

The Global meltdown: implications for health policy

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1. Introduction

This is a massive topic and I am not going to cover the whole scene – indeed I could not even if there were time. What I will do is the following. I will say a little to begin with about the crisis as such. I will then talk much more about neo liberalism in an ongoing context arguing in essence that it is neo liberalism that is the problem rather than the GFC i.e. the GFC is just a part, even if a major part, of the ongoing problems of neo liberalism. I will look at the two major health related problems of neo liberalism – poverty and inequality. I'll also examine the impact of neo liberalism on culture and the problems of the individualism associated with neo liberalism.

I want to expose some of the problems associated with global governance not so much of health or health care directly but more in terms of global economics. I will then turn to global warming and how this threat is very real and how it makes a nonsense of any current global efforts to save the poor from their poverty or to have a genuine concern for reducing inequality. Whatever the solution to global warming, I will argue that it is not market based.

I want to spend quite a bit of time thinking aloud about the issue of what the public health community can do in the wake of the GFC and in advance of the threat of global warming. The intent here is simply to provide some bases for debate and discussion for the rest of the day. Certainly it is my hope and I think those of the organisers that we devote most of our energies to thinking about what public health people can be doing for the future rather than dwelling on the follies of the past but inevitably I shall draw a little on the follies of the present. Thus this paper is about the problems of neo liberalism for health and not just those of the GFC.

Some of the ideas in this paper have been previously rehearsed in my Challenging Health Economics (Mooney 2009).

2. Background

Before really getting into this I want to mention some background that I think is useful or at least has been to me. The writer who really forecast the problems of what has become neo liberalism is George Hegel, the German philosopher writing in the early 19th century. Much neglected by economists, his words on economics are very insightful.

Muller (2003) writes of how Hegel argued that: "The pressures of competition... gave market societies an outward thrust. The search for markets in which to sell these products for which supply now exceeded demand led entrepreneurs to push on into areas that were relatively backward economically, both internally and beyond the nation's borders ... Hegel recognised (as Smith had not) that entrepreneurs were a major force in the expansion of the imagined wants of consumers... the market did not just satisfy wants it created them."

What is crucial to me about Hegel is the role he saw for the state, now much threatened by neo liberalism and multinational corporations. He argued against the market's conception of the good. The market allows each individual seemingly the right to define his or her own good in the sense of the right to be free to choose whatever maximises one's own good. It is the classic liberal freedom to do or to choose. However one has to have money or the income to choose and one must have a coincidence of values and desires.

Hegel saw the importance of the state in terms of institutions. Today's neo liberal freedom would have been dismissed by Hegel as an assault first on the state and second on freedom. He would have viewed neo liberals as being slaves to their passions. What provides the framework for freedom for Hegel and hence of a good life and society is the establishment of social institutions which, based in culture, can provide a way of socialising people into good habits. He saw duties not as limiting freedom but enhancing it. The free person in liberal terms inevitably leads a turbulent life with no real sense of direction. Hegel saw virtue in terms of living up to one's institutionally imposed duties. "In an ethical community, it is easy to say what someone must do and what the duties are which he has to fulfil in order to be virtuous. He must simply do what is prescribed, expressly stated, and known to him within his situation" (Muller 2003).

Hegel also placed great weight on the social institution that is the civil or public servant. It was they who were unequivocally armed to defend and pursue the common good. We can look at the politicisation of public servants in this country (and overseas) to see how problematical that has become.

I also have found useful as rather different background reading, Paulo Freire (1970) and the distinction he draws in his *Pedagogy of the Oppressed* between what he calls 'banking education' and 'problem-posing education'. "The banking concept of education [is] based on a mechanistic, static, unrealistic, spatialized view of consciousness, it transforms students into received objects ... In the latter [problem solving education] people develop their power to perceive critically the way they exist in the world with which and in which they find themselves; they come to see the world not as a static reality, but as a reality in process, in transformation... the teacher student and the students-teachers reflect simultaneously on themselves and the world without dichotomizing this reflection from action, and thus establish an authentic form of thought and action." Suffice to say we need not just for the oppressed but for all, a problem-solving concept of education if we are to move towards some sort of community autonomy that signals a new form of freedom. Thus, we need education for the world citizenry along the lines that Freire advocates, allowing people to develop their power to perceive critically the way they exist in the world with which and in which they find themselves.

3. The global meltdown

- Why did it happen?
- Is it over?
- Will it happen again?

I am not going to spend too much time on these issues except to say that in my view it was inevitable that it happened and it is inevitably going to happen again. There is always an underlying crisis in capitalism and the sorts of extremes that we have seen in the last 30 years in neo liberal capitalism make such crises not at all difficult to predict just difficult to say when.

Why I argue that more crises will occur is simply that lessons are not being learned. It is business as usual.

