DEBATE

Making sense of the global economy: 10 resources for health promoters

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SUMMARY
Population health is shaped by more than local or national influences—the global matters. Health promotion practitioners and researchers increasingly are challenged to engage with upstream factors related to the global economy, such as global prescriptions for national macroeconomic policies, debt relief and international trade. This paper identifies 10 books (A Brief History of Neoliberalism, Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism, The World is Not Flat: Inequality and Injustice in Our Global Economy, Globalization and its Discontents, The Debt Threat: How Debt is Destroying the Developing World, Global Woman: Nannies, Maids, and Sex Workers in the New Economy, A Race Against Time, Globalization and Health: An Introduction, Global Public Goods for Health: Health Economics and Public Health Perspectives, Trade and Health: Seeking Common Ground) and several key reports that we found to be particularly useful for understanding the global economy’s effects on people’s health. We draw attention to issues helpful in understanding the present global financial crisis.

Key words: global economy; global health; review

INTRODUCTION
Population health is shaped by more than local or national influences—the global matters. While much health attention is still predominantly ‘international’—a concern among health professionals in wealthier countries with the greater burden of disease in poorer countries—there are also ‘inherently global health issues’ which encompass socioeconomic and environmental factors that cross borders, with potentially far-reaching consequences for human health (Labonté and Spiegel, 2003). Health promotion practitioners and researchers are increasingly challenged to give greater attention to upstream factors related to the global economy which are both cause and consequence of the unequal disease burden among nations. Among these upstream factors are global prescriptions for national macroeconomic policies, debt relief and international trade.

The rapid and globalized effects of the current financial crisis underscore the economic interconnectedness of our lives. The potential devastating health consequences of the crisis due to its impact on structural conditions on people’s health and well-being, especially in low- and middle-income countries (LMICs), have been raised by public health advocates (Labonté, 2009; Marmot and Bell, 2009). Now more than ever, there is a need to identify and promote healthier macroeconomic and trade policies (Mohindra, 2007). For those of us unschooled in macroeconomics or trade policy analysis, this requires increasing our understanding of very complex issues related to the global economy.
This paper identifies 10 resources that we found to be particularly useful for understanding the global economy’s effects on health. We focus exclusively on the global economic contexts, specifically macroeconomic policies, trade agreements and flows, global public goods (GPG) and official development assistance (ODA) and debt relief. These issues are particularly important as they tend to be under the control of rich countries. Such upstream factors have the potential to affect dramatically the health of populations, particularly those living in LMICs, thereby contributing either to widening or declining global inequalities.

This approach is consistent with the emphasis on policies affecting health equity adopted by the recent World Health Organization’s Commission on Social Determinants of Health, chaired by Sir Michael Marmot (CSDH, 2008). This approach also contrasts with that taken by the earlier WHO Commission on Macroeconomics and Health, chaired by Jeffrey Sachs, which emphasized the importance of health investments in creating the conditions for economic growth and development (Sachs, 2001). While excluded from our list of ‘must-reads’, both reports should be considered essential bookends for health promoters concerned with the interrelationships of health and economy at both local and global scales.

In our selection, we include resources that have focused particularly on issues related to equity and the distribution of resources in the global economy (a key determinant of population health). Therefore, our selection includes resources that tend to be critical (to various degrees) of the dominant neo-liberal paradigm that informs the global economy, but these resources certainly do not represent the full breadth of opinions available on the topic (cf. Feachem, 2001; Bhagwati, 2004). Finally, we have attempted to choose resources that are accessibly written and easily understandable to non-economists.

THE RESOURCES

A good place to initiate an understanding of the global economy is with a general introduction to the economic ideology that has driven it for the past three decades: neoliberalism. Harvey’s A Brief History of Neoliberalism is an analytically astute discussion of the philosophical, economic and social tenets of the ideology that has dominated contemporary globalization since the mid-1950s, and with particular force since the early 1970s (Harvey, 2005). Harvey argues that neoliberalism was largely a ‘political’ project aiming to establish the necessary conditions for capital accumulation and to restore power among economic elites. Neoliberalism arose across the globe in a variety of ways—from military force in Chile in the 1970s to democratic means in Thatcher’s England and Reagan’s US post 1979. Neoliberalism became a part of ‘everyday experience’, becoming so entrenched that when leaders, such as Bill Clinton and Tony Blair, later came into power, they were unable to sway from its economic tenets—even if they went against their own political ideals. Regardless of the society examined by Harvey, the consequences of neoliberalism included the widening of social disparities and the concentration of income and wealth among a few. Harvey carefully distinguishes between neoliberalism in theory and in practice. In theory, neoliberalism places human dignity and individual freedoms as core political ideals. Individual freedoms (businesses and corporations are legally considered as individuals) should be guaranteed via private property rights, the rule of law and institutions enabling unfettered markets and free trade. These freedoms should eventually ‘trickle down’ from the better off to the poor. In practice, the concept of freedom has been debased to advocacy of free enterprise—at any price—to the benefit of those who are already better off. ‘The widening gap between rhetoric (for the benefit of all) and realization (the benefit of a small ruling class) is now all too visible’ (p. 203).

