The global financial meltdown and the need for a political economy of health promotion

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The future looks decidedly depressing, not only because of the global financial crisis (GFC) but also the response to it. From the perspective of health promoters, it is even more depressing when we set the GFC alongside global warming, the oil and energy crisis and the food crisis. They are all interrelated. They all point to a truly major health crisis – especially for the poor of the world.

Financial crises generally affect health in different countries in different ways.[1] The results depend on a mix of factors – reductions in family income lead to reduced medical spending and to malnutrition; reductions in public spending in poor countries result in cuts in public health services; informal caregivers enter the labour force, decreasing their ability to care for those who are more dependent; poverty and inequality are increased and so on.

There is gloom everywhere. There are appeals by politicians to the altruism of the rich whether it be the rich people of Australia or the rich nations of the world. In January, WHO held a 'high-level consultation'.[2] That tells us with great gravitas that "all countries will be affected, but some will be affected more than others". They argue 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 suggest: "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".

Most worrying is the lack of recognition that the global economic system has failed. The conventional wisdom is that a few greedy bankers got a bit carried away. Now all that we have to do is put the same system back in place and make sure that regulations are there to try to steer things better in future. The problem is that while it may seem easy to steer this ship, historical evidence suggests otherwise. More worryingly, we would submit we are on the wrong ship!

Faced with this economic crisis, we 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[3] were set at 0.7% of rich countries' national incomes. Only five countries 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%.[4]

John Stewart,[5] the Chairman of the Australian Bankers Association 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 the figure is $42 billion. In foreign aid, this year, Australia will give $3.7 billion – less than 10% of the bail out package that Prime Minister Rudd recently announced.

How much of that $3.7 billion might improve health? A report from Christian Aid[6] talks about "the Australian government's policy of reorienting its official development aid to incorporate combating terrorism and promoting regional security". According to AusAID,[7] "Australia's aid program is [now] involved in a number of long-term anti-terrorism projects in the Asia-Pacific Region."

Aid to developing countries has been all too little in the past. It has also failed to be directed to promoting the wellbeing of the poorest of the world. It is all too often aimed at protecting the interests of the aid givers rather than the recipients.

What can health promoters do? Primarily we must step back and acknowledge anew that the big challenges world wide are poverty and inequality. The economic crisis will exacerbate both. Health promoters need to work to increase recognition of these issues. We need to lead the charge in questioning the simple-minded efforts to rebuild the existing global neo-liberal economic system, which is the root cause of the inequality and poverty that exist. It is that, in our opinion, which needs to be addressed by health promoters – and by the G7, the G8, the G20, the G24 or the G742!

Health promoters must dispel the myths that neo-liberalism has brought faster economic growth and that the benefits of that have then trickled down to the poor. The political economist Vicente Navarro[8] shows clearly both are wrong.

Over the past 30 years of neo-liberalism, growth has slowed. It is also a policy area, especially in South America but also elsewhere, which defies gravity. There has been trickle up.

The global economy needs a new structure. The British economist Maynard Keynes, faced with the global recession of the 1930s, advocated major government spending. That policy is now being followed. That was and is now 'righter' but health promoters need to advocate for something much more 'lefter' based on global social justice and new institutions. 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,[9] 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.

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. Further, the nature and magnitude of the impact of the crisis in developing economies will be different. Particularly, we know from previous economic downturns that the impact on health may be catastrophic, especially for the most vulnerable.

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 we do not subscribe to the view that charity begins at home; the revolution in thinking about global economic systems and health can and should.

Health promotion in Australia needs to recognise the need for what is best called a political economy of health promotion based on three major considerations.

1. It is the people's health and they need to have more say in health policy.
2. There must be less emphasis by Australian health promoters on fiddling in Australia (as the Preventative Health Task Force[10] has been doing) with victim blaming policies on obesity, smoking, etc, while poverty and inequality 'burn' the majority of the world's population. We should not abandon the former but, on policy on obesity for example, refocus on the perpetrators – the industries involved – and give poverty and inequality more priority than we have done.
3. The neo-liberal global economic system we have had over the past 30 years has killed, maimed and made sick hundreds of millions of people. Health promoters need to increase awareness in the general population and among health policy makers that neo-liberalism's crass individualism, perpetuation of poverty and exacerbation of inequalities are all bad for our health.

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