With my colleague John Ataguba from the University of Cape Town I recently wrote about these issues of the GFC (Mooney and Ataguba 2009). In January this

year WHO held a 'high-level consultation'. That told us with great gravitas (WHO 2009) that "all countries will be affected, but some will be affected more than others". They argued platitudinously that: "The challenge is to ensure that spending is genuinely pro-poor and that, where possible, it has a positive impact on health". And the assembled experts suggested: "Progress will depend on action at country, regional and global level." Given the profundity of these statements one can at least agree with their conclusion that: "WHO is ... concerned ... to explore new and better ways of working."

Faced with this economic crisis, I would question the likelihood of success of appeals from WHO's 'high-level consultation' to help the world's poor and needy. History on such help does not bode well. In times of plenty the UN's past aspirations for Overseas Development Aid (ODA) for poor countries were set at 0.7% of rich countries' national incomes. Only five countries have managed to reach that. In the wake of the global crisis, can we really expect that more countries will hit 0.7%? In Australia's case, we can manage to find only 0.32%. And we have had cuts announced by or threatened by Ireland, Sweden, the US and the EU.

John Stewart (2008), the Chairman of the Australian Bankers proudly forecast that Australia would quickly get over this financial crisis so that we could get back to "business as usual". Such 'business as usual' is 1 billion people trying to survive on less than a dollar a day and 'business as usual' is 35,000 children dying each day.

It is remarkable how much money western governments have been able to find to throw directly or indirectly at the banks which caused this failure, in Australia \$42 billion. In foreign aid, this year, Australia will give \$3.7 billion - less than 10% of that bail out package.

How much of that \$3.7 billion might improve health? A report from Christian Aid (2004) talks about "the Australian government's policy of reorienting its official development aid to incorporate combating terrorism and promoting regional security". According to AusAID "Australia's aid program is [now] involved in a number of long-term anti-terrorism projects in the Asia-Pacific Region."

There is however not just an economic crisis although in a sense all are related to that or at least to neo liberalism. There is a food crisis; there is an energy crisis; and there is the crisis of global warming.

The roots of the problems here are well expressed by Samir Amin (2009). He writes of the "wave of oligopolistic concentration begun in the 1970s" which he calls the "collective imperialism of the Triad (United States, Europe and Japan)". He continues: "With this new imperialist globalisation, the dominance of the major powers was no longer exercised through a monopoly of industrial production (as was the case prior to this) but by other means (control of technology, financial markets, access to the planet's natural resources, information and communications, and weapons of mass destruction)." What Amin labels "apartheid on a global scale".

4. Poverty

For this audience I do not have to spell out the links between poverty and health or between inequality and health – although in passing let me say that we need to be careful that we do not define these in terms of only western thinking. Neither poverty nor inequality is culturally neutral.

Looking specifically at poverty it is worth for a moment continuing with Amin: "The pillage of the South's natural resources demanded by pursuit of the model of wasteful consumption to the exclusive benefit of the wealthy societies of the North does away with any development perspective worthy of the name for the peoples concerned and forms the other face of pauperisation on a global scale."

The impact of poverty on people's lives is horrendous.... Del and I have spent some months in the last year in South Africa. That's classified as a middle income country but the poverty is ghastly. It eats at the soul of the poor and at the soul of society but it goes on as the minority rich turn a blind eye and poverty becomes invisible at least to those who have the power to change it. And poverty has not reduced since 1994.

5. Inequality

Staying with South Africa, for most of the time since 1994, when the ANC came to power after the walls of apartheid came tumbling down, that country has been ruled by neo liberalism. Whether it is and has been a neoliberal government is a good question or whether power has instead rested not with the democratically elected government at all but instead in the corporations is an important issue. In a sense frankly, it doesn't matter! Neo liberalism is often so closely enmeshed with government that to try to sort out where 'real' power lies is often both

difficult and a waste of time. Certainly in South Africa the political power rests with a small elite, some in government and some in corporate business, who are intent on pushing a neo liberal agenda.

It is so difficult to break the power of the corporations in that country. Partly due to deals done before the ANC came to power; partly that the ANC has been woeful in its understanding of economics; partly the fact that the white elite has played its hand very skilfully and to some extent helped to create and then 'bought' the new black elite.

South Africa is now very much a class society – maybe it always was. Certainly today it remains the case that most of the poor are black; but now some of the black are rich.

As far as inequality is concerned staggeringly this has actually grown since 1994 so that on some indices SA is now the most unequal society on the planet.

Specifically on inequalities in health care in South Africa, fifteen years on from the democratic elections, nearly 60% of the health care spend in South Africa remains private for 16% (nearly all white) of the population.

The reason for this great inequity appears to be that in essence the democratically elected South African government are caught in the web of neo liberal international politics and regulations as put in place by the IMF and the World Bank. They have a concern that if they go too fast in reforming the society, in this case health care, this will have financial repercussions on their ability to obtain loans from the IMF and the World Bank.