The economic historian, Ha-Joon Chang, provides some analyses of why this gap has widened in Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism (Chang, 2008). Drawing upon figures that a layperson can relate to, such as Robinson Crusoe and 6-year olds, Chang not only debunks certain myths perpetuated by neo-liberals (largely powered by Westerners associated with international financial institutions (IFIs) who influence policies of poor countries), he also shows that many of these neoliberal policies were not used when rich countries were developing. Chang illustrates how economic superpowers, such as UK and the USA, as well as economic miracles, including his own native South Korea, developed using many of the
policies that poor countries are advised or coerced to avoid today: subsidization of exports, control of financial markets, regulation of imports, copying others’ technological advances. As Chang writes, today’s wealthier nations ‘are saying “do as we say, not as we did” and act as “Bad Samaritans” taking advantage of others who are in trouble’ (p. 16). Chang demonstrates how the Bad Samaritans seem to have historical amnesia and are essentially ‘kicking away the ladder’ (the title of one of his earlier and equally readable economic histories; Chang, 2002) that they themselves used to climb up to economic development. In order for poor countries to develop, there is a need to adjust the global playing field in their favour.

Birdsall, in her WIDER (World Institute for Development Economics Research) Annual Lecture in 2005, *The World is Not Flat: Inequality and Injustice in Our Global Economy*, offers more explanation for why this is so (Birdsall, 2006). WIDER is the paramount gathering of economists interested in economic development and not just growth. Birdsall, a former World Bank policy advisor and founding president of the US-based Center for Global Development, borrows from journalist Thomas Friedman’s popular paean to globalization’s beneficence, *The World is Flat* (Friedman, 2005). She argues theoretically and empirically why economic globalization as currently practiced is ‘asymmetrical,’ disproportionately rewarding the already well-off at the cost of the majority of the world’s poor; and concludes that global markets are ‘inherently disequalizing’ (p. 16). She offers three reasons for this pattern:

1. The global marketplace rewards countries that already have abundant productive assets (financial, land, physical, institutional and human capital).
2. Market failures, such as financial crises, create negative externalities that disproportionately burden LMICs with the least resources to deal with them.
3. Globalization’s rules favour the already rich (both countries and people within them) because they have more resources and greater ability to influence the design of the rules.

Inequality in developing countries, she shows, inhibits growth (needed to reduce poverty), undermines good public policy (not only in decreased social spending, but also in forms of trade protectionism that can hurt rural producers and poor urban consumers) and prevents the formation of a robust middle class (which is important for sustaining democratic and accountable governance). Birdsall does not see globalization per se as the cause of deep poverty or persisting inequality, but does insist that a new global ‘polity’ needs to be constructed to address unequal endowments (through better aid, trade and global taxation) and to provide much needed GPG for health and development.

A compelling insider look into how global rules are set, and who benefits most from them, is Joseph Stiglitz’s *Globalization and its Discontents* (Stiglitz, 2003), which was written based on his own experiences working for the White House during the Clinton administration (1993–1997) and as chief economist and senior vice president of the World Bank (1997–January 2000). Stiglitz, such as Birdsall, believes that globalization can be good and he admonishes that the Washington Consensus (a set of neoliberal economic policy prescriptions that aimed to expand market forces and reduce the role of the state) made ‘considerable sense,’ but that these policies became ends in themselves instead of being means (and carefully tempered means) to more equitable economic growth. Moreover, the IFIs often got the policies wrong, especially the International Monetary Fund (IMF), whose ‘market fundamentalism’ infiltrated its policies across the board. Stiglitz describes the flaws in the IMF economic rationale, its ‘misguided policies’ and its neglect of the social context in its theory/ideology-driven prescriptions, demonstrating the limitations of ‘textbook economics.’ His discussion of capital market liberalization (opening borders to unregulated and often speculative financial flows), and the threats this posed to developing country economic stability, is particularly helpful in understanding the present global financial crisis. During the 1990s developing countries, as a precaution against investor-driven ‘runs’ against their currency, built up large reserves of US foreign currency, primarily low-interest bearing Treasury Bills, even as they were borrowing money at much higher rates on international markets. During the 1990s, the difference between the interest earned and the interest paid contributed to an enormous transfer of wealth from poorer to richer countries—wealth that rich world banks subsequently lent to consumers in their own
countries to purchase more of the goods exported by developing nations, and to home buyers caught up in a real estate bubble.

