trade and public health. American Journal of Public Health (2005) 95,1:23-34

Amartya Sen has noted that the debate on globalisation has often taken the form of an empirical dispute about whether the poor who participate in trade and exchange are getting richer or poorer. The more fundamental question, he suggests, turns on the distribution of the benefits of globalisation which in turn raises broader issues about the adequacy of national and global institutional arrangements that shape global economic and social relations. [22] A similar point can be made more broadly in terms of global governance for public health and more specifically with regard to food. In terms of the likely impact of trade policy as a driver of dietary change, fundamental questions may need to be asked about how and in what way the nation state and civil society can formulate effective systems of 'food governance' both to minimise the deleterious health consequences of expanding trade and commerce while garnering its advantages. This question is considered in the final section.

To analyse the impact of trade policy on health, the WHO and WTO prepared a joint report on the public health implications of trade in 2002. [23] It noted that trade agreements do take some account of health, permitting national trade-restrictive measures that protect human health – but only those that are the least trade restrictive relative to any other measure. The report concluded "there is common ground between health and trade" (p.137), but in the face of past disputes between health and trade, it also argued for greater health and trade policy 'coherence'. While the report covered matters as diverse as intellectual property rights, food insecurity, infectious disease control and food safety, it failed to include an increasingly important class of health threats: diet-related chronic diseases (DR-CDs).

Diet-related chronic diseases and the nutrition transition

Until recently public health concerns around food largely focused on undernutrition and food safety. These remain important concerns. For example, while undernutrition decreased from 28% of the global population in the 1980s to 17% in 1999-2001, the rate of decline has since reduced. The FAO's recent estimates are that more than 800 million people in the developing countries suffer from chronic undernutrition. However, it has also observed that the picture is now considerably affected by new trends of globalisation, urbanisation, and changing food systems.[24] A fuller picture, therefore, is thus one of an increasing dual burden of malnutrition and disease.

The burden of DR-NDs, such as obesity, diabetes, cardiovascular diseases, cancer, dental diseases and osteoporosis, is rising fast worldwide.[25] According to the WHO, chronic (noncommunicable) diseases account for 60% of the 56 million deaths globally, with unhealthy diets being a major contributor to key risk factors (high blood pressure, high cholesterol, low fruit and vegetable intake, overweight and obesity).[26] Over one billion people worldwide are now overweight or obese. In the US and the EU the resultant health costs are massive [27]; in developing countries, these diseases promise to overwhelm far less well resourced healthcare systems.

This changing disease profile was first predicted by Omran's theory of the Epidemiological Transition. He proposed that as societies economically developed, chronic diseases increasingly substituted for infectious diseases.[28] From this, Popkin and associates have more recently developed a theory of "nutrition transition", incorporating diet, nutrition and lifestyle determinants in the explanation of the emergence of DR-CDs (figure 1). [29] Popkin

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21 Owen, Ann L. and Wu, Stephen, "Is Trade Good for Your Health?" (November 2001). Hamilton College Working Paper No. 01-09. http://ssrn.com/abstract=291055

22 Amartya Sen, "How to Judge Globalism," The American Prospect vol. 13 no. 1, January 1, 2002 - January 14, 2002.

23 WHO/WTO, WTO Agreements and Public Health: A Joint Study by the WHO and WTO Secretariat, WTO/WHO, 2002 p.74

24 FAO, The State of Food Insecurity in the World 2004: Monitoring Progress towards the World Food Summit and Millenium Development Goals, Rome, FAO, 2004

25 WHO/FAO, Diet, Nutrition and the Prevention of Chronic Diseases, WHO Technical Report Series 916, Report of a Joint WHO/FAO Expert Consultation, World Health Organisation, Food and Agriculture Organisation of the United Nations, WHO/FAO Geneva, 2003