Orhan Pamuk the Turkish writer has this to say about poverty and inequality and humiliation.

'At no time in history has the gulf between rich and poor been so wide. It might be argued that the wealth of the rich countries is their own achievement and should not affect the concerns of the poor of the world; but at no time in history have the lives of the rich been so forcefully brought to the attention of the poor through television and Hollywood films. It also might be said that tales of the lives of kings are the entertainment of the poor. But far worse, at no other time have the world's rich and powerful societies been so clearly right, and "reasonable."

Today an ordinary citizen of a poor, undemocratic Muslim country, or a civil servant in a third-world country or in a former socialist republic struggling to make ends meet, is aware of how insubstantial is his share of the world's wealth; he knows that he lives under conditions that are much harsher and more devastating than those of a "Westerner" and that he is condemned to a much shorter life. At the same time, however, he senses in a corner of his mind that his poverty is to some considerable degree the fault of his own folly and inadequacy, or those of his father and grandfather. The Western world is scarcely aware of this overwhelming feeling of humiliation that is experienced by most of the world's population; it is a feeling that people have to try to overcome without losing their common sense, and without being seduced by terrorists, extreme nationalists, or fundamentalists. This is the grim, troubled private sphere that neither magical realistic novels that endow poverty and foolishness with charm nor the exoticism of popular travel literature manages to fathom. And it is while living within this private sphere that most people in the world today are afflicted by spiritual misery. The problem facing the West is not only to discover which terrorist is preparing a bomb in which tent, which cave, or which street of which city, but also to understand the poor and scorned and "wrongful" majority that does not belong to the Western world.'

6. Health

The root problems

- Neo liberalism

Economic

Culture

Individualism

There are at least three types of issue in neo liberalism that create problems – these are with respect to economic concerns, cultural matters and individualism. The economic are perhaps the most obvious but I think the others also matter and are too often ignored.

6.1 On economic

I have run through the largely economic issues of poverty and inequality already but let me turn to another economic issue and something of a global myth. There is a belief that neo liberalism is an important contributor to economic growth.

Thus as Li (2004) <http://www.monthlyreview.org/0104li.htm> writes: "The advocates of neo liberalism promised that the neo liberal "reforms" or "structural adjustments" would usher in an era of unprecedented economic growth, technological progress, rising living standards, and material prosperity."

Vicente Navarro presents figures which indicate (Navarro 2002 p 36) "that the rate of economic growth was higher in the 1980s than in the 1970s". He points out beyond that two issues (p 36) "that question the superiority of such policies". These are: "First, the rate of economic growth in the 1980s was lower than in the 1960s, when state intervention policies were in full swing. Second, in the 1990s, when neo liberal policies were still in operation, the rate of economic growth declined quite substantially, to even lower levels than in the 1970s."

He continues (Navarro 2002 p 36): "If, rather than looking at the annual growth of GDP, we look at the GDP per capita and for longer periods in the 1990s ... we find that, for most of the developed OECD countries, the rate of growth was lower in the 1990s than in the 1980s and lower in the 1980s than in the 1970s. Only in Germany, Denmark, Ireland, and Norway were rates of economic growth per capita greater in the period 1989-1997 than in the period 1979-1989. All these countries – all with highly regulated labor markets and extensive social protection – had greater economic growth than the United States". He summarises: "one cannot conclude that neo liberal policies were more successful in stimulating economic growth than the state interventionist policies they replaced. Quite to the contrary: they were less successful."

These analyses give the lie to the idea that neo liberalism is necessarily good for economic growth. In the time frames in a before and after analysis of neo liberalism that are relevant to the comparison, Navarro shows, as just indicated, that just four countries stand out as bucking this trend – and these four were 'protected' by 'highly regulated labor markets' and 'extensive social protection' i.e. they were the subject of *non* neo liberal policies.

Even when neo liberal policies do seem to create growth we can have the myth of trickle down. This is exemplified by Navarro (2002) in Brazil. In the period 1968-81 the Brazilian economy grew very rapidly and was held up as a model neo liberal performer by the World Bank as that country had rigorously pursued the edicts of the World Bank. Yet, oddly, infant mortality rates increased over this same time. Navarro (2002) investigated this issue more closely and showed that for the top 5% of the Brazilian population their share of national consumption

increased from 20% to 48%; for the bottom 50%, their share fell from 20% to 12%.

Bezruchka (2009) also shows that: "Above a certain threshold of inequality a more egalitarian income distribution within a rich country is associated with better health. As income inequality has soared in recent years in the United States, relative health improvements have dwindled and greater health disparities have emerged. In Canada, the association between income inequality and worse health, although present, is not as strong because of better social safety nets compared with the United States, where relatively few government benefits accrue to the less well off."

