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Globalisation is good for your health, mostly

Richard G A Feachem

We live in extraordinary times. Since December 1999 in Seattle, every meeting of the leaders of the World Trade Organisation, the World Bank, the International Monetary Fund, and the world’s richest nations (the G8) has been met by increasingly large and violent demonstrations against global processes that are manifestly beneficial. The protestors comprise such a diverse array of groups and opinions that it is impossible to capture their message in a single phrase (how simple were the anti-Vietnam war protests by comparison). The central theme of the protests is discernible, however, and is something like: “Increasing global economic and social integration is a conspiracy by the rich and powerful to exploit the poor and underprivileged.”

Beyond this central theme one hears strands that are against capitalism, economic growth, multinational companies, international institutions, and the governments of wealthy countries. Strangely, the protestors are muted or silent in their objection to the corrupt and inefficient governments of some low income countries or to the massive human rights abuses that occur daily in some poorer countries.

The protestors are right about two things. Firstly, poverty is indeed the most pressing moral, political, and economic issue of our time. Secondly, the tide of globalisation can be turned back. However, to reverse that tide would be, in the words of an Economist editorial, “an unparalleled catastrophe for the planet’s most desperate people and something that could be achieved only by trampling down individual liberty on a daunting scale.”

Many formal definitions of globalisation have been proposed. I think of it as openness: openness to trade, to ideas, to investment, to people, and to culture. It brings benefits today, as it has for centuries—and it also brings risks and adverse consequences, as it has for centuries.

There are three main flaws in the protesters’ positions. Firstly, they overlook a substantial body of rigorous evidence on the economic benefits of globalisation. Secondly, they ignore the wider social and political benefits of globalisation. Thirdly, they lack a counter proposal—if not globalisation, then what?

Economic benefits of globalisation

The evidence that openness to trade and investment is good for economic growth is compelling and goes back several centuries. We can see this effect not only in the multi-country econometric analyses but also in the recent experiences of individual countries. China, India, Uganda, and Vietnam, for example, have all experienced surges in economic growth since liberalising their trade and inward investment policies. Because gross national product per capita correlates so strongly with national health status, we can conclude that, in general, openness to trade improves national health status.

However, evidence on associations between openness and growth among nations does not directly address issues of equity. Recently, it has become common to assert that globalisation has increased inequity both among and within countries. Statements to this effect litter the literature on globalisation and health and are unquestioningly accepted as true in many public health forums. It is necessary to be critical and cautious about such statements. While it will always be possible to show some increasing wealth gaps—especially by comparing very poor countries with very rich countries or by comparing the poorest tenth with the richest tenth within a country—there is strong evidence in the counter direction. For example, globalising developing countries (those which increased trade and reduced import tariffs) have grown much faster than other developing countries. Importantly, they have also grown faster than the wealthy countries in the Organisation for Economic Co-operation and Development (OECD), therefore narrowing the wealth gap between rich and poor countries.

But what of intra-country equity? Again, recent evidence is optimistic. Analysis of 137 countries shows that the incomes of the poorest 20% on average rise and fall in step with national growth or recession. In other words, on average, changes in national wealth...
are not systematically associated with income distribution. There is, however, considerable individual country variation around this average outcome, and studying the outliers in detail would be fruitful. Why is it that in some countries the poor benefit disproportionately from growth while in others they have been left behind. The answer surely lies in the detail of the economic and social policies in place in those countries at the time that national growth was occurring, and understanding these relationships in detail will help to ensure that the poor always benefit from growth.

It is also important in discussing equity and globalisation to focus on the absolute poverty of nations and of households and not only on poverty relative to the rich. Thus, while some gaps may increase, it may still be the case that poor nations and poor households are getting richer. This is good for them and for their health—even if some nations and households are getting richer and healthier more rapidly.

In summary, globalisation, economic growth, and improvements in health go hand in hand. Economic growth is good for the incomes of the poor, and what is good for the incomes of the poor is good for the health of the poor. Globalisation is a key component of economic growth. Openness to trade and the inflow of capital, technology, and ideas are essential for sustained economic growth.

Social and political benefits of globalisation

For a country to isolate itself from the benefits of globalisation is, in general, to condemn its citizens to unnecessary and protracted poverty and misery. Isolationism also allows unscrupulous and oppressive governments to continue to be unscrupulous and oppressive without fear of condemnation or intervention from the outside. Would the campaigns against corruption and government malpractice be as well informed and as strong as they are in the absence of globalisation and information technology? Would Aung San Suu Kyi still be alive if the rest of the world was not watching her every move? Would genocide in East Timor have been cut short in an unglobalised world? Many very poor people in the world do not have governments that are concerned for their welfare and their interests. Such poor people are given hope by an interconnected world in which information and ideas flow rapidly and protest and action can be mobilised in the face of oppression, corruption, and genocide.

