



# Global Reach, Local Depth: Social Determinants of Health in the Worldwide Marketplace

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Discussion paper – 9 September 2009

**Priorities for research on equity and health:  
Implications for global and national priority setting and the role  
of WHO to take the health equity research agenda forward**

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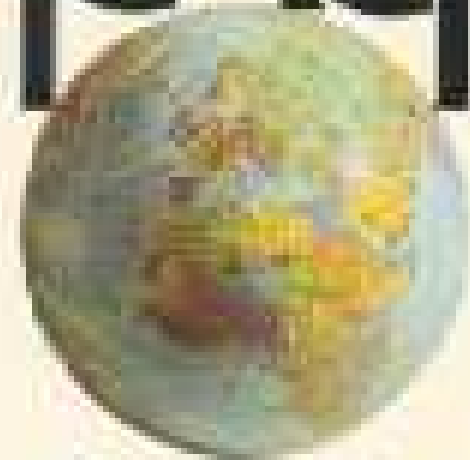
# The three waves of global health research

1. Biomedical disciplines  clinical solutions, delivered to individuals, usually in medical settings or at least by health professionals
2. Focus on health systems, public health interventions (e.g. with respect to non-communicable diseases)
3. Social determinants of health as affected by social and economic policy and 'upstream' political choices

## Selected challenges for third wave research strategies and methodologies

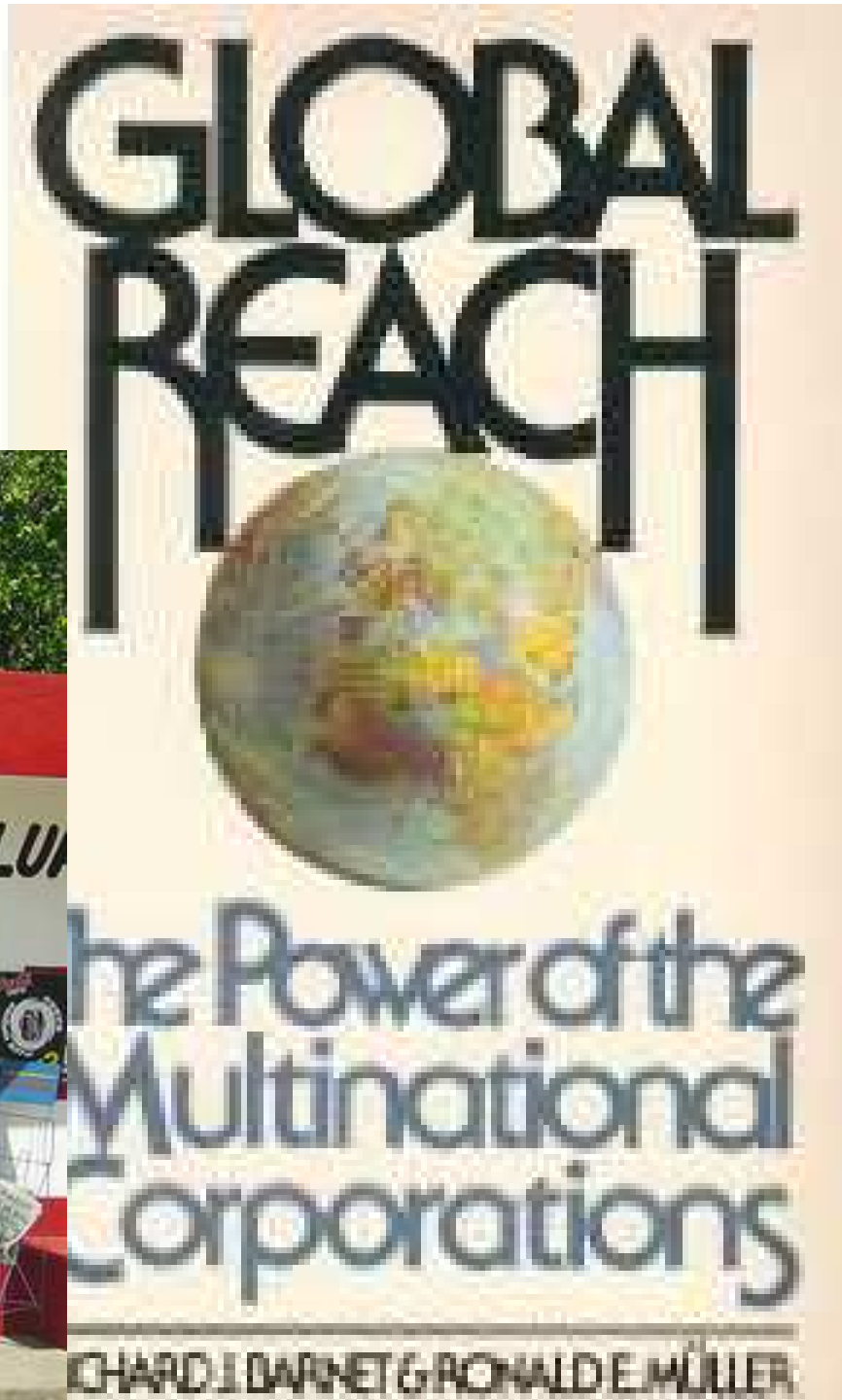
- Go beyond the behavioural and other individual determinants of illness, notably to
- Examine the connections between proximal and structural (distal) determinants of ill health, rethinking research design in order to shift the focus from 'risk factors' to root causes.
- Describe the institutions and processes that influence the allocation of resources related to health and its social determinants, including
- A focus on how the *global* context affects policy options and choices about resource allocation at national and sub-national levels.

