Trade Liberalization & Women's Reproductive Health:

LINKAGES AND PATHWAYS

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Women's health is crucial to individual well-being and social and economic development.

Women often are charged with the responsibility of caring for their families' health, education and nutrition, and they often supplement, or earn the entirety of, the family's income, and provide household labor to maintain upkeep of their homes.

The liberalization of international trade increasingly affects women's health by creating new opportunities to improve reproductive health as well as new obstacles to advance reproductive/sexual health and rights objectives in policies, programs and services. New employment opportunities may open up for women, for example, which may enable them to achieve higher income levels and greater access to health services and technology. However, trade liberalization also may lead to higher costs of health services and supplies, lower quality of services, shortages of critical medical personnel because of increased migration or a concentration of health services that may restrict access for lower-income or remote populations.

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Case studies in *Trading Women's Health and Rights?* (hereafter referred to as TWHR), suggest that the liberalization of trade has had both positive and negative effects. This brief summarizes the direct and indirect pathways through which trade liberalization affects women's health. By understanding these pathways, advocates for reproductive health and rights will be better equipped to find those points of entry that best protect the positive and reverse the negative aspects of trade liberalization.

COVER PHOTOS

(top) Photo (#10189896) by Martin Puddy, courtesy of Getty Images.
(bottom) A nurse provides assistance to a woman and her baby at a health clinic in Angola. Photo by Alison Bird, USAID.

Trade Liberalization and Economic Growth

The liberalization of international trade — the progressive reduction of barriers to exports and imports — is now one of the most important global economic processes. Indeed, policymakers around the globe believe that liberalization of trade is crucial for economic growth, and have reoriented national policies and budgets to increase the flows of goods and services that are exported and imported across national borders. Since 1948, the volume of global trade grew by an average of 6 percent every year (WTO 2003). Since the early 1980s, exports of developing countries have grown faster than the world average, and now account for about one-third of world trade (UNCTAD 2004). Although much of that growth has been in manufactures, trade in services — including health services — has increased rapidly: an estimated 20 percent of all exports in 2003 (WTO 2004). For example, cross-border delivery of health services has increased through the movement of personnel and consumers and cross-border trade in data processing and other activities (Chanda 2001). Investment by foreign corporations in the health sector of many developing countries also has increased.

Pathways between Trade Liberalization and Reproductive Health

The linkages between health and trade are both direct and indirect, operating at multiple levels (household, country, international). Figure 1 summarizes some of the most salient dimensions of trade liberalization that are likely to affect reproductive health and some of the key dimensions of reproductive health most likely to be affected by growing trade liberalization. It distinguishes between trade agreements, trade policies and trade flows on the right side, and reproductive health supplies and services, and reproductive health needs and problems on the left side.

Figure 1. Dimensions of Trade and Reproductive Health

Trade Agreements Relevant to Reproductive Health
• World Trade Organization – GATS – TRIPS
• Regional (e.g., NAFTA)
• Bilateral (e.g., U.S.-Thailand)

Domestic Trade Policies Relevant to Reproductive Health
• Reduction of tariff and non-tariff barriers to imports of medicines and equipment.
• Removal of domestic subsidies in the health sector (e.g., for local pharmaceutical firms and health insurance companies).
• Elimination of restrictions on entry and terms of practice by foreign health service providers.
• Changing of enterprise ownership through privatization.
• Regulatory changes in areas such as accreditation and licensing requirements.

Reproductive Health Services Likely to be Affected by Trade Liberalization
• Changes in quantity and geographic distribution of reproductive health services (e.g., family planning, sexually transmitted disease diagnosis/treatment, prenatal care and assisted delivery).
• Changes in availability and cost of drugs such as antibiotics, diagnostic kits, contraceptive supplies, HIV vaccines, vacuum aspiration kits, etc.
• Changes in availability and cost of services by trained health professionals at different levels (midwives, nurses, doctors) in different regions (rural, urban, etc.).
• Distribution of health services between public and private sectors.
• Changes in quality of services across different sectors and regions.

