

APHA Policy Statement 2001-21:  
THREATS TO GLOBAL HEALTH AND EQUITY: THE GENERAL AGREEMENT  
ON TRADE IN SERVICES (GATS), AND THE FREE TRADE AREA OF THE  
AMERICAS (FTAA).

The American Public Health Association,

Recognizing that the American Public Health Association supports access to health services as a human right; and

Aware that the American Public Health Association has called for international trade agreements to include provisions that elevate the standards of health care, environmental health, workers safety, the training of health care providers, and overall health status, referred to as upward harmonization<sup>1</sup>, and supports the protection of children in the workforce<sup>2</sup>; and further

Aware that a ministerial level meeting is scheduled in Qatar in November, 2001, to further develop provisions of the General Agreement in Trade in Services (GATS), originally accepted by the World Trade Organization (WTO) in 1994, and to make coverage by GATS mandatory for all 140 WTO nations; and

Noting that GATS would extend existing rules and trade sanctions to the provision of services that now apply to products through the General Agreement on Tariffs and Trade (GATT),<sup>3,4</sup> that the provisions under consideration would require the 140 WTO nations to take affirmative action to protect international competition by private corporations for broadly defined public services if even one private provider presently exists, in areas including health care services, health insurance, water, education, child care, social services, and corrections; and

Recognizing that provisions of GATS could also limit and possibly eliminate the ability of any U.S. state or region to enact and enforce regulations over health care services including nursing homes, hospitals, or health maintenance organizations;<sup>5,6,7</sup> and

Noting that GATS also addresses the standards of training and conditions of employment for health care and other service workers,<sup>5,8,9</sup> which could be harmonized with standards in other countries to assure that elevated standards do not present a barrier to commercial trade, and that the basic rights of such workers, including the right to organize, are not ensured; and

Recognizing that negotiators plan to extend to GATS the regressive rules on government procurement of goods currently included in GATT, and that these rules prohibit the imposition of human rights, labor and environmental standards on contractors and prohibit the adoption of any procurement policies based on a corporation's record of compliance with human and labor rights, public health, and environmental safeguards domestically and abroad; and

Aware that the for-profit U.S. hospital,<sup>5</sup> nursing home, and health insurance<sup>10 11</sup> industries have already begun to expand in Europe and Latin America,<sup>8</sup> and that this expansion is associated with a diminution in equitable access to services<sup>5 10 12</sup> and

Noting that the pharmaceutical industry has exercised its intellectual property rights in violation of the limited protections afforded under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to prevent poor countries from making life-saving medications affordable for people with AIDS, with devastating consequences for human life in Africa, India and elsewhere,<sup>13 14</sup> and taken action to stop the manufacture and dispensing of lifesaving AIDS drugs by the government of Brazil,<sup>15</sup> thereby posing a threat to the survival of the nation; and

Recognizing the interest of French water companies such as Suez Lyonnaise des Eaux and Generale Des Eaux in establishing commercial rights to drinking water and water pipelines in areas of the U.S. including Indianapolis;<sup>7</sup> and

Aware that countries with unified systems of care through the public sector have a far higher percentage of coverage for health care than countries with more privatized and fragmented systems,<sup>16</sup> and that countries with a more equitable distribution of wealth also enjoy better health outcomes; and

Noting that the Free Trade Area of the Americas (FTAA) is simultaneously being negotiated to apply to the countries of North and South America with the exception of Cuba, and is intended to be completed no later than 2005; and

Aware that the FTAA would apply to all governmental measures including laws and regulations as well as all measures affecting trade in services taken by non-governmental institutions at all levels of government when acting under powers conferred on them by government authorities, including religious institutions,<sup>6</sup> and aware that in this respect FTAA gives even greater rein to private corporations than the North American Free Trade Agreement (NAFTA), which has been associated with further emiseration of the Mexican population, including indigenous Mexicans, and caused the Canadian government to rescind bans on toxic substances including MME and PCBs in response to law suits from private corporations,<sup>6</sup> and to abandon programs providing access to generic drugs;<sup>5</sup> and

Noting that FTAA would extend private rights of action against countries, now included in NAFTA, to all other nations covered by FTAA, and that prohibiting any company from competing for public services could subject the country both to international trade sanctions and costly lawsuits for present and future losses to private companies, similar to those levied by manufacturers under the auspices of the GATT and NAFTA;<sup>5</sup> and

Recognizing that both GATS and the FTAA provide broad rights to corporations and diminish the decision-making role not only of the public sector but of democratic bodies

at all levels of civil society, referring to individuals and institutions other than corporations; and

Noting that neither GATS nor the FTAA identifies social equity or democracy as a goal,<sup>5</sup> but are dedicated solely to strengthening the ability of the private enterprise system to generate wealth, and could in fact prevent governments from holding service providers accountable for key social and public health objectives like affordable access to medical treatment, education and utilities, as well as to affirmative action goals; and

Recognizing that international trade can be one element of economic development, but that an important criterion of the success of such development is the benefit to all segments of the population;<sup>17</sup> and

Aware that additional bilateral trade agreements are being negotiated between WTO member nations that pose similar threats; therefore

Calls on the U.S. Congress to oppose consideration of GATS or FTAA, or any provisions thereof, by a fast-track mechanism;

Proposes the establishment of a commission with the mandate to explore the impact of free trade agreements on population health and the public health infrastructure before further liberalization of trade through GATS, FTAA, or bilateral agreements; and

Reaffirms the importance of adopting trade regulations that promote democracy, equity, and well-being, as well as wealth; and

Supports alternative proposals such as the Fair Trade Agreement of the Americas to promote trade agreements that advance the interests of population health, including international labor rights and safe working conditions, and encourages the alliance of public health professionals and affiliates across international borders to advance such alternatives; and

Urges that all international trade agreements comply with the World Health Organization's "Revised Drug Strategy," signed by 130 countries, stating that public health concerns shall be paramount during international trade disputes, and that the limited protections afforded by the TRIPS agreement allowing countries to issue compulsory licenses on essential medicines and import medicines from other countries in a public health emergency be fully incorporated or strengthened under FTAA; and

Strongly urges that essential public services like health, education, social services, water and corrections be formally exempted from liberalization, and immune from challenge, under the GATS, the FTAA, and bilateral trade agreements; and

Urges that current trade agreements be rescinded or modified to the extent that they present a threat to the lives and health of affected populations, through the denial of drugs, through the forced exposure to hazardous substances, or through the diminished

power of local and national governments to effectively protect the population from such threats, including governments' central responsibility to enact and enforce regulations; and

Encourages the inclusion of representatives of civil society, such as nongovernmental, advocacy and public interest organizations, at every level and occasion at which the regulation of trade in services and other goods is considered and negotiated, both at the national and international levels; and

Encourages the U.S. Trade Representative to call for a national plebiscite in the U.S., and to encourage a similar plebiscite in each WTO country, to approve or reject the provisions of GATS, and a similar plebiscite in each North and South American country regarding FTAA;

In view of proposals to extend trade agreements to apply to services including health care, which is a departure from the situation addressed by public policy statement 9404, therefore considers this statement as a complement to public policy statement 9404, and also to statement 9405.

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