Fact Sheet

ICN on International Trade Agreements

International trade agreements are rules that define commercial transactions between nations; the process of buying and selling between individuals or groups from different countries. They seek to reduce trade barriers and promote the mobility of capital, goods, services and personnel. Examples are the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement (NAFTA), and the Association of South East Asian Nations (ASEAN).

International trade agreements traditionally focused on the trade of goods and commodities. The scope has however been expanded to include first, the services that support the trade of goods and commodities, and more recently on the trade of a much wider range of services.

Services are generating great interest, since they account for more than 70 per cent of employment and production in the OECD countries and a major and growing share of employment in countries world-wide. The services trade is expected to continue to expand faster than trade in goods. Industries targeted for future agreements include travel/tourism, financial services, telecommunications, air and maritime transport, electronic commerce, information technology, and health care.

Pros and Cons

International trade agreements generate both opportunities and challenges. The opportunities may include:

- Economic development leading to higher standards of living for the world’s population.
- Increased markets for goods and services, creating employment and entrepreneurial opportunities.
- Wider range of goods and services available for purchase or contract.
- More cost-effective use of resources.
- Greater access to accredited education and training experiences.
- Internationally recognised standards of quality and competence (e.g. right to practise a profession)
The challenges are however also present, such as:

- Documented unequal distribution of increased wealth nationally and internationally, thus widening the gap between the poor and the rich.
- Potential to weaken, restrict and/or replace government and professional regulatory mechanisms and structures to ensure quality services, e.g. professional competency, universal coverage.
- Tendency to promote the privatisation of social services that may create a tiered system of access to basic services and products, based on the consumer's ability to pay (e.g. health care, education, medicines).
- Reduced availability of non-profit service agencies, and/or the deterioration of the overall quality of services available to the general population.
- Increased private or commercial influence on international health policies threatening public accountability, e.g. corporate interests as opposed to public health goals.
- Extended privatisation of health insurance may distort eligibility and coverage criteria leading to greater inequities in the delivery of care among population segments (e.g. replacing community risk-sharing by admitting only low health-risk individuals as policy holders).
- The harmonisation of qualification standards can tend to align competency levels with minimum standards applying to the widest range of countries, thus lowering standards in certain cases.
- Neglect of core labour standards that protect workers’ rights to a decent wage, a safe work environment and freedom of association.

**Implications for nurses and nursing**

International trade agreements are a reality. The influence of international as well as national economic policies and agreements on health sector consumers and providers is significant and increasing. Their development, negotiation, implementation and revision should incorporate nurses’ expertise in the area of health, social and labour policy.

There are four key forms of international trade in health services:

1. **Cross-border supply** (where the supplier of a health service in one country makes the service available to the population living in another country, e.g. telehealth);

2. **Consumption abroad** (where patients travel from one country to another to obtain treatment);
3. **Commercial presence** or “establishment trade” (the provision of health services on a for-profit basis by foreign-owned health care providers or health transnational corporations);

4. **Provision of health services by foreign people** (the delivery of health services in a given country by foreign individuals or the movement and migration of health workers, e.g. physicians, nurses).

In 1998, 59 countries (nearly half the World Trade Organisation membership) included one or more aspects of health services in their GATS schedule of specific commitments. Preparations for the 1999 WTO Seattle Ministerial Conference indicate that the health industry will continue to be a key focus of future international trade negotiations and agreements.

The areas of particular interest for action by nurses are:

- Equitable access to quality health and social services.
- Health insurance portability and adequate coverage.
- Equitable distribution of pharmaceuticals and medical equipment.
- Sound professional (as opposed to trade-motivated) regulation of nursing education and practice.
- Impact of health sector reform generated by trade or economic interests, e.g. substitution of professional workers with lesser-qualified staff.
- Health sector pay and working conditions that support the provision of quality care and the recruitment/retention of competent personnel.
- Viable human resources development policies and incentives, including attractive career structures, international accreditation of qualifications.
- Nurses’ access to decision-making bodies nationally and internationally.

*For further information, please contact: icn@icn.ch*

The **International Council of Nurses (ICN)** is a federation of more than 130 national nurses associations representing the millions of nurses worldwide. Operated by nurses and leading nursing internationally, ICN works to ensure quality nursing care for all and sound health policies globally.
References

ICN Position Statement on International Trade Agreements, 1999

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1 Organisation for Economic Cooperation and Development