Figure 2. Trade Liberalization Pathways

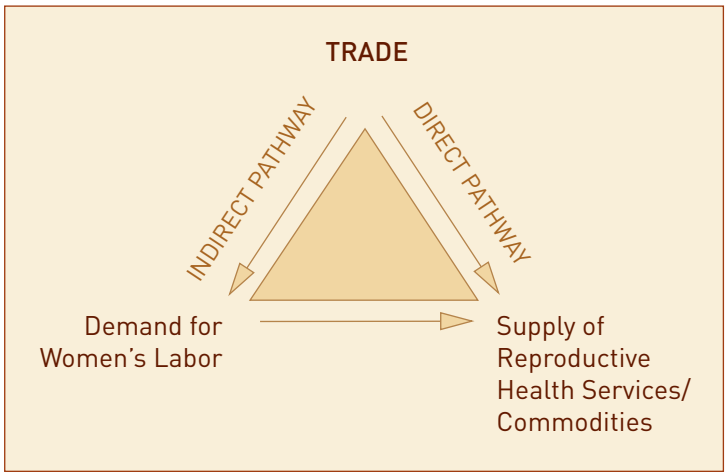
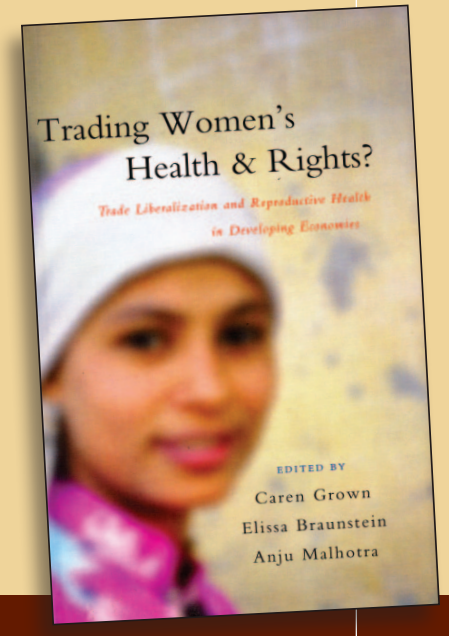


Figure 2 illustrates two different pathways through which these different dimensions of trade liberalization can affect different aspects of reproductive health problems and services: the direct pathway through which trade policies affect the supply of reproductive health services, and the indirect pathway through which trade policies and movements in goods and services affect women's demand for services indirectly through changes in their labor force participation.

These figures are simplified illustrations of complex forces. The effects of trade flows and trade rules on reproductive health services and needs are multiple, separated in time and country-specific depending on the policies, market conditions and other factors that prevail at any given time in a country. Determining whether trade liberalization causes changes in health outcomes or vice versa is complicated as the arrows go in multiple directions, for example, from trade policies to reproductive health as well as from health outcomes and health services to trade flows. Nonetheless, understanding these various pathways can make it easier for those concerned with reproductive rights to identify the most strategic and proper targets for advocacy, both to protect the positive gains from globalization and reverse the negative impacts of trade liberalization on women's health (see Basu 2006).

Trading Women's Health and Rights? is a collection of 12 theoretical analyses, empirical investigations and case studies that explore the effects of trade liberalization on women's reproductive health in developing countries. The book is based on a project undertaken by the International Center for Research on Women (ICRW).

This brief is based on "Trade Liberalization and Reproductive Health: A Framework for Understanding the Linkages" by Caren Grown and draws on selected other chapters in *Trading Women's Health and Rights? Trade Liberalization and Reproductive Health in Developing Economies*. Caren Grown, Elissa Braunstein, Anju Malhotra, eds. Zed Books, NY, 2006.



Direct Pathways: Trade Agreements and Provision of Reproductive Health Services

Two core World Trade Organization (WTO) agreements for reproductive health are the General Agreement on Trade in Services and the Agreement on Trade-Related Aspects of Intellectual Property.

The General Agreement on Trade in Services (GATS), established in 1994, is the first multilateral agreement to provide a framework for countries to determine which service sectors of the economy they wish to open to foreign suppliers and competition, and what restrictions countries wish to implement to limit trade. Health services under the GATS can be traded through four modes:

- **cross-border supply**, defined as the provision of services from a practitioner in one country to a patient or practitioner in another, predominantly through the Internet, satellite transmission of medical images, teleconference and international telephone calls;
- **consumption abroad**, where patients travel from one country to another to obtain treatment;
- **commercial presence**, which is when a foreign company invests in or opens a subsidiary office in another country to provide health services; and
- **emigration of health professionals** (doctors, nurses, specialists, paramedics, midwives, technicians, consultants, trainers, health management personnel and other professionals) between different countries.

Each of these modes potentially affects access to and provision of reproductive health services.

There is yet little evidence that GATS rules and individual country commitments have had a direct or significant impact on national policies concerning reproductive health (Lipson 2006). This is because the reproductive health sector largely excludes the type of for-profit commercial activity that trade, by definition, involves and because current GATS rules allow WTO members to set limits on the sectors they will open to foreign suppliers to minimize the risks to health or achieve national health objectives. As for-profit actors gain ground in the delivery and financing of reproductive health services, however, GATS and the public regulation of health providers will have greater impact. In those situations where reproductive health services are profitable, such as infertility services for the elite or sales of certain contraceptive supplies, foreign providers may seek to influence the rules governing their entry and operations. Reproductive health service advocates in countries with an expanding for-profit provider market must therefore monitor both

domestic regulations and international agreements to ensure that reproductive health policy objectives are not sacrificed for commercial interests.

The second agreement important for reproductive health is the Trade-Related Aspects of Intellectual Property Rights (TRIPS). Formally adopted by WTO in January 1995, it requires signatory countries to recognize and protect both process and product innovations in all technological fields, including pharmaceuticals. This agreement is likely to affect research, production and distribution of pharmaceuticals, reproductive technologies, supplies and vaccines, with implications for access, quality of care and informed choice. On the positive side, the TRIPS agreement may increase the availability of more affordable generic drugs and, therefore, be more accessible to low-income women. On the other hand, the South African experience of securing access to anti-retroviral treatment in response to the AIDS crisis (profiled in Chapter 9 of TWHR) highlights the problematic nature of pricing and protecting patent rights. Legal flexibilities incorporated into TRIPS, which allow countries to override drug patents and manufacture or import generic versions of drugs when confronted with health emergencies, have been contested in the country and besieged by implementation problems.