The global movement to improve the rights and prospects of women worldwide, which still has a long way to go, would have nothing like its present moral or practical force in the world in the absence of continuing globalisation. We may lament the tendency for cultural globalisation, although as I travel the world I find that local cultural diversity is alive and well. However, without a trend towards global moral and ethical standards, more Chinese women would still be crippled by foot binding, more African women would still be genitaly mutilated, and more Indian women would be killed or beaten in disputes over dowries. Are these advances worth the eyesore of the McDonald’s outlet in Hyderabad or a charming market town in rural France? We must each weigh the outcomes.

Technology and its diffusion are another piece of the globalisation story with important implications for health. The pace of technological change is exponential. Ninety per cent of all scientists who have ever lived are alive today. The human genome has been mapped more rapidly than could have been imagined. The explosion of information technology is making it far easier and far cheaper to communicate globally. In 1930 a three minute telephone call from New York to London cost over $300, today it costs 30 cents.

The previous G8 meeting in Okinawa lamented the digital divide. What is more remarkable is the speed at which information technology has reached low income countries and even quite remote areas within those countries. No previous technological revolution, such as steam engines, electricity, or telephones, has diffused so widely and so quickly. Non-governmental organisations in towns in India or Tanzania are now able to connect with like-minded people around the world, perhaps to organise the next anti-globalisation street protests. In terms of connectivity to the internet, Singapore has overtaken the whole of Europe. South Korea does as well as Britain, and middle and large low income countries are increasing their internet connectivity rapidly. Already 0.5% of Indians (five million people) have online access, and this number is set to rise rapidly during the next five years.

The internet itself will have a substantial health impact in low and middle income countries. There are two reasons for this. Firstly, the internet will promote more rapid economic growth than would otherwise have occurred, and this economic growth, in the presence of sound public policy, will promote better incomes and better health for the poor. There are many pathways by which the internet will boost the economy, all of which essentially mean a greater ability for companies in developing countries, especially small ones, to participate in global trade and commerce. Secondly, the communications, data management, and administrative capacity offered by the internet will greatly improve the management and delivery of healthcare services, the surveillance of communicable disease, the response to epidemics, the monitoring of antibiotic resistance, and a host of other important

Protesters against the G8 summit in Genoa. But do they know what they’re protesting against?
applications in the health sector. We have not yet begun to see the benefits of this application of information technology in most countries.

Alternatives to globalisation

The third flaw in the protesters’ world view is their lack of a counter proposal. What is the alternative to globalisation and economic growth that we should prefer? Isolationism? The erection or maintenance of national boundaries that inhibit the flow of ideas, technology, and money? Economic stagnation? Luckily, we have no widespread experience of such policies, but we do have local evidence of their virtues. They deliver Myanmar rather than Malaysia, North Korea rather than South Korea, Cuba rather than Costa Rica. Chacun à son goût.

Drawbacks of globalisation

But every silver lining has a cloud. The shift with development from food scarcity to food surplus is accompanied by rising obesity and its associated health consequences. The steady reduction in mortality rates (until HIV infection and AIDS came along) has allowed people to live long enough to develop unpleasant chronic and degenerative diseases. And so with globalisation. A process that has unquestionably brought benefits to many countries also carries with it risks and negative consequences.

This is not new. Perhaps the most devastating impact of globalisation was the spread of deadly epidemics that accompanied European expansion and colonisation between roughly 1500 and 1800. These epidemics decimated immunologically naïve populations, especially in the Americas and Oceania. Global spread of infection continues today, although (with the notable exception of AIDS) we now have better knowledge and tools with which to ameliorate the consequences.

In addition to the threats from emerging and re-emerging infections that are increased by globalisation, there is the massive debate on global environmental change and its health consequences. I have no doubt that there are grave concerns to be researched and addressed in this area. However, it is noteworthy that the widely held pessimism of the public health community has now been comprehensively challenged.

Conclusions

The protesters derailed the Seattle meeting of the World Trade Organisation and seriously disrupted the G8 summit in Genoa. This despite the fact that matters of vital importance to poor people and to developing countries were being discussed at these meetings. In November in Doha, the World Trade Organisation’s 142 member countries will try to launch a new round of global trade negotiations. On the agenda are agricultural tariffs, an area in which the rich countries are notoriously protectionist. Reaching new international agreements on freer trade, particularly in agriculture, is far more important to the lives of the poor than debt relief. Let the health and medical community worldwide give all support to the World Trade Organisation and to the Doha meeting in the name of poverty alleviation and better health for all.

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