

Trade Policy and Public Health

Policy Position Statement

Key messages:	The ability of governments to develop and implement policy that protects public health and the environment and reduces inequality needs to be preserved in trade agreements.
Key policy positions:	<ol style="list-style-type: none">1. At the national and international levels, within international trade agreements, public health goals must be protected and promoted.2. Adverse impacts of trade policy on human and planetary health in Australia and internationally must be prevented.3. A trade regime that ensures ecological sustainability and equity in population health, as well as economic development is required.
Audience:	Australian Government, policy makers, and international public health organisations.
Responsibility:	PHAA Political Economy of Health Special Interest Group
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Policy position statement

PHAA affirms the following principles:

1. Trade policy should be directed towards mitigating, rather than exacerbating, the poly-crisis of global heating, environmental degradation, regional conflict and economic inequality. A fair regime of regulating trade, investment, and intellectual property ('trade and investment agreements') should prioritise health, social, and ecological sustainability, as well as economic development.
2. Trade policy should be directed to reducing economic inequality within and between countries including through providing special and differential treatment for low- and middle-income countries.
3. Trade and investment agreements, and their dispute settlement mechanisms, should be consistent with international legal instruments that protect health, human rights, the environment, and worker rights.
4. Trade and investment agreements must:
 - Prioritise equity within and between countries for global population health improvement, and seek to redress, not exacerbate, injustices of colonisation and exploitation within and between countries.
 - Not limit or override a country's ability to foster and maintain systems and infrastructure that contribute to the health and well-being of its citizens, nor penalise a government for doing so,
 - Preserve policy space for governments to regulate to protect public health,
 - Be negotiated in a transparent fashion, with opportunities for public and parliamentary scrutiny before commitments are made.
 - Be subject to health and environmental impact assessments, carried out by parties independent of corporate interests.
5. Trade agreements should not impede affordable access to health care products (including medicines and vaccines) for much of the world's population. The World Health Organization (WHO) has an important role to play in protecting affordable access.
6. Mechanisms for financing research and development that do not rely on intellectual property (IP) protection and monopoly pricing must be supported to facilitate the development of pharmaceuticals for diseases of the developing world and equitable access to healthcare products in pandemics.
7. Trade policy making processes should be transparent, evidence-based, allow parliamentary oversight and involve systematic engagement of health policy experts and public health organisations.
8. Independent health, environmental, and human rights impact assessment should be undertaken during negotiations, before agreements are finalised, and after implementation.
9. Trade policy should promote multilateral decision-making, and universal compliance with agreed rules. Arbitrary and unilateral use of trade sanctions and tariff barriers should be prohibited.

PHAA notes the following evidence:

10. Population health is shaped by factors within and outside of the health sector^[1]. Many powerful influences on people's health arise in economic relations; potential consequences with implications for

health include inequality, poverty and hunger, precarious employment, insecure housing, loss of trust and solidarity, alienation, resentment, and hostility^[2].

11. Negotiation of trade and investment agreements provide opportunities to shape the global economy in directions which would promote Health for All, social justice, human rights, and ecological sustainability^[3]. Public health engagement in trade policy needs to go beyond identified 'health issues' such as tobacco and access to medicines, to ensure optimal outcomes for population health^[4].
12. Liberalisation of trade and investment has contributed to the concentration of production in global value chains with huge output capacity, but declining need for labour. Pricing power of corporate controllers of such chains leads to profits that exceed investment opportunities. Consequently, an increasing share of profit flows to the financial sector where it supports the further concentration of control through mergers and acquisitions, and the increasing concentration of wealth through asset price speculation (with bailouts for the rich when the bubbles burst). These dynamics contribute to widening inequality, unemployment, underemployment, and unrewarding employment^[5].
13. A trade regime in which trade in goods and services and capital flows are liberalised but the movement of people and technology are restricted, contributes to reproducing economic inequality^[6].
14. Recently, global trade policy has seen a major shift away from multilateralism, with unilateral and arbitrary imposition of very high tariffs, contrary to agreed trade rules, and the sabotage of the World Trade Organization (WTO) dispute settlement mechanisms, in order to prevent arbitration in relation to alleged breaches^[7].
15. Deepening economic inequality globally and the adverse impacts of global heating are contributing to regional conflict and population displacement. Trade policy has an important role to play in mitigating the drivers of conflict and asylum seeking^[8].
16. Where trade promotion contributes to increasing the growth in material throughput in the global economy, it exacerbates the crisis of environmental degradation^[9].
17. Many trade agreements shape the global economy in ways which are favourable to the large transnational corporations. The *WTO Agreement on Agriculture*, for example, enables the dumping of cheap processed foods in low and middle-income country (LMIC) markets which undercuts local production, impoverishing farmers and driving urban migration, and contributing to the creation of mega slums with substandard housing, and lack of sanitary infrastructure^[10]. The *Agreement on Agriculture* authorises massive subsidies to meat production in Europe and the US with consequences for health^[11], global heating^[12], pandemic risk^[13], and antibiotic resistance^[14].
18. Agreement making in the WTO involves a process of trade-offs between the policy objectives of different countries. LMICs do not have the leverage in this process to insist on respect for the principle of 'special and differential treatment'. Recent examples have involved pressure on India to discontinue public stockholding to stabilise food prices and pressures to prohibit subsidies for small scale artisanal fishers^[15].
19. Over the last few decades, trade negotiations have gone beyond goods and services to include areas that affect government regulation including investment, economic and technical cooperation, and expanded IP rights^[16-18]. As a result, trade agreements have the potential to affect many aspects of health care and public health. These include, but are not limited to:
 - Access to affordable medicines and other health technologies.
 - The equitable provision and quality of health care services.