Interest rate spreads were not the only reason poorer countries became net exporters of wealth to richer ones. Building on the work of campaigning civil society organizations, such as the Jubilee Debt Campaign (http://www.jubileedebtcampaign.org.uk), Noreena Hertz gets at the heart of the debt crisis in The Debt Threat: How Debt is Destroying the Developing World (Hertz, 2004). Hertz describes the debt burden of developing countries and how they continue to pay large amounts of interest on these loans, even though in many cases the principal (the original amount borrowed) has already been paid off. Hertz elucidates why poor countries fell into such high levels of debt in the first place, initially a recycling of ‘petrodollars’ often pushed by rich country banks on many poorer nations faced with sudden surges in oil prices during the 1970s. She argues that the crisis is due to both the debtors and the creditors. She critically examines the roles played by the Cold War powers, IFIs, private banks and corrupt leaders of developing countries. Hertz then lays out how debt servicing of poor countries is bad for the people living in them, as well as for citizens of industrialized countries and the global economy more generally. She examines the interrelations between debt relief and issues such as poverty, the spread of HIV/AIDS and the environment and concludes by outlining a plan for debt relief, encompassing three components. First, debts should be cancelled for loans that were made illegitimately (e.g. to corrupt governments). Second, debts should be cancelled for nations that are unable to guarantee basic human rights to their citizens due to their unmanageable debt burdens. Third, National Regeneration Trusts should be created to ensure that the debt savings are channelled into reaching the Millennium Development Goals (MDGs) and protected from being appropriated by political elites and other abuses. The only condition placed on these finances is that they directly serve the needs of the population most in need.

Debt and financial crises usually lead to government austerity measures, whether imposed as conditions on loans from the IFIs or undertaken voluntarily by countries in economic recession and that lack the ability to borrow or finance recovery packages. Austerity measures often mean less spending in health, education, sanitation or other public goods of critical importance to the health of children, and of the women who in many parts of the world still shoulder most of the responsibility for families. Global Woman: Nannies, Maids, and Sex Workers in the New Economy (Ehrenreich and Hochschild, 2002) explores in depth some of the ways in women are affected by globalization. In this collection, edited by Barbara Ehrenreich and Arlie Russell Hochschild, contributors address the invisible work performed (by women) in the global economy: child care, domestic and sex work. The authors document the global commodification of women’s ‘traditional’ work and the human costs involved. Women in developed countries are increasingly joining the workforce and, in the absence of male partners assuming child care and domestic responsibilities, families are faced with ‘care deficits,’ which are increasingly being filled by migrant women. Although there are opportunities to earn a better living wage for these migrant women and their families, often through the remittances they send home, there is a hidden underbelly attributed to their exploitation (by companies and families who engage their services) and the tensions that arise due to family dynamics as women are forced to leave their children behind and assume the role of the breadwinner. In documenting the movement of women from poor countries to address private needs in rich nations, the authors of this volume raise important issues in gender and economic equity often overlooked in conventional (and even critical) accounts of economic globalization.

One of the most ‘globalized’ disease burdens of our time, and one that is increasingly wearing the face of women, is HIV/AIDS. Stephen Lewis’ A Race Against Time (Lewis, 2005) is a passionate examination of HIV/AIDS in sub Saharan Africa and the underlying and globalization-related causes fuelling the epidemic. He has held a number of key humanitarian and diplomatic posts, with a lengthy experience with the United Nations (UN), most recently as the UN Secretary-General’s special envoy for HIV/AIDS in Africa. Lewis provides an insider’s look into the policy meetings and trade talks he attended, bringing a different perspective to Stiglitz’s views. He is unapologetic in criticizing any organization, individual or policy that has acted as a barrier in preventing
the transmission or HIV or reducing access to AIDS treatment, including IFIs, structural adjustment policies (SAPs), Western and African leaders and rock stars. Lewis offers a critical look at SAPs, which he argues continue to have a negative impact today, trade inequities and the lack of real commitment to ODA from the West—a lack of commitment already worsening with the more insular attention wealthier countries are paying to their own needs subsequent to the global financial crisis and recession. Lewis acknowledges that aid to Africa has failed to stimulate the economic growth and political reforms that can sustain development, although there is also evidence that aid is both effective in promoting health and education, and increasingly so. As with debt, the problems with aid have as much to do with the policies of the donor/lender nation as with the recipient/borrower country. Lewis exposes the devastating actions of various agencies and individuals on African countries, illuminating the needs of Africa’s poor and vulnerable while also pointing out the strength and resilience of Africans.