6.2 On culture

Vandana Shiva (2000) outlines how the neo liberalism of globalisation can have social and cultural impacts beyond the economic. She states: "Globalisation is the rule of commerce and it has elevated Wall Street to be the only source of value. As a result things that should have high worth – nature, culture, the future are being devalued and destroyed. The rules of [neo liberal] globalisation are undermining the rules of justice and sustainability, of compassion and sharing." It can readily be argued from the literature on the social determinants of health that these are all factors that are capable of building social cohesion. As such, Shiva's comments suggest that neo liberalism can be seen as undermining population health. On health issues more specifically she goes on to argue that a "global monoculture is being forced on people by defining everything that is fresh, local and hand made as a health hazard". And she points out that: "When patents are granted for seeds and plants, as in the case of basmati rice, theft is defined as creation, and saving and sharing seed is defined as theft of intellectual property."

Shiva's notion of a monoculture is potentially a major problem for the health of populations, since it threatens cultural diversity. Where people are comfortable in their own cultures, where their cultures breed self-respect and are respected by others, then population health is more likely to flourish. In many Indigenous cultures, in the wake of colonialism and neo colonialism, self respect culturally has been lost. Neo liberal globalisation is destroying the diversity of cultures. This is not to argue that all cultures are healthy or health promoting but rather that before any attempts are made to reform various cultural practices, the net effects of doing so need to be determined.

The links between health and culture can be strong. As UNESCO (2005) claims, in “our increasingly diverse societies ... [p]olicies for the inclusion and participation of all citizens are guarantees of social cohesion”.

6.3 On individualism

There are various explanations for the impact of inequality on health but most relate to loss of autonomy, power and powerlessness. Being powerless and lacking autonomy are bad for health as is being powered over. The greater the inequality in a society, the less cohesive is the society and the less is the solidarity. Where societies lack compassion for the disadvantaged, inequalities are likely to be greater and the impact of inequality of health also greater.

Public compassion matters. We need to care not simply because people who are poor in income or have had their culture destroyed by colonization or are addicted to gambling or drugs, or have fled from some vile regime, but simply because they are badly off. The need is to embrace rather than push away ‘the other’. To embrace must be for the sake of building a decent society, a caring community, for the sake of a common humanity, for community autonomy. The individualism of the market belongs to the market; it is not the basis for building a community or society.

Individualism is fostered by neo liberalism and in turn engenders population ill-health. Where neo liberalism has been abandoned or denied, population health tends to be better. Where it has been imposed, population health has declined. I would also draw attention to the fact that the selfish individualism that neo liberalism engenders spills over into global power relations between rich and poor countries but also into increasing inequality within countries.

The Canadian philosopher Charles Taylor (1991) argues that individualism is a major source of *The Malaise of Modernity*. In that book he describes what he calls ‘the dark side of individualism’ with its ‘centring on the self, which both flattens and narrows our lives, makes them poorer in meaning, and less concerned with others or society’ (Taylor 1991 p 4). While Taylor does not write as specifically about society, culture or global concerns, this flattening and narrowing must also threaten the cohesion and solidarity of some societies and, in its hegemonic influence, reduce the diversity of culture across the globe. Individualism encourages us to look inward, introspectively at ourselves, which then affects our capacities to see ourselves as part of a wider society or community and to recognise the importance of the culture in which we live.

Such individualism leaves little room for the building of compassionate societies and in turn equitable social institutions. It is echoed in the smugness of Francis Fukuyama (1992) in *The End of History* in which he argued that neo liberalism and the market represent the summit of social and political endeavour.

7. Global institutions

Let me touch briefly on the issue of commercialisation of health care before turning more explicitly to look at global institutions.

In considering the impact of neo liberalism on health care as an institution, two points are worth making. First despite the pressures from neo liberalism, industrialised countries have continued to prefer health care policies, which are heavily publicly funded (with some exceptions such as the US). Second, at the same time and hypocritically, they, WHO and the World Bank have encouraged the commercialisation and privatisation of health care in poor countries. This is evidenced by the data that show that the lower the income of a country the higher the proportion of the health care spending that is private (Padarath et al 2004). Thus in general the richer a country (but the US is again clearly an exception), the less likely it is to privatise health care.

Global institutions have tended to see the world through a western perspective and assume that western values, and often neo liberal values, are or can be universal. An example is WHO. While that body *does* do good works, too often the good is defined by WHO rather than by those whose health they seek to foster.

In 2000 for example WHO (2000) issued a report on world health based on what they considered were the key criteria for judging the goodness of a health care system. Using these criteria they also worked out a world league table: who had the best health care system, who the second best and so on. The criteria included such considerations as overall population health, responsiveness, access and equity.

