



Submission

of the

NEW ZEALAND NURSES ORGANISATION

to the

Ministry of Foreign Affairs and Trade

on the

**Consultation Paper on New Zealand's Approach to the
Next Stage of the WTO services Negotiations**

28th February 2003

1.0 INTRODUCTION

- 1.1 The New Zealand Nurses Organisation (NZNO) represents over 33,000 nurses and health workers who work both in the public and private health sectors. NZNO members include registered nurses, midwives, nursing students, enrolled nurses, caregivers and allied health professionals.
- 1.2 This submission presents NZNO's initial views and concerns about the upcoming WTO negotiations and the negotiation process. Though NZNO is pleased to have the opportunity to make a submission, there has been inadequate time for NZNO to make a full and detailed study of the discussion document. GATS is a complex subject. Background knowledge is necessary to debate this topic and understand the implications of the proposals. This knowledge is not gained quickly.
- 1.3 Notwithstanding, there is deep concern in our membership about moves that could lead to a reduction in public services, the privatization of public health services and the concept of health being considered a tradable commodity. Having witnessed for a decade, and at first hand, the effects of market driven health reforms, our membership is united in its resolve not to return health to free market policies or further deregulate public services.
- 1.4 NZNO notes the guiding principles that have been presented and believes these provide a constructive basis for discussion about the negotiations and the agreement. But there are concerns about the principles. NZNO is particularly concerned about the absence of mention of the Treaty of Waitangi and also that the application of the principles could lock in neo-right policy settings established in the 1984-99 period.
- 1.5 NZNO is concerned about the context and intent of this agreement, the negotiation process and the lack of public consultation about the agreement. NZNO submits that there should be a full assessment of the impact of GATS on all aspects of national well being, with the possibility of fundamental reconsideration of the agreement.

2.0 HEALTH AND INTERNATIONAL AGREEMENTS

- 2.1 NZNO is supportive of international rules-based agreements. Nursing has always been a mobile and international workforce. NZNO welcomes agreements that provide a high level of protection for health workers. NZNO is also very aware of the international dimensions of health and the need for agreements that protect fundamental health rights and aim to improve health services.
- 2.2 The effect of globalisation is making the place of international agreements even more important. The international shortage of nurses is placing severe strain on the health services of poorer countries. Nurses are being lured to developed countries with promises of higher wages

and better conditions. International agreements can provide important protections for health workers and health services. This is especially the case for developing countries.

- 2.3 The GATS agreement however, does not focus on working conditions or on major international health issues. GATS is an agreement focused on the liberalisation of trade services - including health and other vital social services. Though there has been talk that New Zealand's public health services will be excluded, we are skeptical about such promises, as New Zealand's commitments will be subject to negotiation.
- 2.4 NZNO notes the WTO, in a number of documents, has stated that health and social services are currently trailing behind other sectors. We fully expect the negotiation process will open up discussions on trade in health and health related services.
- 2.5 The GATS agreement makes no mention of social equity or goals or commitments to improve health outcomes and the delivery of health services. It is therefore with huge concern that NZNO views a proposal that could bring a return to the market model approach in health introduced in New Zealand in the 1990s.
- 2.6 NZNO believes it will difficult for New Zealand not to be affected by the liberalisation of health services that other countries make under the GATS agreement. The effect of liberalisation of international trade in health services will be to make health services more attractive to large trans-national corporations who will seek to reduce costs by reducing services standards, eroding working conditions and lowering wages. This will impact internationally on health service performance and the working conditions for all health workers.
- 2.7 It also must be remembered there is a growing proportion of public health services not publicly provided. The aged care sector is now almost completely privatised in New Zealand and therefore, would be subject to GATS. Standards of care and staffing conditions in aged care in New Zealand are already under enormous pressure. The very real possibility of opening up the aged care sector to foreign owned corporations who are motivated by profit motives fills us with alarm.
- 2.8 There are many New Zealanders who have private health insurance and utilise some parts of the private sector. The line between public and private health services in health in New Zealand has become very blurred. Furthermore, NZNO submits that the Government can not shrug off responsibility for health care delivered in the private sector.

3.0 THE CURRENT GATS OFFER

- 3.1 Though there appear to be no direct requests in the initial offer to New Zealand, or from other countries to negotiate on public health services,

we are aware that there are areas in the initial offers that are related to health services and have health impacts. Recognition of professional qualifications and aged care services are specific areas of concern in relation to the current negotiation round.

- 3.2 NZNO notes in the consultation document that there is either one, or more requests, for the mutual recognition of nursing and midwifery qualifications. This is identified under Business Services: Professional Services.
- 3.3 The health service is a person intensive industry. Labour costs make up 70% of all health expenditure. The training, qualifications and remuneration of health professionals are the most important factors in retaining good quality health and health outcomes. Moves to mutual recognition of professional qualifications could lead to a downward leveling of professional standards.
- 3.4 Another concern is that moves to ease the recognition of professional qualifications between countries could lead to considerations that are of fundamental importance to the health care of New Zealanders being subject to trade-off. To give an example – cultural safety is fundamental to nursing training in New Zealand. Cultural safety recognizes that to care and nurse people safely, nurses need to examine their own cultural realities, attitudes and behaviour and the impact this has on others. This requirement could be overridden if there are moves to ease requirements for professional qualifications in nursing and midwifery.
- 3.5 The second concern is related to the meaning of Article 1.3 in the GATS agreement, which states that services provided in the exercise of governmental authority are excluded but only if they are supplied neither on a commercial basis nor in competition with one or more service providers. We are unclear about the status of many health services that have privatized as a result of government deregulation of health services in the 1990s. The thousands of non-governmental agencies providing health care services are a case in point.
- 3.6 Aged care services are an area of particular concern and vulnerability. Aged care services and facilities have become highly competitive in the last two decades. An increase in for-profit health care providers in aged care would be untenable. The profit motive in health care is almost inevitably accompanied by chronic understaffing and diminished standards of care. The dependency and frailty of aged persons in care facilities makes them particularly at risk and vulnerable when care is provided on a for-profit basis.
- 3.7 NZNO's concerns also extend however, to services wider than direct health care services. NZNO argues there must be safeguards in any international agreement to ensure the provision of basic, vital and essential social services e.g. water services, air quality and waste

management, transport services. All these services have a direct impact on the health of New Zealanders.

4.0 KEY RECOMMENDATIONS

- That any response by the New Zealand Government to any GATS commitments fully acknowledges and commits to upholding the status of the Treaty of Waitangi.
- That there be a full public review of New Zealand's participation in GATS and an inclusive democratic and consultative process established to consider the impact of the GATS agreement.
- That there be a commitment to democratic processes with Parliamentary oversight of international agreements.
- That the GATS negotiations exclude all public and essential social services.
- That any international trade agreement New Zealand signs identifies and protects labour standards and is congruent with ILO labour conventions.
- That there are no commitments made by NZ which would reduce the ability of central or local government to regulate in the interests of ensuring quality and safety for its citizens in either the public or private sector.
- That the New Zealand Government does not respond to the March 31 deadline because of growing concerns about insufficient time for public consultation and insufficient assessment about the impacts of GATS commitments.