# GLOBAL REACH

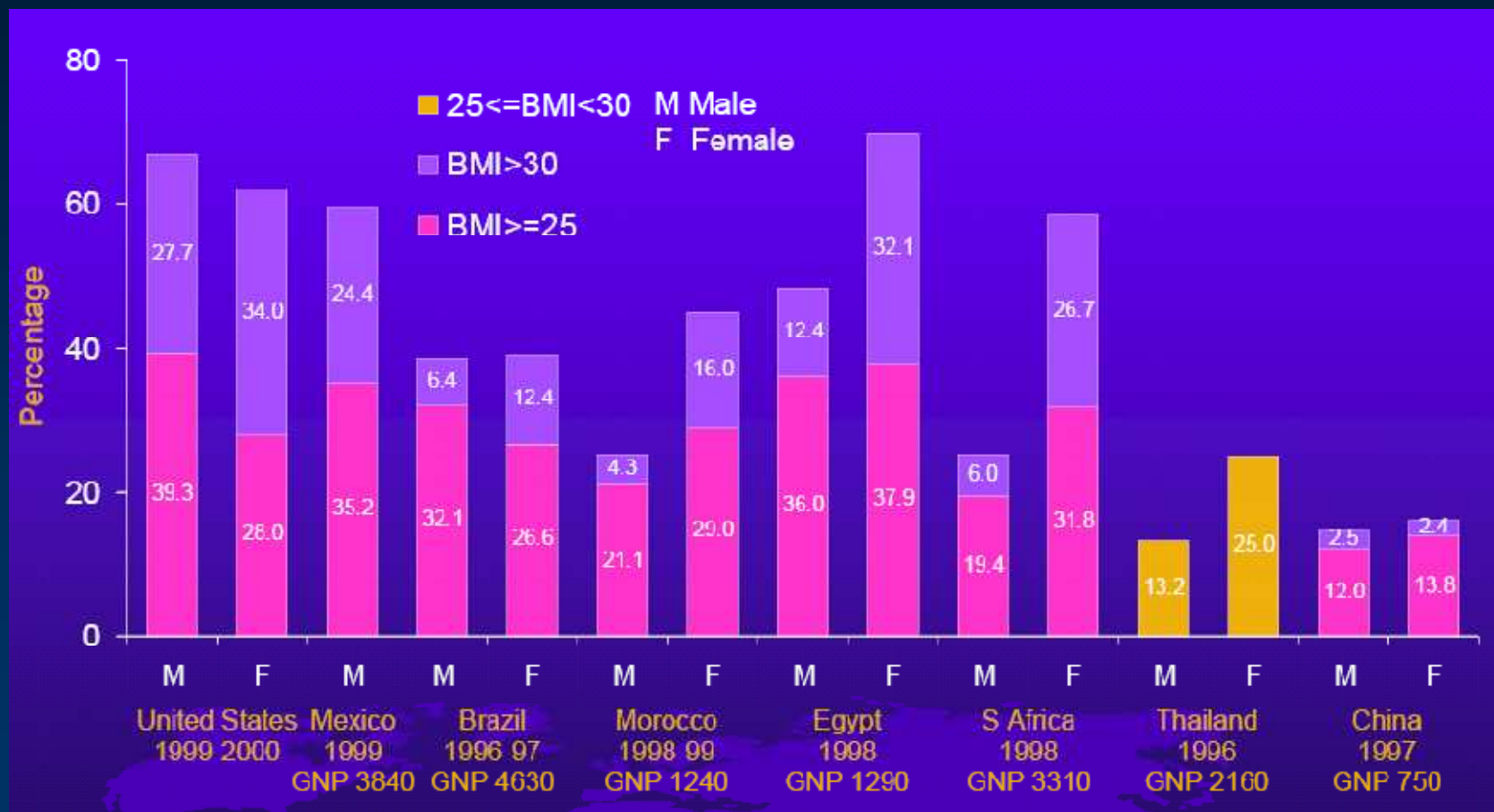


The Power of the  
Multinational  
Corporations

RICHARD J. DARNET & RONALD E. MÜLLER



# Overweight & obesity are not problems just for the rich world



Source: Barry Popkin;

<http://www.time.com/time/2004/obesity/speakers/presentations/popkin.pdf>



# The worldwide marketplace and social determinants of health: Key mechanisms

- Diffusion of advances in *health technology*
- Lack of *material resources* for health, including inadequate access to health care and exposure to hazards such as unsafe drinking water, pollution, dangerous working conditions
- Psychosocial *stress*, both acute and chronic, resulting e.g. from social upheavals or loss of employment
- High levels of economic inequality and lack of social cohesion
- Unhealthy lifestyles (smoking, drinking, bad diet)

Source: adapted from work by Cornia et al. (2008) for Globalization Knowledge Network, WHO Commission on Social Determinants of Health