With respect to equity, in health care delivery the goal can be defined in various ways, such as equal health or equal access or equal use. The same is true of equity in health care financing. Whatever the definition chosen, there is a need to make the case for defining it other than as a cultural social phenomenon where equity in one country may be conceived and valued differently from equity in another country. WHO did not make this case; nor did it recognise the need to do

so but adopted a universalist position, with equity, and its relative value as compared with other health care objectives, being assumed to be the same in all countries.

WHO used *their* criteria and *their* weights to judge what constitutes a good health care system. They defined the nature of the objective function and then used this for all countries. This might not have mattered except that policy makers do use these league tables. It is also symptomatic of a wider phenomenon where the imposition of universalism dominates global institutions.

One much publicised attempt to reduce world poverty (and it is implied improve world health) is contained in the WTO's Doha agreement on world trade. Adopted originally in November 2001, that agreement has undergone various transformations since, mainly to weaken its initial intent. It is close to death now although attempts seem to be being made to resuscitate it. Euthanasia might be a better option.

What is the likely impact of the Doha agreement as it now stands some 8 years on? In a book edited by Hertel and Winters (2006), the various contributors present their assessments of the likely impact of implementing the Doha agreement in full in a range of countries.

The overall picture as to whether the Doha agreement, if implemented in full, would have a positive or negative effect on poverty remains uncertain. Whatever the direction of the effect, even if positive, it is small. That smallness is yet further reduced as the Doha agreement is not ever going to be implemented in full. Only if the Doha targets were to be 'ambitious', as Hertel and Winters (2006 p 28) put it, (and, as they currently stand, they are not) would they have a "measurable impact ... on poverty" (Hertel and Winters 2006 p 28). The reason for this, as summarised by these authors, is that the Doha agreement, even as originally conceived, was not sufficiently far reaching. Hertel and Winters (2006 p 4) write: "Sustained long-term poverty reductions depend on stimulating economic growth. Here, the impact of the [Doha agreement] on productivity is critical. To fully realize their growth potential, trade reforms need to be far reaching, addressing barriers to services trade and investment in addition to merchandise tariffs." The Doha proposals never were far reaching; they never will be.

Such 'far reaching' reform does not happen however because the western neo liberal societies do not want it. Anderson et al (2006 p 521), taking the central

Doha scenario of three (which is almost certainly optimistic in terms of poverty reduction), estimate that "the overall gains from a WTO accord could amount to US\$96 billion, of which US\$80 billion would be reaped by rich countries".

Turning to the global institutions as a whole, what has emerged over time is a split in their powers. In essence (Raffer and Singer 2001 p 7) "the UN was not to be trusted with the 'hard' instruments of development such as finance and macroeconomic policy making; that was to be the preserve of the Bretton Woods institutions [the IMF and the World Bank] with their system of weighted voting and firm control by the Western industrial countries." This meant that the UN was left with what Raffer and Singer (2001) describe as "the 'soft' instruments" which include "food aid, technical assistance, children, women, social policy and, more recently, the environment".

This power split is important. The UN is based on one nation one vote; the World Bank and the IMF one dollar one vote. That has meant that the rich nations control the IMF and the World Bank and as a result put most of their efforts into these institutions, seeking to deny as best they can power to the UN where the poorer nations have equal rights of voting. In turn what the UN might have controlled has been shifted to the G7 and the G8 i.e. again to the rich and powerful nations (the former Canada, France, Germany, Italy, Japan, the UK and the US; the latter these plus Russia).

The Global Exchange provides more detailed data on the voting structure of the IMF and the World Bank. "Currently, in the IMF, the United States has 17.81 percent of the vote, Germany and Japan 5.55 percent each, France and the United Kingdom 4.99 percent each, the G-7 countries a combined total of 44.9 percent, and the G-10 plus Switzerland account for 51.2 percent of the total voting power." The World Bank is similar.

The setting of conditions or as they are oddly called 'conditionalities' in loan giving by the WB and the IMF means in essence that governments only get money if they agree to go down the neo liberal road. This is very different from what many originally sought in the 1944 Bretton Woods Agreement. As Raffer and Singer (2001 p 3) report, in the British economist Keynes' early thinking about these institutions, he opposed the idea of conditions associated with 'a "grandmotherly" fund' but '[w]hen he had to accept the idea of conditionality, he did so on the basis of a very large Fund ... equal to half of annual world imports ... It was as late as 1969 that conditionality became explicitly enshrined in the

Articles of Agreement [of the IMF].'

What we have today is a fund that is not 50% but 2% of the world's annual imports. This greatly diminished fund is, as Raffer and Singer (2001 p 3) state, "a measure of the degree to which our vision of international economic management has shrunk". The prize of a visionary global governance, along what were Keynesian lines, has been replaced by a yet greater reliance on the neo liberal forces of the market place.