26 World Health Organization. The 2002 World Health Report. Geneva, WHO, 2002

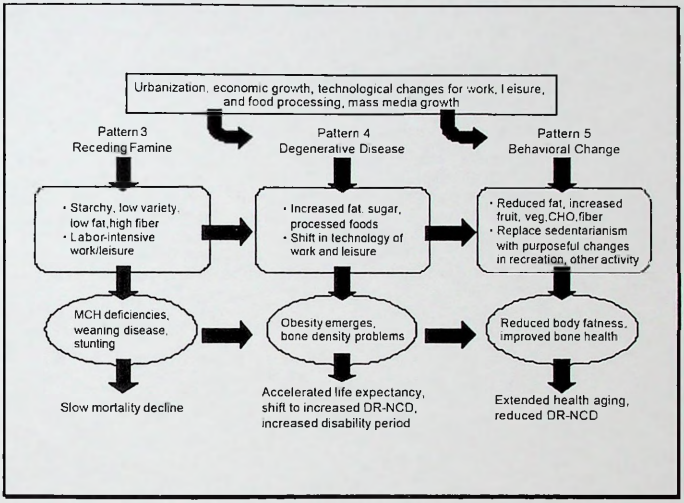
27 Rayner, G and Rayner M, Fat is an economic issue: combatting chronic diseases in Europe. Eurohealth, 2003, 9(1, Spring): p. 17-20

28 Omran, Abdel R (1971). 'The epidemiologic transition: a theory of the epidemiology of population change'. Milbank Memorial Fund Quarterly, 49, 4, p. 509-538

29 Popkin, B. M. (1998) 'The nutrition transition and its health implications in lower income countries', Public Health Nutrition, 1 (1): 5-21 Popkin, B. M. (1999) 'Urbanisation, lifestyle changes and the nutrition transition', World Development, 27 (11): 1905-1915.Popkin, B. M. (2002) 'An overview on the nutrition transition and its health implications: the Bellagio meeting', Public Health Nutrition, 5 (1A): 93-103. Popkin BM.

and others show that radical dietary change is occurring worldwide: traditional diets with a more limited range of staples are being substituted by a diet more composed of livestock products (meat, milk and eggs), vegetable oils and sugar. These three food groups together currently provide 28% of total food consumption in the developing countries (in terms of calories), up from 20% in the mid-1960s. Their share is projected to rise to 32% in 2015 and to 35% in 2030. [30]

Figure 1 Popkin's Stages of the nutrition transition



CHO: carbohydrates
MCH: maternal and child health
NR-NCD: nutrition-related non-communicable disease.
Source: Popkin BM, An overview on the nutrition transition and its health implications: the Bellagio meeting, *Public Health Nutrition* 2002, 5(1A), 93-103

The links between trade liberalisation and the diet and nutrition transition

The global disease profile has been changing at the same time as trade has been liberalising. So are the two processes linked? Numerous researchers have suggested so, [31 32 33 34 35 36 37]

Richards MK, Monteiro C. Stunting is associated with overweight in children of four nations that are undergoing the nutrition transition. J Nutr. 1996;126:3009-3016

30 Jelle Bruinsma (ed) World Agriculture: Towards 2015/2030, Rome: FAO/Earthscan, 2003

31 Lang T. Diet, health and globalization: five key questions. Proceedings of the Nutrition Society (1999) 58, 335-343

32 Lang T. The public health impact of globalization of food trade. In: Diet, Nutrition and Chronic Disease: Lessons from Contrasting Worlds. Ed Shetty PS and McPherson K. Chichester, John Wiley &Sons, 1997

33 Hawkes C. The role of foreign direct investment in the nutrition transition. Public Health Nutrition (2005) 8,4:357-365

34 United Nations System Standing Commission on Nutrition (UN SCN). Fifth Report on the World Nutrition Situation: Nutrition for Improved Development Outcomes. Geneva, UN SCN, 2004

35 Manuel Pena and Jorge Bacallao, Malnutrition and Povery, Annual Review of Nutrition, Vol. 22: 241-253, July 2002

36 Chopra M, Galbraith S, Darnton-Hill I. "A global response to a global problem: the epidemic of overnutrition." Bull World Health Organ 2002;80(12):952-8

37 Evans M, Sincalir, RC, Fusimalohi, C., Liava'a, V. Globalization, diet and health: an example from Tonga. Bulletin of the WHO (2001) 79,9:856-862

[38] and the WHO Technical Report 916 stated that international trade issues "need to be considered in the context of improving diets" (p.140). [39] Trade, in fact, proved one of the most contentious issues during the negotiation of the WHO's Global Strategy on Diet, Physical Activity and Health, suggesting a recognition that addressing dietary changes requires a closer look at trade (contentious because this might threaten certain economic interests).

Yet global trade patterns are immensely complex. Trade policy acts at the macro-level, affecting households and individuals through complex and poorly understood pathways with potential for unpredictable and unintended effects, both positive and negative. There is, moreover, enormous variation in the pace and style of dietary change worldwide. It is thus difficult to trace the precise links between trade liberalisation and dietary patterns. Still, considering the potential importance of trade for dietary health, a critical starting point is to understand how trade liberalisation affects the food supply chain and what this implies for diets.

