

Mobilising for global economic justice

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The widening global health gap

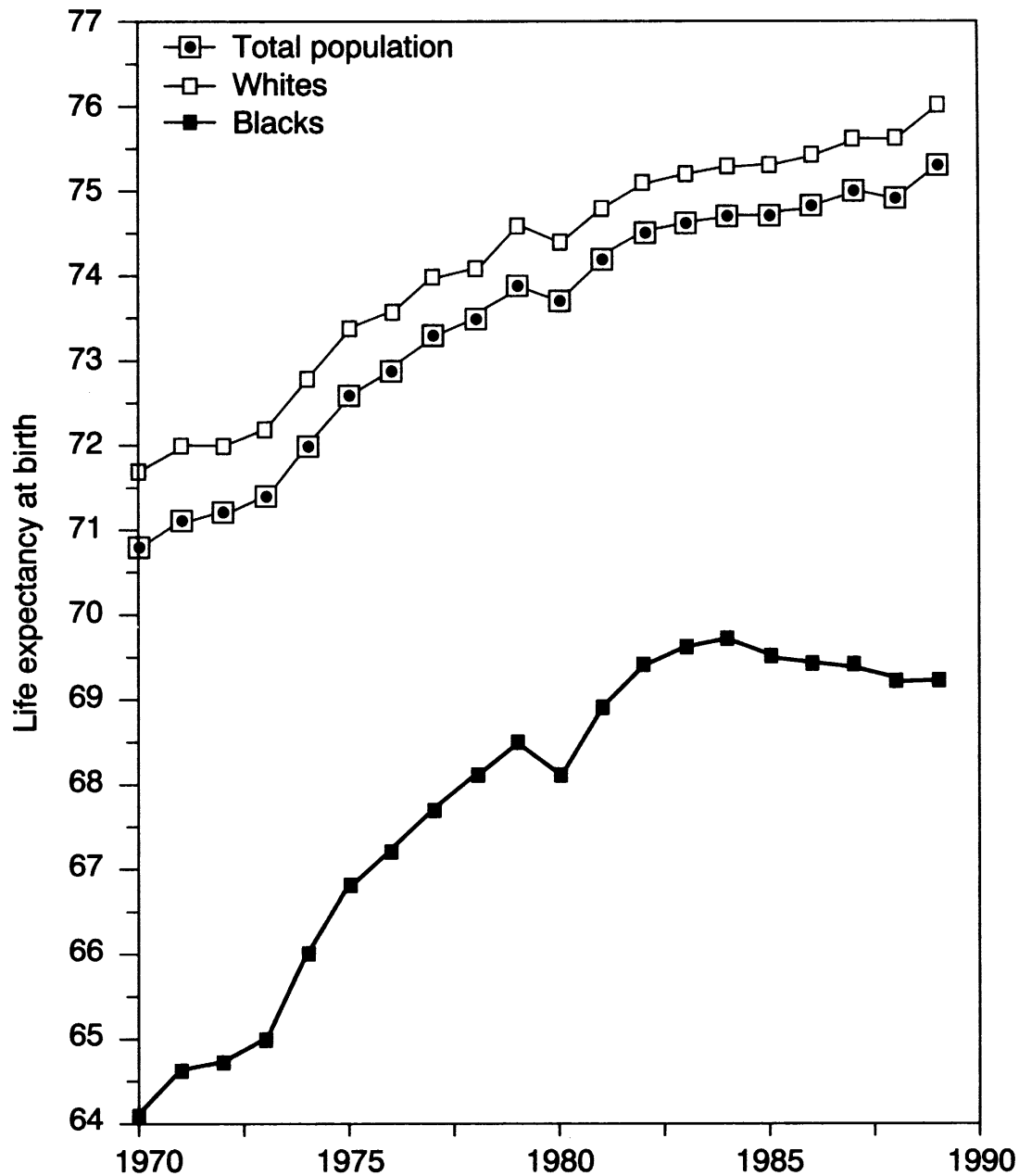
Age Group	1950	1980	1990
< 5	3.4	6.4	8.8
5-14	3.8	6.5	7.0
15-59	2.2	1.8	1.7
60+	1.3	1.4	1.4

Age-specific death rates expressed as the rate ratio $DDC/(FSE+EME)$; the ratio of the age specific death rates in the demographically developing countries (DDC) and the combined rates of the formerly socialist economies (FSE) and the established market economies (EME).

