Globalization and Health: Pathways, Evidence and Policy

Ronald Labonté
Canada Research Chair
Globalization/Health Equity
University of Ottawa
Institute of Population Health

rlabonte@uottawa.ca
www.globalhealthequity.ca
Towards Health-Equitable Globalisation: Rights, Regulation and Redistribution
Final Report to the Commission on Social Determinants of Health

www.globalhealththequity.ca

Globalization and Health
Pathways, Evidence and Policy
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Globalization and Health has had tremendous impact on health equity across the globe. However, no volume has systematically analyzed the relationship between globalization and global trends in health outcomes.

This book consolidates and updates the findings of a global research project undertaken by the Globalization Knowledge Network (GKN) of the World Health Organization’s Commission on Social Determinants of Health. Chapters examine such questions as: How has trade liberalization affected the social determinants of health? How has globalization affected food security, nutrition and equitable access to water and sanitation? How well do present global governance structures take account of the health equity effects associated with the social determinants of health? This landmark volume will be a necessary addition for researchers and scholars studying the field of globalization, health and social policy, and public health across the social sciences.

Contents
“Poor social policies, unfair economics and bad politics are killing people on a grand scale.”
The emergence of the global production chain
Background Summary

- Economic benefits have been asymmetrical.
Estimates of benefits/costs: Doha Development Round

- Projected to 2015:
  - **Benefits:**
    - US$79.9 billion to developed (high-income) countries
    - US$16.1 billion to the rest, a figure that amounts to about a penny a day for people in developing countries
  - **Costs:**
    - NAMA tariffs losses under high-income country proposals
    - US$38 billion for developed nations
    - US$63.4 billion for developing ones
Background Summary

- Economic benefits have been asymmetrical.
- Income inequalities between the world’s individuals have decreased, but within and between-country income inequalities have risen sharply.
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- Income inequalities between the world’s individuals have decreased, but within and between-country income inequalities have risen sharply.
- Economic growth will not improve equity in population health in any acceptable time.
Persisting Poverty

- Between 1980 - 2005, number of poor at $1.25/day decreased by 400 million
  - Remove China, increased by almost 200 million
  - Estimates of new poverty due to fuel and food crises ~ 200 million
  - Estimates of medical poverty (consumption) counted as being lifted out of poverty ~ 100 million
  - Estimates of poverty in 2009 due to recession ~ 100 – 200 million
- Between 1980 – 2005, number of poor at $2.50/day increased by over 400 million
  - Remove China, increased by over 700 million
  - Rising tide did not lift the poor very far
Achieving an ethical poverty MDG

- MDG poverty goal unethically unambitious
- Ethical poverty line: $3 - $4/day consumption
  - Average LEB of 70 – 74 years, an ethical minimum
  - Adds 3 billion to list of the world’s poor
- At current global growth rates and distribution of benefits, reducing ethical poverty line by 50% would take 220 years
  - Would leave a quarter of the world living below it
  - Would provide those achieving it with life expectancies still 15 to 20 years below those in world’s wealthiest countries
Economic benefits have been asymmetrical. Income inequalities between the world’s individuals have decreased, but within and between-country income inequalities have risen sharply. Economic growth will not improve equity in population health in any acceptable time. Interventions will need to be based on an ethic of redistribution, regulation and rights.
Redistribution, regulation and rights

“Policies should provide for:

- systematic resource **redistribution** between countries and within regions and countries to enable poorer countries to meet human needs,
- effective supranational **regulation** to ensure that there is a social purpose in the global economy, and
- enforceable social **rights** that enable citizens and residents to seek legal redress.”

Background Summary

- Economic benefits have been asymmetrical.
- Income inequalities between the world’s individuals have decreased, but within and between-country income inequalities have risen sharply.
- Economic growth will not improve equity in population health in any acceptable time.
- Interventions will need to be based on an ethic of rights, regulation and redistribution.
- No empirical consensus that increased global market integration through trade and financial liberalization improves growth or reduces poverty.
Globalization Knowledge Network: Focus on the global marketplace

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Globalization policies have reversed trends in health gains except for health technology benefits

- Worldwide life expectancy at birth (LEB) continued to increase over 1980s – 2000s period of rapid global market integration but
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- Worldwide life expectancy at birth (LEB) continued to increase over 1980s – 2000s period of rapid global market integration but

- Policy-driven aspects of globalization have slowed trends in health gains and may have reduced worldwide potential LEB gains worldwide by 1.53 years since 1980 (relative to counterfactual continuation of 1960 – 1980 trends), due primarily to increases in income inequalities, economic instability, slower improvements in the provision of health services and stagnation in vaccination coverage
1. Globalization increases inequalities between skilled/unskilled workers within and across national borders

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- Labour market insecurity has risen sharply with globalization.
- Women occupy lower paid, less desirable jobs while bearing disproportionate share of responsibility for unpaid work in the household.
- Increased women’s employment in export-processing zones has contributed to gender empowerment, but exploitative conditions, unsafe conditions and lack of labour rights compromise potential health gains.
Textile workers in Bangladesh get paid as little as ten cents an hour to make cheap clothes for UK and US companies.