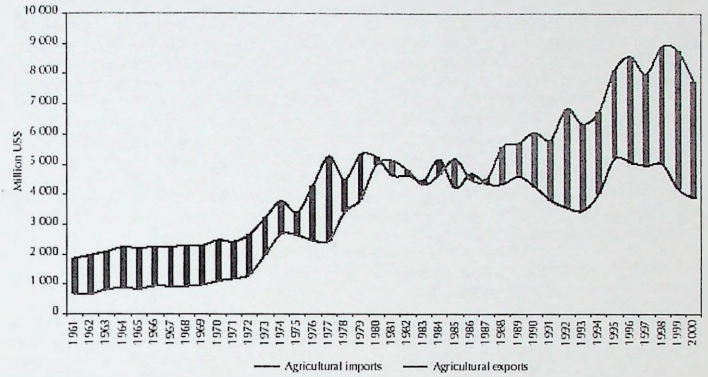
Trade Liberalisation and the Food Supply Chain

Trade liberalisation affects the food supply chain at varying levels of complexity – all of which require public health analysis and debate. The very large subsidies going to agriculture in the richer OECD countries, given rising productivity, has meant that although the world's population doubled between 1960 and 2000 and levels of nutrition improved markedly, the prices of rice, wheat and maize - the world's major food staples - fell by around 60 percent. The other consequence has been that food imports play an increasingly important role in many national diets. In the case of the 49 Least Developed Countries (LDCs) by the end of the 1990s, imports were more than twice as high as exports (See figure 2)

38 FAO. Globalization of Food Systems in developing Countries: Impact on Food Security and Nutrition. Rome, FAO, 2004

39 WHO/FAO, Diet, Nutrition and the Prevention of Chronic Diseases, WHO Technical Report Series 916, Report of a Joint WHO/FAO Expert Consultation, WHO/FAO Geneva, 2003

Figure 2: Agricultural imports and exports of LDCs



Source: Food and Agriculture Organisation of the United Nations , World agriculture: towards 2015/2030: An FAO perspective, Rome: Earthscan, 2003, Section 9.2.1

Independent of the GATT and pre-dating the WTO, the role of food imports in the Pacific Islands States present an historical example of dietary impacts. Pre-1945, each nation was essentially self-sufficient, but during the subsequent era of "development" each country became more reliant on imports, with impact on diets and local production systems. In Fiji, for example, imports of rice, tinned meat and fish, wheat flour, mutton, pork, sweet biscuits and sugary drinks increased rapidly after 1945, a trend associated with increased consumption of bread and meat relative to the traditional *dalo* and fish.[40] In Tonga, meat imports rose from 3389 tonnes in 1989 to 5559 tonnes in 1999, accompanied by a 60% increase in consumption.[41] More recent trade policies have had significant effects on imports, changing the availability of specific foods: in the US, for example, fruit imports play a far greater role in the diet than two decades ago.[42] Globally, the most notable example is vegetable oils. According to the US Department of Agriculture, oilseeds products are the most internationally trade products when total exports are compared with global production.[43] In China, agricultural imports more than doubled between 2002 and 2004 due in part to a more open trade regime. Soy oil, palm oil, and raw soybeans crushed to make vegetable oils (and animal feed), accounted for nearly half of this import growth. [44] Imports of soybeans increased from 1,107 to 20,416 thousand tons between 1996 and 2000, largely from the United States.[45] Higher imports have led directly to greater availability of vegetable oils (i.e. they are not only substituting for domestic production). Participation in the WTO is further predicted to lower

40 Schultz JT. Globalization, urbanization and nutrition transition in a developing island country: the case of Fiji. In Globalization of Food Systems in Developing Countries: Impact on Food Security and Nutrition, pp.195-505. Rome, FAO, 2004.