Under fives death rate gap widening

Demographic characteristics	1978	1998
High income countries	19	8
Middle and lower income countries (other than China and India)	149	100
Rate ratio: [Mid&low]/[High]	7.8	12.5

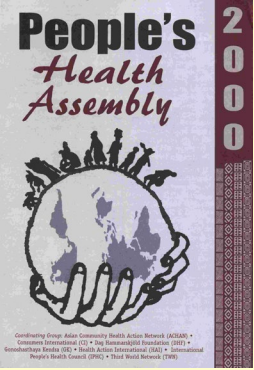
Table 1. Probability of dying before the age of 5 years (per 1000).
 From Annex 5 of the 1999 World Health Report, p 112)



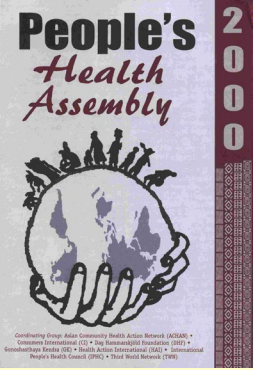
Diverging life expectancy by race in the USA

Figure 5.11: Trends in life expectancy among blacks and whites in the USA (M&F combined)
 Source: Kochanek *et al.* 1994

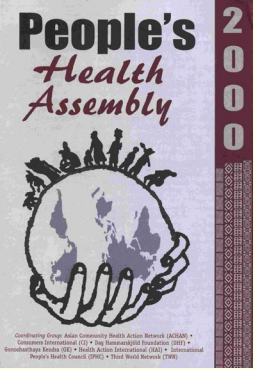
From Wilkinson 1996



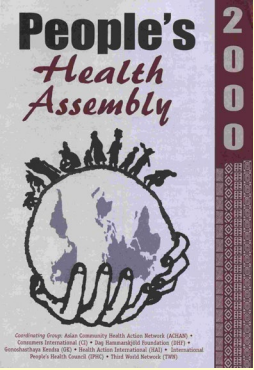
Poverty, inequality and suffering,
in the presence of massive global
wealth, is avoidable and is unjust



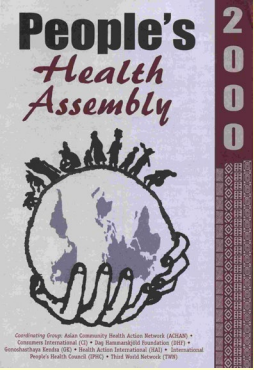
The rules which govern the global economy are structured around the interests of the TNCs and rich countries



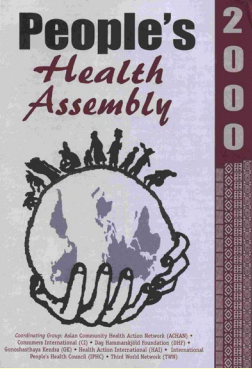
The regulatory institutions which make the rules are controlled by the rich countries and the TNCs and reflect the rich world perspective



A key demand from a Peoples' Health Movement should be the creation of a global trading regime which discriminates positively in favour of poor countries



This would require a global popular mobilisation. This People's Health Assembly must drive this mobilisation forward



Current global trading regime - discriminates against poor countries

- Agriculture - one way trade liberalisation
- Commodities - a buyers' market
- Manufacturing - competition between the corporates
- Technology - owned by the corporates (backed by the WTO)
- Capital - conditional upon 'free market' reform
- Labour - stratification and polarisation

Why? How has this come about?