‘Ethical’ work totals 60 hours a week.

Chinese Toy Factory Hours

Work: 08-12.00
Lunch: 12.00-1.30
Work: 1.30 – 6.00
Dinner 6-7
Work 7-10.30
Sunday nights free
one day/month free
2. **Trade liberalization may be health beneficial through effects on economic growth, but requires flanking policies**

- Careful sequencing of liberalization commitments together with expanded, universal and progressively financed social protection policies (particular emphasis on universal childcare to increase women’s economic participation) can prevent some of liberalization’s health-negative consequences associated with increased insecurity.
2. Trade liberalization *may be health beneficial through effects on economic growth, but requires flanking policies*

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- Governments should have experience regulating trade in health and other SDH sectors in equity-promoting ways before making binding commitments in trade treaties.
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- Governments should have experience regulating trade in health and other SDH sectors in equity-promoting ways before making binding commitments in trade treaties.

- Increase health presence in trade negotiations.
2. Trade liberalization may be health beneficial through effects on economic growth, but requires flanking policies.

- High- and middle-income countries should not demand further tariff reductions in bilateral, regional and world trade agreement negotiations with low-income countries until alternative methods of revenue collection, and the institutional capacity to sustain them, are well developed.
Average tariffs recovery: Low and middle income countries

- Middle income countries: 40% – 60%
- Low income countries: 0% – 30%
- For 28 low income countries:
  - 6 replaced lost tariffs
  - 10 partially replaced tariffs
  - 12 replaced no lost tariffs
- Tariffs account for 25% – 50% of all public revenue in the world’s 53 poorest countries
2. Trade liberalization *may* be health beneficial through effects on economic growth, but requires flanking policies

- High- and middle-income countries should not demand further tariff reductions in bilateral, regional and world trade agreement negotiations with low-income countries until alternative methods of revenue collection, and the institutional capacity to sustain them, are well developed.

- Incorporate oversight of trade disputes by human rights and development experts to determine if non-compliance is essential to meet human rights obligations or MDG targets; increase role of WHO in trade issues affecting health.
2. Trade liberalization may be health beneficial through effects on economic growth, but requires flanking policies

Whatever the right assumptions are, all the different models come to essentially the same conclusion: Global gains of a Doha trade agreement are miniscule relative to world GDP and mostly accrue to large and more developed countries.

3. Financial flows are important to finance the SDH but for many LDCs are insufficient

- Global financial flows affect the social determinants of health, notably through portfolio investments, foreign direct investments, capital flight and remittances.
- However, the poorest countries of the world, notably in SSA, receive only small portions of these flows and rely heavily on official development assistance (aid) to finance their health and SDH investments.
3. Financial flows are important to finance the SDH but for many LDCs are insufficient

- Aid is effective in improving health and development (though there is some dissenting opinion and evidence); it remains short-term, unpredictable and inadequate; too often tied or committed to projects rather than general budget support; disbursed less by need than by donor interest; and deducted when debt servicing is cancelled.
Global Health Actors Claim To Support Health System Strengthening—Is This Reality or Rhetoric?

**Conclusion**

The renewed attention upon health systems is welcome, but many GHAs are doing no more than putting old wine in new bottles. They claim that their selective practices are contributing to strengthening systems, while in reality the opposite might be the case. We believe that to achieve the desired objectives of health systems and sedentary health, we need a systemic approach, supported by small but significant changes. Health economics and operability need to be improved. We need to work with a broader understanding of health and disease prevention versus treatment.

*Alka Singh at the World Health Organization (WHO)*, as “the ‘first-order’, immediate/medium-term goal to create the necessary enabling institutional and systemic environment to achieve and sustain change and effectiveness.”

We used a form of concept mapping [6] (see also [http://en.wikipedia.org/wiki/Concept_map](http://en.wikipedia.org/wiki/Concept_map)) to identify key constructs used by GHAs and compared these constructs with their actual health interventions. A
International Health Partnership+

- Based on 3 health MDGs, and poverty goal
- 14 recipient countries
- 8 donor agencies (WHO, World Bank, GAVI, UNICEF, UNFPA, UNAIDS, Global Fund, Gates Foundation)
- 12 donor countries
- Premised on: one plan, transparency, predictability, long-term commitments
Reframing Aid

○ **Normative:** Agreement on MDGs, three directly health related, all indirectly health related, commitment that no country should fail to meet them due to lack of financial resources

○ **Legal:** Human rights treaties actually obligate wealthier nations to do this

○ **Political:** federated states, European Union – transfers from wealthier/more populous to poorer/less populous for purposes of improving equity in peoples’ access to essential services/resources (‘capabilities’)

○ **Ethical:** ‘relational justice’ – evidence that global institutional arrangements are disproportionately benefiting some and contributing to poverty of others; those benefiting from/upholding these institutions are duty bound to rectify their inequities
Other issues associated with globalization/GKN assessment

- Debt
- Health Systems Reform
- Health Worker Migration
- Water/Sanitation
- Access to Essential Medicines
- Erosion of ‘policy space’
- Global Governance

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