41 Evans M, Sincalir, RC, Fusimalohi, C., Liava'a, V. Globalization, diet and health: an example from Tonga. Bulletin of the WHO (2001) 79,9:856-862

42 Kantor LS, Malanoski, M. Imports play a growing role in the America diet. FoodReview (September-December 1997) 13-17.

43 Regmi A, Gehlhar, M, Wainio, J., Vollrath, T., Johnston, P. and Kathuria, N. Market Access for High-Value Food. Agricultural Economic Report Number 840. Washington DC: USDA, 2005

44 Gale F. China's Agricultural Imports Boomed During 2003-04. USDA WRS-05-04. Washington DC, USDA, 2005

45 Hsu H-H. Policy changes continue to affect China's oilseeds trade mix. In: Hsu H-H, Gale F, editors.Washington DC: USDA ERS; 2001. p. 30-6.

prices and increase demand for vegetable oils.[46] [47] *Given the highly differentiated impact of trade at a country level there is an urgent requirement to undertaken health impact analysis to unravel this complex trade picture.*

A second more complex effect of trade liberalisation is on the internal dynamics of the food supply chain. While local factors remain critical, changes in the food supply chain appear to be taking on an increasingly uniform character worldwide. Market liberalisation has the effect of changing existing means of food production and distribution and substitution in increasingly similar ways. In traditional societies, food supply chains are short and focused on products grown locally and seasonally available. Farmers typically sell their own produce through street markets. As the food supply chain develops in capital intensity and becomes more liberalised, the task of moving food from farm to table becomes more complex and supply chains are vastly lengthened. In the process, localism is displaced, scale increased, and investments increasingly shifted from basic, fresh or seasonal commodities to 'value added' processed foods. [48] These circumstances are driven by new market players, attracted by the more open – and thus easier and more cost-effective – market operating conditions: thus the considerable importance of trade policy. Also important are existing national groups (or co-operatives) reforming to combat the new players, often borrowing their food supply chain technologies. *A public health question is whether or not trade liberalisation discourages local production and what health impact this has.*

At a third level of complexity, trade regulations affect how much investment is made in the food supply chain – and in which part it is made. Liberalisation of finance is part of trade regulations, and encourages foreign direct investment (FDI). FDI has proved particularly important in the spread of highly-processed foods. [49] In fact, whereas growth in cross-border processed food trade has remained minimal since the mid-1990s (in part because of high tariffs), [50] FDI has become increasingly important. In the decade 1988-1997, foreign direct investment in the food industry increased from US$743 million to more than US$2.1 billion in Asia and from US$222 million to US$3.3 billion in Latin America, outstripping by far the level of investments in agriculture.[51] In the case of US food companies these sell five times ($US 150 billion) more through FDI sales than through export sales ($30 billion). FDI has also stimulated the global spread of supermarkets, in turn a major sales driver of nontraditional packaged foods The US has the highest concentration of supermarkets, but growth rates in some regions, such as Latin America and China, have been extremely rapid, as shown in Table 1. [52] [53] The largest shopping malls in the world are now longer in the USA but in China.[54] *The implications of the food supply chain and retail revolution over the last half century has been assumed to deliver public health gain by widening the choice of foods and lowering price. If nothing else the above analysis suggests that these assumptions are questionable and too simple.*

Table 1. Share of Food Sales for Retailers in Selected International Markets, 2002

46 Fuller F, Beghin J, De Cara S, Fabiosa J, Fang C, Matthey H. China's accession to the World Trade Organization: what is at stake for agricultural markets? Review of Agricultural Economics 2003;25(2):399-414.

47 Diao X, Fan S, Zhang X. How China's WTO Accession Affects Rural Economy in the Less-Developed Regions: A Multi-Region, general Equilibrium Analysis. Washington DC: IFPRI; 2002. Report No.: TMD Discussion Paper No. 87.

48 Carol Whitton, Processed Agricultural Exports Led Gains in U.S. Agricultural Exports Between 1976 and 2002, FAU-85-01, USDA/ERS, February 2004

49 Hawkes C. The role of foreign direct investment in the nutrition transition. Public Health Nutrition (2005) 8,4:357-365

50 Regmi A, Gehlhar, M, Wainio, J., Vollrath, T., Johnston, P. and Kathuria, N. Market Access for High-Value Food. Agricultural Economic Report Number 840. Washington DC: USDA, 2005

51 FAO, The State of Food Insecurity in the World 2004: Monitoring Progress towards the World Food Summit and Millenium Development Goals, Rome, FAO, 2004

52 Thomas Reardon, C. Peter Timmer, and Julio A. Berdegue, Supermarket Expansion in Latin America and Asia Implications for Food Marketing Systems, in Anita Regmi and Mark Gehlhar (eds). New Directions in Global Food Markets, Mark/AIB-794 Economic Research Service/USDA, Feburary 2005

53 Euromonitor data sourced in Anita Regmi and Mark Gehlhar (eds). New Directions in Global Food Markets. Mark/AIB-794 Economic Research Service/USDA, Feburary 2005