- Not a surprise, not an accident
- Prevailing economic policies are directed to perpetuating an unfair trading regime
 - structural adjustment in the developing world
 - neoliberalism in the industrialised world

Structural adjustment policies (forced on the poor countries)

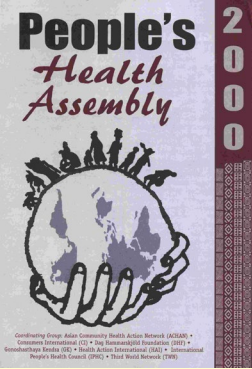
- Small government, low taxes, reduced public sector provision (eg food subsidies), privatisation (including health care)
- More 'competitive' labour markets (weakening unions)
- Export orientation (incentives, withdrawal of support for subsistence agriculture)
- Attracting foreign investment
- Reduction of import barriers (compete or die)

Neoliberalism (adopted across the industrialised world)

- Small government, low taxes, reduced public sector provision, privatisation
- More ‘competitive’ labour markets (weakening unions)
- Export orientation (incentives, deregulation)
- Elimination of barriers to capital flow
- Reduction of import barriers (depending on the strength of the domestic producers)

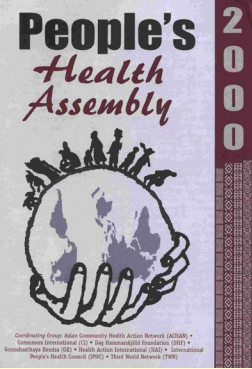
So why are these policies so persuasive?

- Power? Rationality? Both?
- The rationality of neo-liberalism
 - what's the story?
 - what's the evidence?
 - are there alternatives?
- Power in the New World Order
 - who has the power?
 - whose world view is being projected?



“Wealth through growth” (the rationality of neoliberalism)

- Global well-being depends on new wealth creation
- Wealth creation through
 - new technology and enhanced productivity
 - new sales in new markets
 - exploiting natural resources
- Wealth creation corresponds to economic growth
- Economic growth best facilitated by market forces (deregulation and small government)



“Wealth through growth” - a partial story

- Plausible and consistent with some histories
- Provides the rationale for neoliberalism and structural adjustment
- Responsible for economic polarisation and increased mortality associated with structural adjustment and neoliberalism

“Wealth through growth” - impact on health

- ‘Suffer now for better health later’
 - for some... those who survive... perhaps much later...
- Arguments in defence
 - ‘the glass is half full’
 - ‘widening health inequalities not due to economic reform’
 - ‘health inequalities partly due to economic reform but look at the benefits’
 - ‘health consequences of reform can be ameliorated’
 - ‘we have learned from our mistakes’

“Crisis deferred”

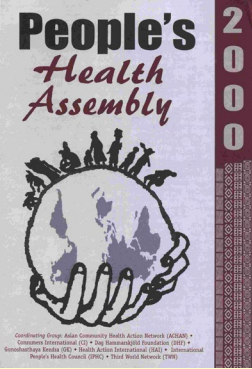
- A tendency to crisis (the productivity overhang)
- A set of adaptive policies (which defer but exacerbate)
- A tendency to falling demand (obscured by maintaining consumption through debt)

The threat of crisis (productivity overhang)

- Increasingly efficient production for increasingly global markets
- Tends to a decline in aggregate employment and a decline in aggregate demand
- Threatens markets; threatens profits

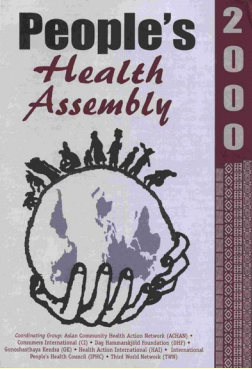
Policies which defer but exacerbate

- Corporations see the threat of falling demand and declining profits; so seek to cut costs and expand market share
- Both strategies contribute to further decline in aggregate demand
 - cost cutting (replacing labour with technology, replacing high wage labour with low wage labour) and
 - market concentration, through take-overs and mergers (tending to reduce aggregate employment)



Maintaining consumption through increasing debt

- Consumption and growth increasingly dependent on debt
- Debt which is serviced (and replenished) by drawing on an increasing proportion of household, corporate and government revenues
- Consumption expenditure in the North maintained (and crisis deferred) by the continuing flow of value into the financial system, including:
 - from the governments of the South (debt repayment)
 - continuing transfer of value from South to North (through unequal terms of trade)



“Global crisis deferred” - the health costs

- The global burden of disease from stalled development (including structural adjustment) reflects the costs of:
 - maintaining the stability and wealth of the North (at the cost of the well-being and health of the South)
 - wasting capital resources in excessive consumption in the North instead of supporting development in the South

The rationality of neoliberalism

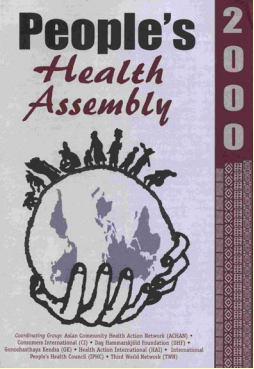
- Rational in terms of the ‘wealth through growth’ story; put up with the pain and wait for the trickle down
- ‘Global crisis deferred’ suggests that the rationality of neoliberalism is more tied to the well-being of the TNCs and rich countries, at the cost of the health of poor people in rich and poor countries

Which story is really true?

