

Trade agreements and local food: Lessons from trade and health

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Trade and health

- ▶ Impact of trade rules on health systems
 - Concerns: trade rules would negatively limit policy space available to adopt measures to protect and promote public health.
 - Example: GATS and public health care system
 - The impact of trade agreement was revealed as limited, even though not insignificant.
 - Public health exceptions
 - Few GATS commitments in health sector
 - Example: Public insurance for prescription drugs in Quebec

Key lesson

- ▶ Importance of detailed analysis of trade agreements
 - ▶ Steps to understand GATS commitments on health services
 - Services supplied in the exercise of governmental authority are excluded
 - Health services included or not
 - Which health services? (medical services, nursing, dental, hospital, para-medical, hospital management, health insurance)
 - Which modes of supply (or horizontal commitments)?
 - Commitment on market access or national treatment?
 - Conditions and exceptions included in the scheduled of commitments (rules on number of suppliers, certification)
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Key lesson

- ▶ Detailed analysis of trade rules that apply to public measures considered to enhance local food systems is required to assess what is the impact of trade rules on public policies
 - Public measures such as procurement rules, subsidies, tax incentives that can be deemed discriminatory
 - Non-discrimination at the core of trade agreements; national treatment and MFN principle
 - Private actions not bound by trade agreements, i.e sourcing of food wholesalers and retailers

Relevant agreements and rules

- ▶ Agreement on Internal Trade
- ▶ NAFTA
- ▶ WTO Agreement on agriculture
- ▶ GATT 1947
- ▶ WTO Plurilateral agreement on procurement (14 parties)
 - Canada is a party, applies to federal and provincial government entities
 - Thresholds of 130 000 SDR and 255 SDR for goods and services (5 M for construction)
 - Canadian commitment include exceptions (Annex 2)
- ▶ Except for Ontario and Quebec, this Agreement does not apply to the procurement of goods, services or construction purchased for the benefit of, or which is to be transferred to the authority of, school boards or their functional equivalents, publicly-funded academic institutions, social services entities or hospitals.

Canadian commitments in the WTO agreement on procurement

- ▶ This Agreement does not apply to procurement that is intended to contribute to economic development within the provinces or territories of Manitoba, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Nova Scotia, Yukon or Northwest Territories.
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 - ▶ This Agreement does not apply to any measure adopted or maintained with respect to Aboriginal peoples.
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WTO Plurilateral agreement on procurement

- ▶ Nothing in this Agreement shall be construed to prevent any provincial or territorial entity from applying restrictions that promote the general environmental quality in that province or territory, as long as such restrictions are not disguised barriers to international trade.
 - ▶ This Agreement does not apply to Crown Corporations of the provinces and territories.
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Trade rules as an impediment to favour local food systems?

- ▶ The most important variables constraining local food systems are not trade rules: distribution, market structure in retailing, zoning rules.
 - ▶ If local, provincial or federal governments wish to adopt public measures to strengthen local food systems, trade agreements should not be seen as an excuse for inaction, but as a factor setting the context for policymaking.
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