54 David Barboza, China, New Land of Shoppers, Builds Malls on Gigantic Scale, *New York Times*, 25 May, Section A , Page 1

Table 1—Share of food sales for retailers in selected international markets, 2002

Retail outlets	United States	Western Europe	Latin America	Japan	Indonesia	Africa and Middle East	World
				Percent sales			
Supermarkets/hypermarkets	62.1	55.9	47.7	58.0	29.2	36.5	52.4
Independent food stores	10.0	10.0	33.0	11.3	51.1	27.1	17.8
Convenience stores	7.5	3.8	3.1	18.3	4.8	10.0	7.5
Standard convenience stores	5.7	2.5	1.8	18.2	4.8	9.5	6.4
Petrol/gas/service stations	1.8	1.2	1.3	0.1	0.0	0.5	1.1
Confectionery specialists	0.5	2.0	1.7	0.3	0.1	1.3	1.2
Internet sales	0.2	0.1	0.1	0.4	0.0	0.0	0.2
Chemists/drugstores	0.2	0.3	0.2	0.4	0.2	0.3	0.3
Home delivery	0.4	0.2	0.0	0.0	0.0	0.0	0.1
Discounters	7.4	10.3	0.2	2.2	2.7	6.2	5.7
Other	12.0	17.5	14.0	9.0	11.9	18.6	14.9
Total	100	100	100	100	100	100	100

Source: Euromonitor, 2004.

Source: Euromonitor / USDA ERS (2005)

Supermarkets may be the visible end point of the new supply chain, but in terms of products, soft drinks provide a critical illustration of the complex market development process – and are probably the best indicator of likely changes in overall diet, since increasing demand for soft drinks indicates the likelihood of purchasing processed foods.[55] Table 4 shows sales of soft drinks worldwide by country income. These products use cheap constituents, the bulk of which is acquired locally, some of which is imported from the company point of origin. They typically require large investments in production facilities, distribution infrastructure, and marketing. The biggest brands already have global recognition although the products are produced locally, vastly reducing transport costs. FDI sales for US soft drink brands were $US 30 billion in 1999 (in a global market of $US 393 billion) while US soft drink exports only $US 232 million in 2001.

55 Boiling, Chris. "Globalization of the Soft Drink Industry," Agricultural Outlook, No. 297, December 2002, pp. 25-27

Table 2. Retail sales of soft drinks, 2002 and growth 1997-2002

Table 1-4—Retail sales of soft drinks

Market	2002 sales	Share of carbonated drinks	1997-2002 an. avg. growth	
			All soft drinks	Carbonated drinks
	Million liters		*Percent*	
High-income countries:				
France	12,755	17.4	4.4	2.4
Germany	18,920	31.2	2.4	2.9
Japan	16,885	16.3	4.5	1.0
Singapore	448	41.2	4.9	-0.9
United Kingdom	10,031	57.3	3.6	1.9
United States	91,286	66.0	3.1	1.4
High-middle-income countries:				
Brazil	16,630	71.8	5.9	2.5
Chile	1,762	85.2	2.4	1.9
Czech Republic	2,524	33.3	10.7	8.0
Hungary	1,561	44.1	7.0	1.6
Mexico	34,874	46.0	8.6	4.1
South Africa	2,938	80.1	6.8	6.2
South Korea	3,737	33.4	5.7	3.8
Turkey	7,508	32.2	6.7	5.2
Low-middle-income countries:				
Bulgaria	774	52.3	14.3	10.4
China	22,952	27.4	15.9	8.8
Colombia	3,484	76.0	-0.1	3.3
Morocco	961	38.6	3.5	2.8
Philippines	4,998	64.2	12.0	8.4
Romania	1,561	41.8	13.5	9.9
Russia	5,010	47.6	7.9	2.7
Low-income countries:				
India	3,272	60.3	13.9	7.9
Indonesia	9,017	8.9	21.7	7.8
Ukraine	1,378	47.7	7.9	6.0
Vietnam	539	58.4	4.8	-1.8

Source: Euromonitor, 2003.

Source: Euromonitor / USDA ERS (2005) (Note correct attribution above table is Table 2)

Much has been written about the dietary and health impact of increasing consumption of sugary drinks in western countries;[56] [57] [58] like supermarkets, international brands often bring with them powerful notions of modernity, with a particular appeal to young people.