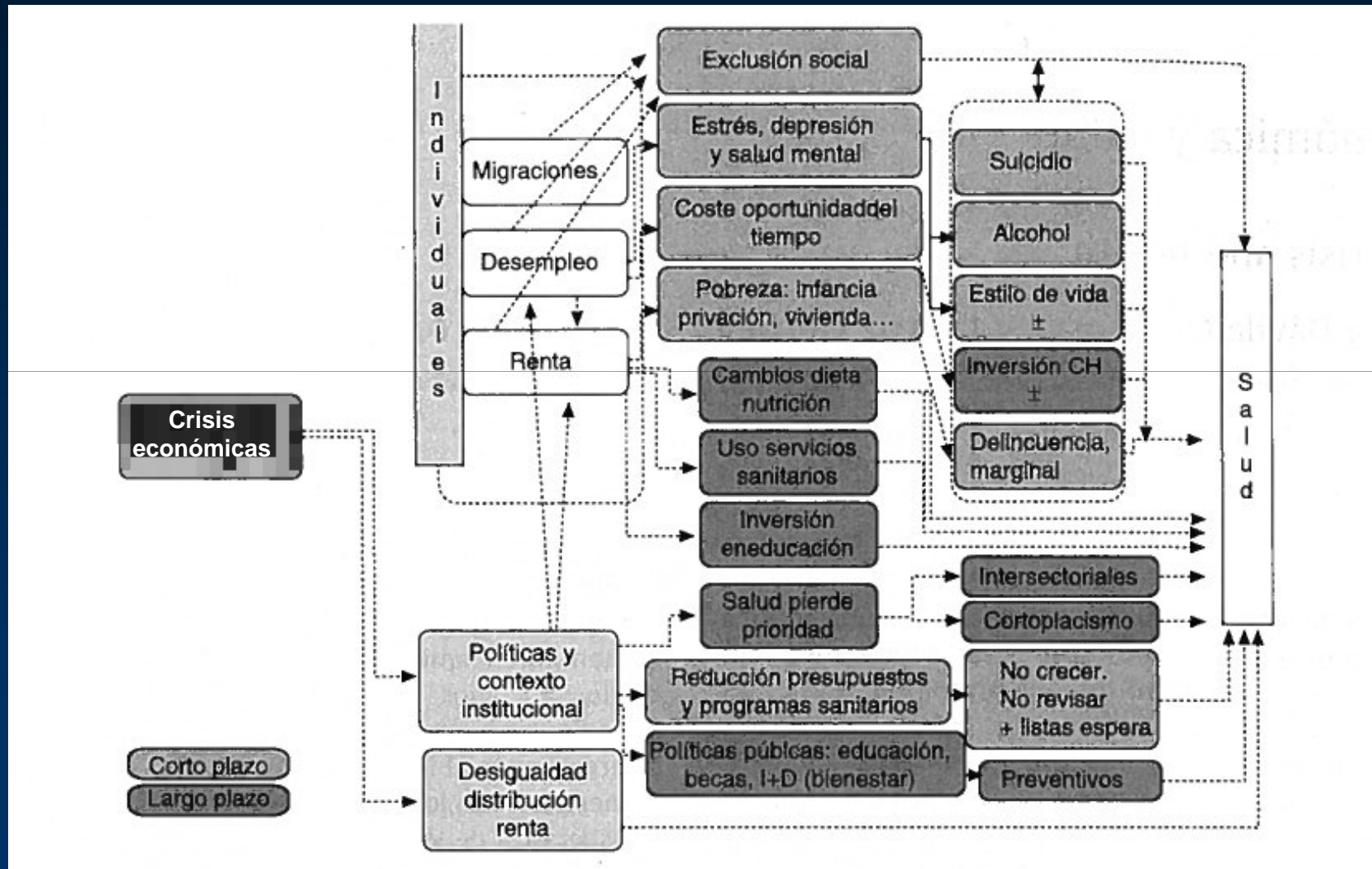
## Global reach

- Reorganization of production into global value chains through foreign direct investment and contract production 
- Pressure for lower wages, more labour market 'flexibility'  increased economic inequality, precarious employment, informalization
- Health consequences both direct (material deprivation) and less direct (cumulative effects of stress associated with economic insecurity)
- Reduced economic leverage, political power of labour

## Global reach

- Low- and middle-income countries exposed to rapid disinvestment, capital flight
- “The decisive factor here is market perceptions: whether the country's policies are deemed basically sound and its economic future, promising. The corollary is that shifts in the market's perception of these underlying fundamentals can be quite swift, brutal, and destabilizing” (IMF Managing Director Michel Camdessus, 1995).

# Conceptualizing the effects of economic crises on health



Source: Quintana & López-Valcárcel, 2009

## Global reach: Capital flight

“Levying heavier taxes on the rich so as to increase social spending that benefits disproportionately the poor” is conceptually attractive, but “it would not be practical to push this very far, because too many of the Latin rich have the option of placing too many of their assets in Miami” (Williamson, 2004)