- The global economy is impossibly complex and we are all inside it. There is no single true account of what is going on
- Different problems and opportunities confront different stakeholders in different places and times and suggest different explanations and strategies
- From the TNC and rich world perspective the ‘wealth through growth’ story seems reasonable. Not so from the poor country perspective.

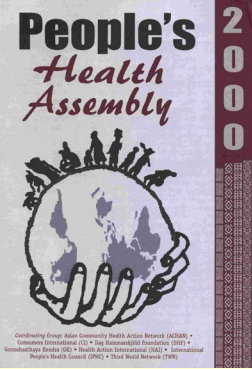
Power in the New World Order

- Groups of people (nations, classes, corporations, etc) contending and cooperating
- A set of governing institutions
- A set of rules and sanctions



The governance of the New World Order

- World Bank
- IMF
- WTO
- News Corp
- Money markets,
- Ratings agencies
- The US Navy



The role of the World Bank in this regime

- Discipline (global policing)
- Legitimation (the human face of capitalism)
- Ideology (“free trade”, “economic growth”)

“Free trade”

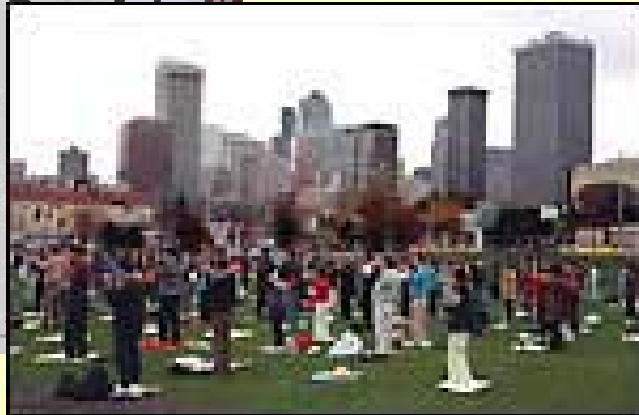
- Case study in ideology
- There is no neutral ‘free trade’ regime
- The present regime discriminates against poor countries
- The fair policy objective would be a global trading regime which discriminates in favour of poor countries

Need for popular mobilisation (people in the streets)

- Unfair global trading regime
- Governments held hostage
 - instantaneous scrutiny of the financial press
 - immediate sanctions of the money markets
- Popular mobilisation can change directions



Seattle. November 1999



Seattle Day 2



Seattle Post-
Intelligencer

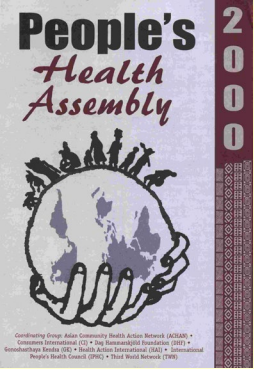




Seattle Day 3



Seattle Post-Intelligencer

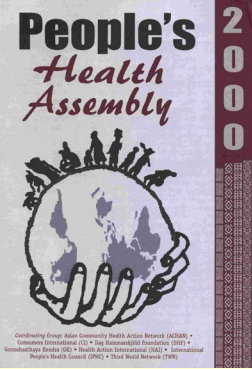


People's Health Charter

- Popular mobilisation globally can stop the transfer of net wealth Northwards
- Building an understanding of the political economy of health will be critical

Some key messages

- Take care with the term ‘globalisation’; think about regulatory regime and governance structures
- Study what is happening in the global economy as a system
- Demand a global trading regime which discriminates positively in favour of poor countries



Three suggestions to the Bank

- Apologise for the deaths and suffering caused by structural adjustment (directly, to the families)
- Stop claiming privileged access to divine truth
- Acknowledge that the interests of the bank's core constituency are embedded in its policy recommendations