The rise of personal income in urbanised middle income groups is associated with high growth rates of packaged food products, which range from 7 percent in upper middle income countries to 28 percent in lower middle income countries, compared to 2-3 percent in

56 Ludwig DS, Peterson KE, Gortmaker SL. Relation between consumption of sugar-sweetened drinks and childhood obesity: a prospective observational analysis. Lancet. 2001; 357 :505 –508

57 Popkin, B. M. and Nielsen, S. J. (2003) 'The Sweetening of the World's Diet', Obesity Research, 11: 1325-1332;

58 Committee on School Health, American Academy of Pediatrics, Policy Statement: Soft Drinks in Schools, Pediatrics, Vol. 113 No. 1 January 2004, pp. 152-154

developed countries (Table 3).[59] Concerns about diets high in fat, sugar and salt, found increasingly in developed countries, may have no counterpart in many developing countries. Consequently, many manufacturers which experience growing resistance to these product ranges in their home markets look to developing countries for potential rapid growth. Moreover, such investments are likely to be welcomed by developing countries as evidence of modernisation, new foreign investment and employment. Another cross-border factor shaping the impact of trade on public health is the rapid growth of sophisticated marketing and advertising (see table 4).

Table 4: Worldwide growth in advertising – 1990-2003

WORLDWIDE AD GROWTH: 1990-2003

	U.S.A.		OVERSEAS		TOTAL WORLD	
	BILLION US$	% CHANGE	BILLION US $	% CHANGE	BILLION US$	% CHANGE
1990	$130.0	+ 3.9%	$145.9	+ 11.8%	$275.9	+ 7.9%
1991	128.4	- 1.2	153.9	+ 5.5	282.3	+ 2.3
1992	133.8	+ 4.2	165.4	+ 7.5	299.2	+ 6.0
1993	141.0	+ 5.4	163.2	- 1.3	304.2	+ 1.7
1994	153.0	+ 8.6	179.0	+ 9.7	332.0	+ 9.1
1995	165.1	+ 7.9	205.9	+ 15.0	371.0	+ 11.7
1996	178.1	+ 7.9	212.1	+ 3.0	390.2	+ 5.2
1997	191.3	+ 7.4	210.0	- 1.0	401.3	+ 2.8
1998	206.7	+ 8.0	205.2	- 2.3	411.9	+ 2.6
1999	222.3	+ 7.6	213.8	+ 4.2	436.1	+ 5.9
2000	247.5	+ 11.3	226.8	+ 6.1	474.3	+ 8.8
2001	231.3	- 6.5	209.6	- 8.6	440.9	- 7.9
2002	236.9	+ 2.4	213.6	+ 1.9	450.5	+ 2.2
2003*	247.7	+ 4.6	222.1	+ 4.0	469.8	+ 4.3

* In current local currencies

Future scenarios for trade and dietary health

In nineteenth century Europe, nutrition was a powerful driver for both improving population health and industrial development.[60] In the twenty first century, the health and economic consequences of dietary change for developing countries may prove equally important. In conditions of increasing inequality, a proportion of the population are likely to continue to be undernourished while another section are likely to undergo massive changes in their diet, with profound nutritional and health consequences.

What therefore is the future for trade policy and dietary health? In the past trade policy used to be dominated by farm and commodity groups but from the 1980s multinational food firms began to participate in the trade negotiations. Protectionism has been strong, but the balance

59 Euromonitor data sourced in Anita Regmi and Mark Gehlhar (eds). New Directions in Global Food Markets, Markt/AIB-794 Economic Research Service/USDA, Feburary 2005

60 Fogel, Robert William. "New Findings on Secular Trends in Nutrition and Mortality: Some Implications for Population Theory," M. R. Rosenzweig and O. Stark, Handbook of population and family economics. Handbooks in Economics, vol. 14. Amsterdam; New York and Oxford: Elsevier Science North-Holland, 1997, pp. 433-81

of power has now shifted. Much more liberalisation of the farming and food sectors is likely, and food-related WTO, regional and bilateral agreements are likely to become more important, along with the influence of non-farm food groups. Past experience of trade policies suggest they result in a growing separation between agriculture, whose commodities are dropping in value, and the food processing and retail industries, which take an increasing share. From this, we discern three possible scenarios for how the relationship between food trade and dietary health could develop:

