Nourishing the Planet

By Ioulia Fenton

Many businesses, media, and policymakers often attribute obesity to poor individual consumption decisions. But a new report by the Institute for Agriculture and Trade Policy (IATP) points to another potential culprit: trade liberalization.

Trade liberalization is the removal of government policies that control foreign trade. These include direct policy tools, such as taxes on imports and exports and set quotas for imports of certain products. They also include indirect tools that distort trade, including domestic subsidies and high quality standards.

The IATP study, published in the Journal of Occupational and Environmental Health, investigated the links between the health of the Mexican population and the country's trade with the United States. Mexico is fast becoming the fattest nation on earth—its rates of obesity and overweight have tripled since the 1980s and now stand at almost 70 percent, according to an analysis of the latest Mexican National Health and Nutrition Survey by Dr. Simón Barquera and his team of Mexican researchers.



IATP argues that trade liberalization has contributed to high obesity rates in Mexico. (Photo credit: Ilhuicamina, Flickr.com)

The IATP researchers specifically looked at the increases of imports of certain U.S.-originated foods

and agricultural products into Mexico that followed the implementation of the North American Free Trade agreement (NAFTA). NAFTA is a tri-lateral trade liberalization agreement between Mexico, Canada, and the United States that came into effect in 1994.

The researchers tracked increases of U.S. exports of such categories as soft drinks, snack foods, processed meats, and dairy products. They also measured cross-border flows of raw agricultural inputs, such as corn and soybeans, which are used in food processing. They linked the resulting increased consumption of unhealthy foods among the Mexican population to a 12 percent increase in obesity between 2000 and 2006—a rise that coincides with NAFTA implementation over the same period.

The study concluded that United States exports obesity to Mexico arguing that, "facilitated by NAFTA, these exports are one important way in which U.S. agriculture and trade policy influences Mexico's food system."

"What people eat depends heavily on what food products in their immediate environment are easiest and most accessible," said IATP's Dr. David Wallinga.

Sodas and other sugary beverages are a big part of the problem. Researchers from Yale University's Rudd Centre for Food Policy and Obesity, for example, analyzed 88 previous studies on the links between them and health and nutritional outcomes. They concluded that high soft drink consumption

has proven biomedical links with obesity, type 2 diabetes, hypertension, high blood pressure, dental caries, and reduced calcium intake, among others.

These findings are worrying for a country like Mexico, which, facilitated by trade liberalization, is now the largest consumer of Coca-Cola products in the world. The company sold 172 liters of beverage per capita in 2011, up from a pre-NAFTA level of 69 liters in 1991.

Changes in the way food is processed and how it is sold are also important dimensions that are changing how Mexicans eat. Since NAFTA, notes the report, Mexico has undergone nothing short of a "supermarket revolution"—almost half of all food is now sold through supermarkets and convenience stores. Meanwhile, cheap inputs of processed corn and soy products from the United States are driving the fatty, salty, and sugary processed and fast food industries. In turn, these are underpricing and outconveniencing healthier, fresher, and local alternatives.

To help deal with the problem, IATP researchers recommended that Mexico be allowed to tax and regulate its international food trade to incentivize healthier food imports and distribution. It also calls on the international community to make improved health an international goal of trade liberalization.

Professor Barry Popkin at the University of Carolina Population Centre also believes that governments can and should use trade to improve the health of their citizens. "We see small initiatives in several countries around the world. For example, due to public health concerns, Finland changed their export/import regulation and taxation so that only skimmed milk would come into the country and the South Pacific Islands have implemented a host of tariffs and taxes on junk food...but no *major* country has taken this on yet – it is a question of political will," he said.

"The Mexican government is panicking about the economic repercussions of the obesity crisis and is devising a number of non-trade initiatives to help combat it," he noted. A food packaging labeling system that alerts shoppers to healthy and unhealthy foods is one such proposed example. However, according to Popkin, who has worked with the Mexican authorities for a number of years, the proposal is facing an uphill battle. It has seen a major split within the food industry. "It has won the backing of such international players as Kraft, Unilever, and Danone, but faces fierce opposition from Coca-Cola, Pepsi-Co, General Mills, and Kellogg's," he said.

Likewise, implementing changes to the Mexican trade regime, such as taxes and import restrictions on certain foods, is likely to get a mixed reception. "When big countries, that represent huge markets, start to make threatening policy changes is when the industry fights really hard," said Professor Popkin. But, it will also likely see support from companies that can benefit from new rules of the game that provide profit incentives for innovation towards the production, distribution, and marketing of healthier foods. Navigating the needs and wants of different industry players will be the difference between a trade policy that steers food trade towards health and a policy which further exacerbates the Mexican obesity problem.

What roles do you think national governments or international trade should play in combating obesity? Let us know in the comments!

For policy and practical initiatives tackling obesity in Mexico and elsewhere, check out these posts: UN Promotes NewFood Policy in Mexico as Hunger Persists and Obesity Rises; Global Health Forum Tackles Obesity; and Local gardens are way to go to fight hunger and obesity at same time.

Ioulia Fenton is a research intern with the Nourishing the Planet project.

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