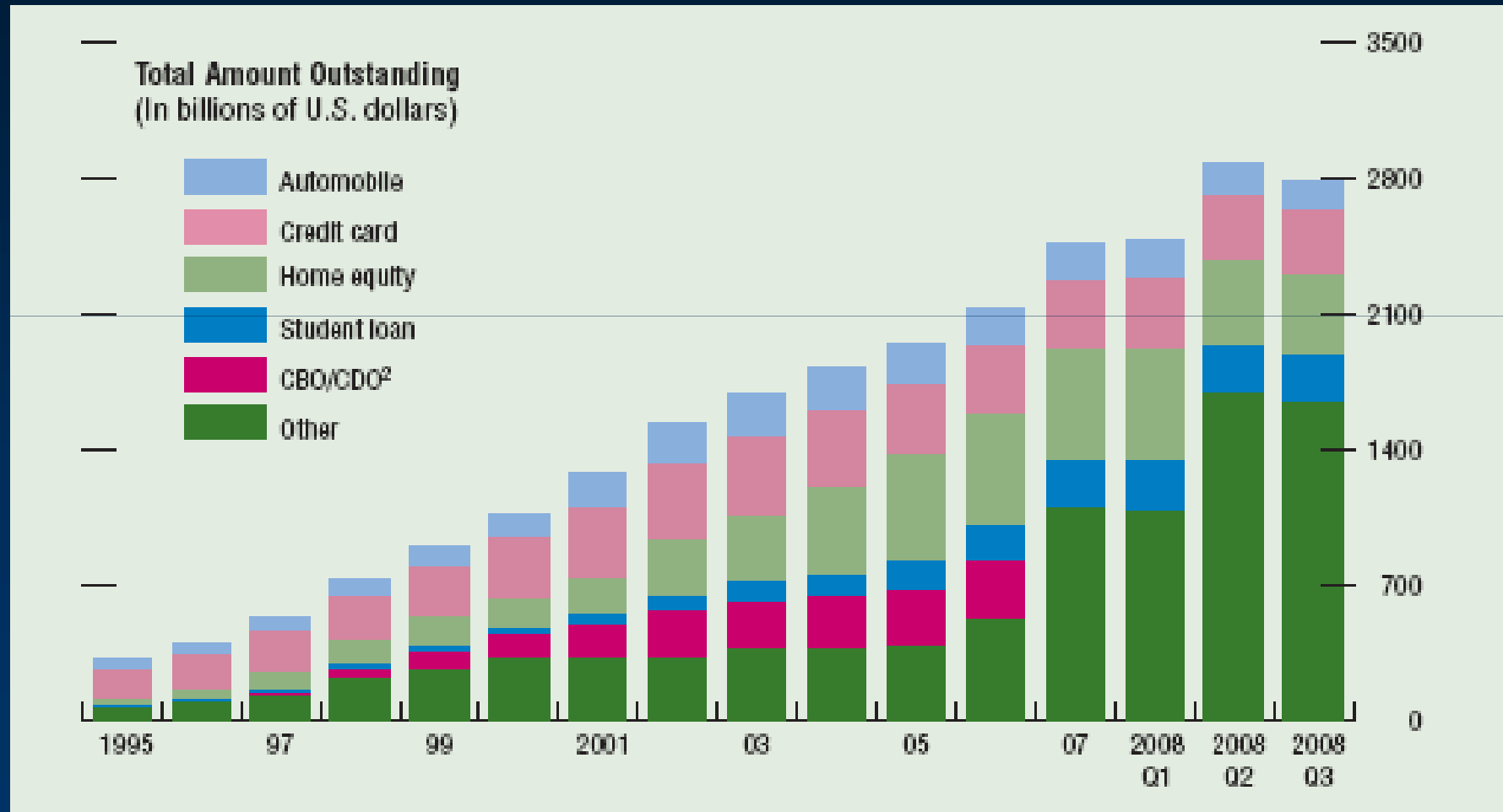
## Local depth

- Generically, an increase in the reorganization of 'local' economic and social life in response to global-scale events, pressures, and processes
- One example: World Bank advocacy for replacing social protection with "social risk management" – *cf.* Hacker (2004) on "privatization of risk"

## Local depth

- Financial crisis of 2008 exemplifies the relation between global reach and local depth
- Originated with deregulation of domestic (mainly US financial markets) that enable financial entrepreneurs to get rich, wreck much of their own financial system, and create negative externalities half a world away

# Explosive growth of asset-backed securities in the United States







- “[W]ith these instruments, housing became an efficient mechanism for getting at the savings of households worldwide - a form of primitive accumulation that moves faster than extracting profit from lowering wages” (Sassen, 2009)

- Financial crisis of 2008 exemplifies the relation between global reach and local depth, perhaps part of a new pattern of global interconnectedness

## World Institute for Development Economics Research on the “triple crisis”

- “A crisis which includes a simultaneous combination of global financial turmoil undermining the real economy, unchecked climate change with carbon emissions growing at a pace faster than foreseen just a few years ago, and hunger exacerbated by the huge run-up in global food prices interacting with the failure of the world to develop timely alternatives to its dependence on oil. The impact on poverty, inequality, social stability and peace are profound and dangerous.”

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## Research is not enough!

- “The policies governing the international systems that link us all so closely together ... need to look beyond financial gains, benefits for trade, and economic growth for its own sake. They need to be put to the true test. What impact do they have on poverty, misery, and ill health – in other words, the progress of a civilised world? Do they contribute to greater fairness in the distribution of benefits? Or are they leaving this world more and more out of balance, especially in matters of health?” (Margaret Chan, October 2008)



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