Lewis’ short book presents an examination of globalization from the vantage of a specific health problem. Kelley Lee’s Globalization and Health: An Introduction (2003) is a similarly brief overview that substitutes Lewis’ passion with a more learned discussion of a wider range of globalization-related health topics. Unlike many other writers cited in this paper, her approach to globalization is more agnostic. She offers a range of competing definitions before settling on a model that usefully elaborates three different dimensions: spatial (world geographies are being redrawn through regional and global economic agreements, while transport and communicative technology is shrinking its distance—at least to those with access to such technologies); temporal (a result of technology speeding everything up, from transport to capital to knowledge flows); and cognitive (the global diffusion of cultural images, notably but not exclusively Western). These dimensions are not unique to contemporary globalization, as Lee’s interesting account of globalization’s earlier epochs shows; but they do have unique features. Spatially, Lee focuses on the health implications of globalized pharmaceutical, food and tobacco industries, and the health effects of environmental and demographic shifts. Temporally, her attention is more on how the rapid pace of global change (from pandemic spread to fast food societies) is affecting us physically, and mentally. Cognitively, Lee expresses concern with the role of ‘global epistemic communities’ in promoting market-driven health sector reform, controlling scientific research (both topics and patentable products) and the marketing of pathogenic lifestyles. While she does not reduce globalization to economics alone, the important role of global markets and unregulated capital in shaping globalization’s health effects is never far from her analysis. Her book is filled with short, illustrative case studies, and concludes with a discussion of an agenda for global health, including governance reforms that can better ensure more, and more fairly distributed, health opportunities for all.

In today’s world of international integration accompanied by growing inequalities in wealth, environmental degradation and human suffering, ‘global governance’ is becoming a matter of pressing concern. The financial crisis has shown how quickly nations can muster resources and (some) regulatory reform when their own immediate interests are at risk; but how can the larger and more longer term challenges of promoting equitable forms of global health and development be managed? The concept of GPG, one of Birdshall’s priorities for a new global polity, has been offered as one new framework to promote international cooperation and collective action towards such an end. GPGs extend to the global level the economic notion of public goods, meaning those that can be used by one user without reducing the availability to another (non-rivalry) and that are equally available to all (non-excludability). The rationale behind public goods is that some resources, such as protection of air or water resources, are prone to market failures if left to private actors alone; unless all pay to protect, none will (the problem of the ‘free-rider’); protecting these resources is of benefit to all; and it is not ethically defensible to exclude access to such essential life resources to those personally too poor to pay themselves. Building on the work of the United Nations Development Programme (Kaul et al., 1999), Richard Smith et al. provide an in-depth analysis of the concept of global public goods for health (GPGH) in the edited volume Global Public Goods for Health: Health Economics and Public Health Perspectives (Smith et al., 2003). This book assesses if and how the concept can be utilized to address health. It is argued that
while health per se is best viewed as a private good (with potential positive externalities), interventions to improve health internationally can be viewed as a GPG. Case studies authored by international experts are presented, demonstrating the utility of GPGH on issues ranging from specific diseases to the environment to public health knowledge to the prevention of global public ‘bads’ (e.g. increases in tobacco use) through such regulatory mechanisms (otherwise known as ‘intermediary global public goods’) as the Framework Convention on Tobacco Control (FCTC). The authors argue that the GPGH framework can serve as an important advocacy tool to help overcome the lack of incentives for the provision of GPGs across borders and to improve international collective action for population health.