Indirect Pathways: Trade Liberalization, Women's Employment and Reproductive Health

Trade liberalization also can affect women's reproductive health indirectly through labor market changes that affect the employment opportunities of men and women. Experience shows that different components of trade affect labor demand differentially. For instance, foreign direct investment may lead to considerable labor mobility, including job shifts across and within sectors, increased geographical mobility and transitions in and out of the labor force with different effects for women and men. Both increased foreign direct investment and elimination of export tariffs have been associated with increased demand for women's labor, especially in manufacturing, services and some types of agricultural employment in many countries.

Such trade-induced changes in women's employment can affect the reproductive health of women via changes in lifestyles, income, hygiene habits, the availability of sanitary facilities, social networks and access to reproductive health services. But, the effects are heavily dependent upon context. In China, for instance, the effects have been both positive and negative. As Lin Tan, Zhenzhen Zheng and Yueping Song document in TWHR, trade liberalization has expanded the private sector, which in turn spurred large-scale rural-urban migration in China. This trade-related migration has been of some benefit to the reproductive health status of women migrants, especially as a result of the changes in lifestyle and reproductive health awareness that is linked with urban residence, as well as the improvements in hygiene and the availability of sanitary facilities. On the other hand, the lack of enforced labor protections within private sector labor-intensive enterprises can pose a direct threat to the women migrants who work there. And, the insufficiency of official reproductive health services coupled with the government's focus on

population control, has inhibited the capacity of women migrants to translate the potential benefits of urban residence and employment into real improvements in reproductive health.

Mixed effects also are found in Bangladesh and Egypt. As Sajeda Amin argues in TWHR, the recruitment of adolescent girls into the burgeoning garment industry in Bangladesh has had the positive effect of delaying age at marriage and childbirth. On the negative side, export oriented factory employment may put these girls at greater risk of early sexual activity and sexual harassment. It also may have changed the traditional needs for contraceptive services, which in Bangladesh typically are sought after marriage and generally are unavailable to unmarried girls and young women. Although Egypt's experience with economic liberalization took place after it already had achieved a relatively late age at marriage, age at marriage continued to increase for both men and women after the trade reforms. Unlike other countries, trade liberalization was not associated with an increase in young women's workforce participation.

In Mexico, TWHR's Catalina Denman found that employment in the *maquiladoras* or export-processing zones has granted women relief from domestic burdens, access to health care services, the ability to improve their living conditions and send their children to school as well as the opportunity to escape abusive, neglectful or non-supportive spouses or partners. That said, women workers endure strenuous and hazardous work that can be harmful for a woman's reproductive health because of exposure to toxins, little ventilation and light, hazardous equipment, and physical stress (from repetitive motions).

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Final Thoughts

Arguing against the "evils" of trade liberalization or touting the benefits of free trade will not improve economic opportunities or reproductive health for women. Rather, better understanding the direct and indirect pathways through which trade liberalization affects women's health enables advocates of reproductive health and rights to focus advocacy on those factors that clearly impinge on women's reproductive health and rights. As the discussion of direct pathways implied, monitoring current multilateral negotiations and implementation of trade agreements can be important to ensuring that such agreements do not undermine the achievement of goals from the 1994 Cairo conference.[7] The discussion of indirect pathways underscores the importance of identifying particular problems in specific places that may be amenable to intervention by trade unions, worker associations, employers and policymakers to improve health and rights. Such "selective" advocacy can be a win-win for all.

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References

1. In contrast to trade in goods, trade in services includes a wide range of products from business and professional services such as legal, accounting and tax services to telecommunication services, research and development and entertainment, among others.

2. Other agreements, such as the Agreement on Agriculture, also may affect reproductive health outcomes via changes in food consumption and nutritional status.

3. Prior to the TRIPS agreement, a substantial number of developing countries did not adequately cover intellectual property rights for medicines and pharmaceutical products. In addition, patent coverage was highly inconsistent between some developing countries, ranging from as little as three years (Thailand) to as long as 16 years (South Africa). These conditions generally favored the local production of less expensive generic medicines where possible. See Williams (2001).

4. Under TRIPS, generic drugs can enter the market more readily.

5. Another indirect pathway is through the household. For instance, changes in husband's status or in the status of other earners in the household may affect a woman's reproductive health and her access to services (if it is through another earner's health insurance).

6. Where foreign-owned companies have located assembly-line factories in such industries as garments and electronics.

7. The 1994 U.N. International Conference for Population and Development, held in Cairo, resulted in an international consensus on the following four goals: universal education, reduction in infant and child mortality, reduction in maternal mortality and improved access to reproductive and sexual health services, including family planning.

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