- The ability of governments to regulate health damaging products such as tobacco, alcohol, gambling products, ultra/highly processed foods, and unsafe medicines.
 - Access to sufficient and safe nutritious food.
 - Capacity to legislate or regulate to protect the natural environment.
 - Other determinants of health such as employment and working conditions.
20. Negotiations currently underway in the WTO in relation to e-commerce (relevant to cross border supply of health services)^[19] and on domestic services regulation^[20] could irreversibly limit the capacity of governments to regulate health care.
 21. Expanding cross border supply of health services can distort the allocation of capital and human resources, impacting adversely on the supply of health services and achievement of universal health care^[21].
 22. The WTO's *Agreement on Trade-Related Intellectual Property Rights* (TRIPS) requires Member States to provide patent terms of at least 20 years along with other IP rights, which place affordable medicines and vaccines out of reach of millions of people^[22].
 23. TRIPS provides flexibilities, designed to address the barriers that patents pose to accessing affordable medicines. These flexibilities include compulsory licensing which has been shown to lower the price of medicines, but its use is limited, and its implementation can be fraught and contentious^[23]. The 2001 Doha Declaration on the relationship between the TRIPS Agreement^[24] and public health issues affirms the right of all WTO Member States to use the provisions within the TRIPS agreement regarding flexibilities to protect public health, particularly for the purpose of providing access to medicines for all.
 24. Meeting global needs for life-saving vaccines, therapeutics, and diagnostics during pandemics and public health emergencies requires reforming existing IP rules and facilitating technology transfer to enable production in LMICs^[25].
 25. Many bilateral and regional trade agreements include 'TRIPS-plus' IP rules that expand and extend medicine monopolies and are likely to further delay the availability of affordable generic and biosimilar (follow-on) medicines^[26].
 26. Investor-state dispute settlement (ISDS) clauses included in many trade and investment agreements allow corporations to sue governments in international tribunals over policies and laws that they perceive harm their investments and breach the investor rights conferred by the agreement. The cost of arbitration, potential size of awards, and uncertainty of outcomes associated with ISDS cases can have a deterrent effect on public health and environmental policies^[27].
 27. Alcohol labelling rules included in the TPP/CPTPP (and subsequently several other trade agreements) may present a barrier to the introduction of best practice mandatory alcohol health warnings and other types of health information on alcohol containers^[28].
 28. Trade agreements are currently negotiated under conditions of confidentiality. Public health professionals and the public rely largely on leaked drafts for information about the issues under negotiation. Successive parliamentary inquiries have recommended increasing the transparency and accountability of the trade agreement negotiating process^[29].
 29. Implementing this PHAA policy statement would contribute towards achievement of UN Sustainable Development [Goal 3: Good Health and Well-being](#), [Goal 16: Peace, Justice and Strong Institutions](#), and [Goal 17: Partnering for Goals](#).

PHAA resolves to:

30. Together with the World Federation of Public Health Associations (WFPHA), the People's Health Movement, and other international public health and human rights groups, encourage the public health community to advocate to promote and protect public health within international trade agreements, and promote capacity building with respect to trade policy analysis and advocacy across the public health sector.
31. Collaborate with the Australian Fair Trade and Investment Network, and other national and international organisations towards advocating for healthier and more equitable trade policies.
32. Advocate to appropriate Commonwealth politicians and agencies with a view to:
 - Limiting adverse impacts of trade agreements on health, economic inequality and environmental degradation in Australia and its trading partners.
 - Supporting the role of WHO in providing advice to governments regarding the implications of trade agreements for health, and in working to ensure that trade and IP rules do not impinge on access to medicines and other health products.
 - Supporting moves to reform the funding of R&D to facilitate access to essential medicines and the development of pharmaceuticals for diseases that mainly affect LMICs and ensuring that trade agreements do not further entrench a failed model of financing.
 - Improving the transparency of trade negotiating practices.
 - Routine use of independent health, environmental, and human rights impact assessment during negotiations, before agreements are finalised, and after implementation.

(Adopted 2004 and revised in 2008, 2011, 2015, 2018, 2021, and 2024)

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