8. Global warming

There can be no doubt and this is confirmed by the recent publication in The Lancet that global warming is the greatest threat facing human health. While that is what The Lancet is saying and what the vast majority of the science is saying, its it not what our government or for that matter other governments are saying. The ostrich like, lemming like, short term politicking not looking beyond beyond local jobs attitudes expressed in government after government across the globe is deeply worrying. Copenhagen in December which is supposed to be about updating Kyoto and setting a blueprint for the future is looking more and more a shambles. The almost universal governmental denialism is startling.

Here in Australia the debate is caught up in petty party political squabbling. If that squabbling were about some real issues that might well be OK but it is not. It is neoliberalism that has brought about this impending catastrophe and the current government's mealie mouthed fossil fuel driven 'solutions' do not embrace any sort of recognition of the seriousness of the problem faced by humanity. It is not just that the targets set in the carbon trading scheme are pathetically low; they will not work especially as they are a market solution to a market driven policy. The fact that the whole policy has now been hi-jacked by the coal and other large polluters makes a bad situation so much worse. The idea that we will punish our industry if we act and others don't drives so much of the so called debate here.

There is no recognition that the victims of global warming first and worst will be the poor of the world who have contributed so little to the problem. The health problems are many through infectious diseases etc arising from climate changes and shifts. But far more important will be the health problems created by increased poverty.

The solution rests in abandoning the growth fetishism of the last several decades. We cannot simply fiddle while the poor burn.

As Weston (2009) suggests: "We need to understand the fundamental contradiction between economic growth and sustainable development ... We need to cut our consumption levels drastically ... Renewable energies will not meet the future needs of a growing global economy. We need ... to create a more equitable world around all the vital resources for a life of dignity ... We need to question the ideological fundamentalism that has dominated our lives in the last several decades ...".

I deliberately left global warming to last as I am convinced that while all the other arguments against neo liberalism are compelling it is when we come to global warming that it is so abundantly clear that we simply cannot go on as we are.

National governments are failing us on global warming and there is no global institution that seems able to act on behalf of world citizenry. It is sadly not something that has yet seized the minds of many people in Australian public health. Why I have to wonder? It may well be time for citizens themselves to take direct action as for example Clive Hamilton has suggested.

9. Que faire?

9.1 On health care systems

de Pinho (2005 p7) suggests that there is a need "to create a health system that encourages, supports and sustains increasing inclusion", manifesting itself in terms of 'redistribution'. She argues that: "In marketized health systems, exclusion of those who cannot pay, is deemed legitimate. Cross subsidisation within these health systems is exposed and driven out, and any redistribution that may occur is regarded as an "unrequited gift from rich to poor" which no matter how desirable in principle, if seen in these terms, will in practice be difficult to gain support for especially from the rich".

Here in Australia the organisational institutional arrangements are such that the Pharmaceutical Benefits Advisory Committee, a government body, determines which drugs are listed for tax payer subsidy. This listing is determined on the basis *inter alia* of efficiency as judged in economic evaluation studies. This organisational structure is favourable to having such economic evaluation studies played out successfully in policy action. The institutional rules however mean that the power vested in doctors through clinical freedom to prescribe leaves the door open to inefficient practices. Thus the tensions that can exist at these levels can have substantial impacts on the efficiency of health care resource use. Ignoring

these institutional arrangements can create problems in pursuing efficiency of institutions both as organisations and as sets of rules.

Setting health care systems central stage as *social* institutions shifts the value base away from the individual to the community and from the individual consumer to the citizen. There is also a shift of power from the doctors to the community.

In Navarro's discussion of these issues, he develops a 'national health policy' (Navarro 2007 p 1) which involves interpreting health policy (and with it the health care system and public health) as social institutions. He sets these out as three major components of a national health policy. They are as follows (Navarro 2007 p 3):

'the first includes interventions aimed at establishing, maintaining, and strengthening the political, economic, social and cultural *structural determinants of good health*'. Navarro argues that these are the most important elements in any public health policy, noting at the same time that, despite this, they are seldom mentioned in this context. This acknowledges that a national health policy as a social institution must address issues of power. It is not just a social institution but also a political institution.

Navarro's second form of intervention is '*lifestyle determinants*'. These include "public policies aimed at individuals and focused on changes in individual behaviour and life style." He suggests that these are what are most often most visible in national health policy perhaps because they are perceived by policy makers to be more manageable. Health policy is replete with examples of "blaming the victim" for his or her obesity, smoking or diabetes. Too seldom are structural issues around the marketing strategies of those companies who for example market fast foods, held to account. (See for example Jan and Mooney 2006.)

The last type of intervention (p 4) is what Navarro calls '*socializing and empowering determinants*' which "establish the relationship between the individual and the collective responsibilities for creating the conditions to ensure good health". These he suggests "would include the encouragement of individuals to become involved in collective efforts to improve the structural determinants of health, such as reducing the social inequalities in our societies or eliminating the conditions of oppression, discrimination, exploitation, or marginalisation that produce disease."