- *Business as usual.* Further development of global and national markets drawing on globalised technology, supermarketisation and consumer dietary patterns, but retaining a semblance of regional and national variations in dietary composition. This represents what will happen in the absence of a public health or food industry response to concerns about unhealthy diets.
- *Fragmentation.* Development of processed 'niche' food products designed to contribute to healthy diets, heavily packaged and advertised, but which do not fundamentally alter existing farm and food systems, or how food is grown, processed or traded. This represents what will happen if the dominant response to the problem comes from the food industry. Stung by the obesity crisis worldwide, some international food companies are already pursuing this scenario, hoping to highlight their products' health benefits.
- *Health at the centre of trade.* Dietary health and nutrition becomes a key arbiter of future food and farming, including trade. This represents what will happen if there is a strong public health response to dietary concerns, integrated into a health-sector wide approach to centralising health considerations into trade. Driven in part by recognition of immanent drivers of change such as water shortage and climate change, this 'ecological public health' approach to food and farming is beginning to emerge.[61]

We judge the first two as currently most likely in the short-term, but believe that public health analysis will increasingly argue for the third. We now explore this further.

Putting health at the centre of trade: promoting health governance

In an increasingly globalised obesogenic culture, merely encouraging people to adopt healthier lifestyles cannot work without tackling some of the upstream forces, such as commerce and trade. [62] Thus we propose that to move towards the "health at the centre" scenario, dietary health needs to be incorporated into a cogent and consistent public health approach of making health as a whole (e.g. under- and over-nutrition, infectious and chronic diseases) a central consideration of commerce and trade. For this to happen, civil society would need to take a strong advocacy role, and national governments integrate health strategies across departments of state, involving business and civil society. One potential model is that formulated through a consultation by WHO (see figure 3). Lessons could be learned from attempts to inject sustainability / environmental protection into business activity.[63] Measures must also address both the supply and demand side of economic activity, for example by attempting to change the relative prices of healthy and less healthy foods.[64]

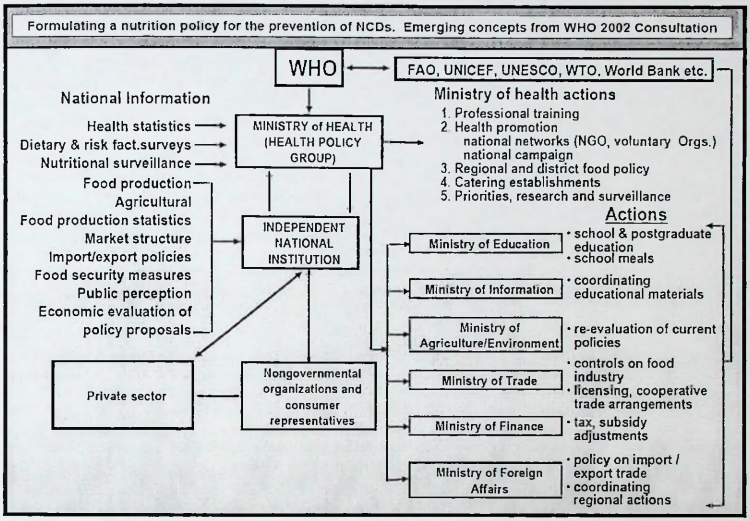
61 Lang T, Heasman M (2004). Food Wars. London: Earthscan

62 Chopra M, Galbraith S, Darnton-Hill I. "A global response to a global problem: the epidemic of overnutrition." Bull World Health Organ 2002;80(12):952-8

63 T Lang, M Heasman (2004). Food Wars. London: Earthscan

64 Lawrence Haddad, Redirecting the Nutrition: What can Food Policy Do? In Food Policy Options Preventing and Controlling Nutrition Related Non- Communicable Diseases November 20-21, 2002, pp 11-15, Washington, World Bank, 2003

Figure 3. Formulating a nutrition policy for the prevention of Non Communicable Diseases: emerging concepts for a WHO 2002 consultation



Source: Personal Communication, Amalia Waxman & Derek Yach

More specifically, we propose a spectrum of action by public health professionals and advocates in international organisations, ministries of health and civil society organisations to address trade-related diet issues, as follows:

- *Strengthen food governance and build capacity to address dietary health.* A central issue is the effectiveness of institutional frameworks for control and monitoring of the food supply chain from a nutritional balance perspective, alongside food safety, which, as shown, is the major focus of international and national food governance. Globally, the Codex Alimentarius Commission is now beginning to discuss how they could implement components of the WHO Global Strategy on Diet, Physical Activity and Health. Nationally, developing capacity to address dietary health is a real challenge, so drawing on existing frameworks – and using complementarity to strengthen them – would be critical. Filling these capacity gaps is a necessary precursor to further action.
- *Audit the impacts of commerce and trade on diets.* While much has already occurred, the liberalisation of food trade is still in its relatively early stages. Auditing emerging trade liberalisation on diets is thus needed. Monitoring of food industry and agribusiness responses to trade agreements – mergers across borders, growth and marketing trends, and internal efforts to move to a healthier product mix – would be one example. This is also of interest to investment banks, with their concerns about the long run sustainability of the food sector. [65]
- *Consider the role of trade agreements and international agreements which affect trade to address dietary health.* There have been calls for trade agreements to be made more sensitive to health issues,[66] but realistically there are limits on what can be done within international trade agreements: trade institutions view their agenda as

65 J.P. Morgan. (2003) Obesity: The Big Issue, JP Morgan European Equity Research, 16 April

66 Ron Labonte (1998) 'Healthy public policy and the World Trade Organisation: a proposal for an international health presence in future world trade/investment talks' Health Promotion International, 13, 3, 245-256

liberalising trade under the assumption it will generate health benefits, and WTO agreements already have a "pro-health" clause. But dietary health remains excluded as food is considered only is so far as it is unsafe – not its nutritional quality. More thinking is needed about how this gap can best be addressed. The Framework Convention on Tobacco Control provides some lessons of developing a non-trade treaty which nevertheless sets a pro-health standard in any trade dispute (The FCTC does not specifically refer to trade, but uses language indicating that health should be the prime consideration). The Treaty also contained potentially commerce-restrictive consumer-oriented strategies, including taxes, labelling, advertising, product liability and financing. Food is not tobacco, but concerns warrant a similar approach, such as on food marketing to children, product labelling, or tax discrimination between healthier and less healthy foods. There is a powerful case for consumer protection strategies to protect or activate the most vulnerable. On marketing, these might range from bans on advertising to decisions that schools or public institutions should be commerce-free areas.[67] Such regulations have trade implications, so public health professionals must play a role in educating trade policy professionals about their potential health benefits in order that health can be taken into account in any potential adjudication process. Of note, however, the WHO Strategy includes the phrase: "reaffirming that nothing in this strategy shall be construed as justification for adoption of trade-restrictive measures or trade-distorting practices".[68]

- *Develop national supply side measures to build new markets for healthy foods.* In developing countries, traditional food markets are denoted by short supply chains and high levels of contact between primary producers and consumers. Further commercialisation is associated with the replacement of local markets by regional and then national markets and patterns of ownership, often instigated by national and local government.[69] [70] A way to maintain local patterns of ownership is the encouragement of cooperatives linking suppliers, retailers and consumers. Building markets for healthy foods could be a focus for such cooperatives, while also benefiting local economies.
- *Financing public health capacity.* The foregoing proposals have little hope of success without adequate resourcing. In many countries the public health infrastructure – professions, resources, facilities, influence and power – is already weak. One potential means for resourcing capacity – including new social marketing efforts – may be through industrial levies or special or hypothecated taxation, as has occurred in the case of the former linked to developed countries tobacco legal settlements, or potentially through marketing taxes or taxes on energy-dense foods.

Conclusion

The paper has pointed to the considerable complexity in the impact of commerce and trade in food on public health. The solutions required to avert the negative consequences of the diet and nutrition transition will neither be simple nor applied without considerable difficulty. At the very least Departments of Commerce and Trade ought to have better public health input into their deliberations and policy making and - vice versa - Departments of Health and the public health movement need to become more sophisticated in their analysis of the health impact of commerce and trade and in determining the potential entry points to achieve public health gain.

67 Hawkes C (2004). Marketing Food to Children: the Global Regulatory Environment. Geneva: World Health Organisation

68 Fifty-seventh World Health Assembly, Geneva, 17-22 May 2004, WHA57.17 Global strategy on diet, physical activity and health {OECD, 2005 #1}

69 Reardon T, Swinnen JFM. Agrifood Sector Liberalization and the Rise of Supermarkets in Former State-Controlled Economies: Comparison with other developing countries. Development Policy Review 2004; 22: 515-523

70 Hu D, Reardon T, Rozelle S, Timmer P, Wang H. The Emergence of Supermarkets with Chinese Characteristics: Challenges and Opportunities for China 's Agricultural Development. Development Policy Review 2004; 22: 557-586

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