

Talk failures: food and fair trade

At the World Trade Organization meeting last month in Cancún, Mexico, delegates from 146 member countries, representatives of concerned organizations such as the United Nations and Oxfam, and a now-customary throng of activists were focused on attempts to rectify the trade imbalance caused by subsidies on agricultural production in rich countries. The talks collapsed when delegates from Africa, the Caribbean and Asia walked out on the grounds that the “subsidy superpowers” failed to offer reforms capable of releasing the stranglehold on agricultural production in the developing world.

Every year, OECD (Organization for Economic Cooperation and Development) countries spend US\$330 billion to prop up their agricultural sectors. These subsidies — equivalent to more than 6 times the amount allocated to foreign aid — depress world prices, allowing increasingly industrialized farmers in rich countries to compete in their own domestic markets and to dominate export trade. This has a crippling effect on agricultural production in countries that cannot afford to subsidize farmers. To make matters worse, tariff barriers between poor countries add to the economic distortion, inhibiting the flow of commodities.

The failure to thrive of third-world agriculture results from many things, ranging from recurrent drought to poor governance to latent defects in the “green revolution.”¹ But industrialized nations must face up to the profound impact of domestic subsidies on the world’s food supply. Farmers in poor countries who have little income or government support are unable to modernize their farms or to expand in competition for a share of the world market. This compromises the local food supply, making these countries dependent on imports — and on rescue efforts during periods of famine.

Roughly 70% of the world’s poor live in rural areas and depend on agriculture for their livelihood.² Subsidies to producers in wealthy countries are devastating to them. For example, the 25 000 cotton farmers in the United States receive US\$4 billion in subsidies annually to produce \$3 billion worth of cotton.³ The estimated 11 million cotton producers in West Africa have a tough time competing.

The collapse of the Cancún talks makes it doubtful that the WTO will meet its objective of eliminating harmful trade barriers by January 2005. The World Bank estimates that the agenda for trade reform launched in Doha, Qatar, in 2001 could increase global income by as much as US\$520 billion a year, and that half of this would benefit poor countries.³ Such gains would go a long way toward

eliminating disparities in health between rich and poor countries. The 83 worst-off countries in the world — those with a per capita gross national product of less than US\$1200 — have exceedingly high rates of premature (and preventable) mortality, especially for segments of the population aged 0–4 (88% avoidable mortality) and aged 5–29 (84% avoidable mortality).⁴ The primary causes of premature death in poor countries are maternal and perinatal mortality, vaccine-preventable diseases, acute respiratory infection, diarrhea and protein-energy and micronutrient malnutrition.⁵ Much of this suffering can be alleviated through the simple provision of “close-to-client services” — basic hospitals, clinics, outreach services, primary care doctors and nurses, and midwives. An additional US\$40 to \$52 billion for countries where per-capita income is less than \$1 per day (and where most of the world’s poor live) would prevent millions of child, maternal and adult deaths.⁴

The WTO is a tangle of competing agendas, goals and constraints. Yet its controversial negotiations have far-reaching implications for human health, especially in developing countries. Trade in tobacco, the distribution of essential medicines, access to services (including health care, sanitation and clean water), the control of infectious diseases, food safety and environmental protection are all affected by trade agreements.⁶ Achieving the greatest benefit for the greatest number will require compromise and, in the short term at least, some sacrifice. We can only hope that the next time the WTO’s member countries meet, they will climb out of the morass of self-interest, resentment and country-to-country deals long enough to make lasting progress in reducing economic barriers to equity in health.

— CMAJ

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