Can anything like this exist? While not a 'text book' example what is happening in Venezuelan health policy has features that are aligned with these ideas. The emphasis in that country is on community participation in decision making, on primary care for health, on public funding and on promoting the social determinants of health. The Venezuelans have rejected the neo liberal model not only of health care but for their economy.

The Venezuelan model is described by Muntaner et al (2007). It involves very much a primary care for health model based on community participation in decision making and funded by the public sector. "This integrated model of care emphasizes a holistic approach to health and illness through the coordination of [the primary health care organisation with others] addressing education, food security, public sanitation and employment, among other key social determinants of health" (p 317). The organisational structure is such that "health teams and patients are supported by Health Committees comprised of [community] residents". It is in this way that the local community residents 'exercise their participation in primary health care clinics' (p 317).

There is no reason as Muntaner et al (p 319) indicate why this model could not be used in the West.

9.2 Alternative economic systems

Economic systems are ideological and cultural phenomena. They largely determine the nature of the society. If some 'alien' economic system is imposed on a country, it then becomes difficult for that country to maintain and retain its culture. Protecting local cultures means protecting local economic systems. Thus diversity of cultures is best promoted by diversity of economic systems.

The maintenance of culture is an important social determinant of health. Without diversity in economic systems of the ownership and the means of production, cultural identity will struggle to survive locally or nationally. There is good evidence, here in Australia but in Indigenous societies more generally, that loss of and destruction of cultures can lead to health problems.

There is a need to look to other ways of organizing economies that are more community based. Some already exist. These need to be assessed to determine whether, with suitable cultural adjustment, they may provide lessons for other societies or communities where neo liberalism has taken over. Some of these alternative models operate at the level of the nation state such as Cuba and the Scandinavian countries. Others are more local such as the communitarianism of

the Mondragon cooperative economy in the Basque region of Spain, which is based on mutuality and sharing (Mondragon 2004), the state of Kerala in India, which has a communist past and more egalitarian present, and the Grameen micro credit banking system in the Indian sub-continent, where credit is seen as a human right (Grameen 2004). It is significant that for example Cuba and Kerala have remarkably good population health despite their relative poverty. This appears to be a function of both their health care systems and the natures of their societies in which many of the positive determinants of health, but especially relative income equality, are present and fostered politically.

9.3 Global answers?

At a global level, there needs to be a much greater recognition of a world community autonomy where the rich will allow the weaker nations of the world to have genuine autonomy in their own affairs. Or maybe that is a bad way to express this. The issue is not so much the weak versus strong nations but the rich and powerful people versus the others. And Amin argues that there needs to be a challenging of neo liberal power structures through a combination of "the peoples of the global South and North struggling together".

The freedom that Amartya Sen recognises in his analysis of human rather than economic development (Sen 1999) is a way forward. The emphasis on building strong democratic institutions is needed if the benefits from globalisation can be both obtained and distributed fairly across all, especially given an emphasis on vertical equity with positive, pro-poor policies. But this is not enough, as Navarro (2002) brings out in his critique of Sen. There is a need for a shift, in essence in power, to ensure more involvement of societies and citizens and communities.

Raffer and Singer (1996 p 14) note: "There is ... a need for a new relationship between the richer and the poorer countries ... The richer countries feel like unwilling dispensers of favour imposing strict discipline as conditions for their favours ... while the poorer countries feel they do not really own the policies imposed on them but they are beggars who cannot be choosers." These authors suggest that the 'right way forward is ... by way of development contracts, genuine contracts in which both sides make clearly defined and voluntarily entered commitments, and remain in continuing consultation to adjust the contract in the light of unforeseen new circumstances. Conditionality must become a two-way business."

There is a need for an abandonment of the dominance of the governments of the G7 and G8 in international affairs; an attempt to reflect better the values of the world citizenry; and an agreed basis for redistributing health care and health promoting resources on some equitable basis. This will mean major changes to 'social institutions' at that global level. While these remain driven by national governments and more specifically the national governments of relatively few powerful nations, which in turn are based on the laws of the market place and the ideology of neo liberalism, the prospects for making inroads into the health divide between North and South remain remote.

Di McIntyre (2007 p 194) has looked to determine how health care in Africa might be better delivered. She points to examples "of low-income and middle income countries in other parts of the world that have achieved excellent levels of health status despite constrained economic resources." Her analyses show: "Key elements of their success have been universal coverage of the population with either mandatory health insurance or general tax funded services, where the entire population is entitled to the same service benefits and use the same provider, which are either owned by government or the social security organization." She points out: "These systems have both equitable financing incidence, where higher-income groups contribute considerably more of their income to health care funding than lower-income groups, and equitable benefit incidence, where service use is closely linked with need for, or capacity to benefit from, health care."