One of the thorny issues confronting the FCTC is its relationship to trade in tobacco products. Trade is not mentioned at all in the Convention, despite evidence that open borders on tobacco products in developing countries leads to sharp increases in consumption. The reason for its absence is reportedly to avoid bringing trade negotiators into the health discussions; the goals of the two sectors (one aiming to liberalize the global flow of goods, services and capital, and the other to equalize health opportunities world-wide to the extent) do not frequently align. The paramount organization governing global trade rules is the World Trade Organization (WTO); its overarching principles and axiomatic rules, and its multiple agreements and disciplinary measures, are complex even for dedicated trade policy analysts. One of the simplest overviews is offered in *A Glossary of the World Trade Organization and Public Health, Parts 1 and 2* (Labonté and Sanger, 2006). But it is also important to dig a bit deeper beneath the rules-based global trading system to understand how it has (or could) affected health. An important edited collection, *Trade and Health: Seeking Common Ground* (Blouin et al., 2007), does that, exploring trade's impacts on health for both worse, and for better. Two of the central trade and health issues (intellectual property rights and their impact on access to essential medicines, and trade in health services and the effect on access to publicly provided care) comprise the first half of the book. Despite concessions around drug patenting won by developing countries in the Doha meeting of the WTO in 2001, legal and popular struggles around access to affordable medicines continue to dominate much of the trade/health debate, partly owing to the parallel rise in regional or bilateral trade treaties that demand more stringent intellectual property rights than the WTO's 'TRIPS' agreement. A major concern with freer trade in health services is that it could ‘lock in’ and progressively increase commercial interests in health care, and migration of health workers from public to private sectors, or from poorer to richer countries. But, as the second half of the book describes, there are also profound trade-related health effects through changes in labour markets (increased job insecurity and wage inequalities between different categories of workers), income distribution and the regulatory policy space of governments. The question towards which this book is directed (which remains an important if still unanswered one): Is it possible for trade and health policy to become ‘coherent’ such that the health and development policies of governments (whether domestic or foreign) are not undermined by their trade and economic policies?

This is not a new or unique question, but one that has been a partial force behind a number of valuable reports from various Commissions and international institutions which provide a range of differing perspectives on it. The Globalisation Knowledge Network was established by the WHO’s Commission on Social Determinants of Health. The Network’s final report, *Towards Health-Equitable Globalisation: Rights, Regulation and Redistribution: Final Report to the Commission on Social Determinants of Health* (Globalisation Knowledge Network, 2007), is the result of almost 2 years of effort by over 20 global health scholars reviewing the evidence base linking globalization to social determinants of health. The most comprehensive review of its type to date, the report also gives particular attention to the policy implications of its findings. A book based on the Network’s report and background papers can be considered a useful reference for those wishing to dig deeper into the globalization and health nexus (Labonté et al., 2009).

The World Commission on the Social Dimension of Globalization (World Commission on the Social Dimension of Globalization, 2004) published a report entitled *A Fair Globalization: Creating Opportunities for All*, the result of a tripartite (government, business and labour/civil society) examination of globalization’s effects on...
the world of work and daily living. While only minimally concerned with health per se, it examines many of the most important social pathways by which health is influenced. It also includes extensive discussion of reforms in national and global governance to reduce globalization’s harms and increase its benefits to the social conditions of daily life. The United Nations Development Programme (UNDP, 2005), Human Development Report, which focuses on international cooperation, provides an overview of the state of human development and the scale of the challenges related to human development for the next 10 years—up to 2015 the year countries aim to attain the MDGs. The report examines three pillars of international cooperation: international aid, trade and violent conflict. The report argues that there is need for more effective aid and fairer trade and offers concrete suggestions on how to achieve these goals towards a more equal world.

Finally, the Peoples Health Movement, a global network organization formed in 2000, issued its People’s Charter for Health (http://www.phmovement.org/files/phm-pch-english.pdf), which has become the most widely endorsed consensus document on health since the Alma Ata Declaration on Primary Health Care (1978). The Charter is brief and polemical, and includes statements related to how global economic governance should be reformed towards greater equity in health. The empirical and theoretical bases for these demands have been elaborated in two books (Global Health Watch 2005, and Global Health Watch 2 2008) produced by teams of academics and civil society activists around the world. Billed as the ‘alternative world health report,’ these books contain detailed evidence-based analyses of the global political economy of health and health care. Both are also freely available on the web: Global Health Watch: http://www.ghwatch.org/2005report/ghw.pdf; Global Health Watch 2: http://www.phmovement.org/cms/files/GHW2-Full-Book.pdf.

**FUNDING**

K.S.M. is a global health postdoctoral research fellow supported by the Canadian Institutes of Health Research. R.L. is supported through the Canada Research Chair program.

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