What is missing currently in many deliberations around world poverty and world health is the acceptance of the notion of a global community where health services and global public health are based on the values of the global citizenry and importantly who are encouraged to see themselves as world citizens and not just Canadians, Danes or Egyptians. There is here the recognition of the need for there to be a more genuinely 'world citizenry' voice rather than, as currently, simply national governments who promote the interests of their constituents i.e. their countries.

10. What can Australian PH people do?

The list is endless and these are but some thoughts from me. Other will add to them and we can then have a discussion both before and after lunch about some of them.

Let us first note two things. First this latest crisis was inevitable. Fiddling with the

system will not fix the problems. There are structural issues here that need to be addressed. Second we need to acknowledge anew that the big health challenges worldwide are created by poverty and inequality. WHO can go on and on about the burden of this disease or that disease but the big killers are poverty and inequality. The current economic crisis will exacerbate both. There is a need for all of us in public health to lead the charge in rubbishing the simple-minded efforts to rebuild the existing global neo liberal economic system. This is the root cause of the inequality and poverty that exist. The best will in the world and the best regulations in the world will not address these issues while neo liberalism continues to exist. That is where we need to put our efforts and try to highlight these problems which need to be addressed not just by the public health community but more fundamentally by the G7, the G8, the G20, the G24 or the G742!

So what to do?

1. We need to create a new field of debate and challenge two popular myths about neo liberalism: first that it has led to higher economic growth and secondly that there is trickle down of the wealth created.

2. The global economy needs a new structure. Sadly the World Bank, the IMF, the WTO and the WHO are all run on neo liberal lines. That must be exposed. The global economic system needs to be based on the values of world citizenry which, if we can go by Australian citizens' values in citizens' juries, are likely to be more compassionate and more driven by social justice than those of governments. Our global institutions must be based on social justice. It is of note that Stiglitz (2003) writes: "If the issue of access to AIDS drugs were put to a vote, in either developed or developing countries, the overwhelming majority would never support the position of the pharmaceutical companies or of the Bush administration." The vote of world citizenry is not called so such health issues are not addressed. They are left to our global institutions.

In developing countries, a new economic order is called for but one that is different from that applicable to western economies; still based on the notion of social justice yet recognising the need for different, culturally appropriate institutions. 'Imposing' western style institutions is no answer.

3. In Australia, the public health movement needs to advocate for greater democracy in health, pushing for citizens' voices to be heard in debates in both

social justice and health care. While I do not subscribe to the view that charity begins at home; the revolution in thinking about global economic systems and health care as a social institution can and should.

It can also be hypothesised that moving away from individualism to a greater community focus will lead to the prospects of a more compassionate society. Where people see themselves as members of a community, they are more likely to be involved in reciprocity with other members and be concerned about issues of mutuality and trust than if they are individuals with fewer social ties. While these traits in a society cannot guarantee that it or its citizens will be more compassionate, where there is a commitment to one's community, the soil is likely to be more fertile; in turn compassion to others in that community may be more prevalent.

4. We need to draw attention as often as we can to the corporatisation of government in Australia. The current policy of the government on global warming is a perfect example. The complicity by government in allowing the capture of universities by the corporates is another. And as I was writing this paper I came on another from Rachel Siewert on On Line Opinion.

"It is apparent that for the State and Federal governments the economic benefits of Gorgon have overridden all environmental concerns. In addition, it seems that they may also have thrown financial caution out of the window.

In August, the Barnett and Rudd governments agreed to accept joint liability for Gorgon's plan to sequester 3.36 million tonnes of CO₂ per annum from the project... Given that this technology is new and unproven and carbon capture and storage has not been attempted at this scale anywhere in the world - this is a massive leap of faith being made on behalf of Australian taxpayers... The Federal and State governments have ... accepted liability on our behalf for a process that they have no idea will in fact work, and they also do not know how much taxpayers could be liable for if it fails."

5. Global warming

According to my reckoning there are 126 papers being presented at PHAA. There are two on global warming. What the hell is going on in the Australian public health community?

6. Some more specific issues

Globally (but some are also local)

6.1 Look to something akin to true democracy and not the very thin – paper thin – variety we have today. And that needs to be at a global level as well as at the level of the nation state.

6.2 Perhaps fundamental to all of this is education – civic education or the education of Paulo Freire.

6.3 Argue for state ownership of the commanding heights of the economy.

6.4 Look for and assess community based, community owned and community run economic structures at a local level. Local communes and cooperatives if you like.

6.5 Look to ways to break down the crass individualism that now pervades both Australian and western society more generally.

Locally

6.6 Push the notion of the health care system as a social institution.

6.7 Keep an eye on the Henry Review of the tax system, feed in relevant health impact materials and propose a health impact assessment of his recommendations.

6.8 Watch for the victim blamers in public health who seek to change individual behaviour rather than going for structural change.

6.9 Continue to argue the merits of the public health care system and the inequities and inefficiencies of the private system.

6.10 Consider civil disobedience over global warming.

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