Preface

We are all responsible for all.
Fëdor Michajlovič Dostoevskij, *The brothers Karamazov*

Development assistance for health, the core issue of the Third Report by the *Osservatorio Italiano sulla Salute Globale* [Italian Global Health Watch] (OISG), is supposed to address the enormous inequalities in global health, the subject of the second report.

"Epidemiology provides us with an increasingly clearer picture as to the extent of health inequalities and the level of correlation between health indicators (e.g. life expectancy at birth, general mortality and specific mortality by pathology and by age etc.) and health determinants (e.g. income, education, access to health services etc.). The enormous quantity of figures available reveals a worrying situation: each year, 10.8 million under fives die, 90% of them in the poorest countries on the planet. The majority of these 10.8 million deaths (63%) could be prevented by guaranteeing access to primary health care, which is as effective as it is economical, e.g. treating diarrhoea with oral rehydration salts, which alone would prevent more than 1.4 million deaths, breast feeding, giving birth in clean environments, Vitamin A supplementation, vaccinations etc.. Each year, 3 million people die of HIV/AIDS, mainly in Sub-Saharan Africa, also due to the lack of medication, which is too expensive, and adequate equipment and health workers due to the near collapse of health systems. We could continue by quoting similar figures for tuberculosis, malaria, maternal mortality etc. The correlations are perfectly clear: at the root of this terrible excess of mortality lies material deprivation, low levels of education, and the almost complete impossibility to access essential, skilled primary health care" (From the Preface to the Second Report by *OISG*[1]).

The aforementioned situation has not changed a great deal over the last two years. This report takes a multifaceted look at the characteristics of international health cooperation policies, as well as the actions and programmes of the actors on the scene. This complex situation teems with "contradictions and good intentions", and "charity, ideology and deceit". In the end, however, if we were to reach a very brief conclusion, a recent editorial in the Lancet sums up the situation very well: "Children and mothers are dying because those who have the power to prevent their deaths choose not to act. This indifference – by politicians, policy makers, donors, research funders, and civil society – is a betrayal of our collective hope for a stronger and more just society, one that values every life no matter how young or hidden from public view that life might be. It signifies an unbalanced world in which only those with money, military strength, and political leverage determine what counts and who counts. As health professionals, we should not accept this pervasive disrespect for human life"[2].

Thirty years ago, in 1978, no one could have predicted that the health (let alone the social and economic) situation would have evolved so disastrously for a part of humanity. It is true that a few years later the world would experience the entirely unexpected explosion of the HIV/AIDS epidemic, which affected different areas of the planet with selective virulence for the aforementioned reasons. The year 1978 was a memorable one for international health. It was the year that smallpox was finally eradicated across the world, a goal achieved via a long process involving public health facilities worldwide under the direction of the World Health Organization (WHO). This year was especially important, however, as it witnessed the Declaration of Alma Ata[3], the historic WHO report signed by almost all of the world's countries, marking a turning point in global health policy. Below are some selected extracts:

- "The Conference strongly reaffirms that health, which is a state of complete physical, mental and social wellbeing, and not merely the absence of disease or infirmity, is a fundamental human right and that the attainment of the highest possible level of health is a most important world-wide social goal whose realization requires the action of many other social and economic sectors in addition to the health sector".
- "The existing gross inequality in the health status of the people particularly between developed and developing countries as well as within countries is politically, socially and economically acceptable and is, therefore, of common concern to all countries".
- "An acceptable level of health for all the people of the world by the year 2000 can be attained through a fuller and better use of the world's resources, a considerable part of which is now spent on armaments and military conflicts".
- "All countries should cooperate in a spirit of partnership and service to ensure primary health care for all people since the attainment of health by people in any one country directly concerns and benefits every other country".

In 1978, statements of this kind appeared innovative and advanced due to the "multisectoral" and "global" commitment they demanded; they did not appear utopian or wishful, as they might do today, because they were coherent with the policies adopted by almost all industrialized countries, which had introduced the "right to health" into their legal system. This would guarantee each individual access to primary health care without geographical, economic and social barriers and regardless of culture or race.

The year 1978 was also one that marked a new stage in the history of international health. After 1978, as documented thoroughly in Chapter 1.1 of this Report, global health policy underwent a brusque and radical change of direction. Although the goal of guaranteeing the world's population full access to primary health care by the year 2000 seemed realistic in 1978, shortly afterwards it became a mere mirage for at least 80% of the world's population.

Ample literature has been written about the influence of the neo-liberal ideology that exerted its hegemony in the early 1980s and about the brusque change in direction of international health policy post Alma-Ata. We also wrote about these issues in the two previous Reports (2004[4]and 2006[5]), as well as a specific paper (*Da*

Alma Ata al Global Fund [From Alma Ata to the Global Fund] 2007[6]). Less well-known, however, are the dynamics that led the neo-conservative right to power in the USA and its subsequent hegemony over international politics, including global health policy. Two recent books, one by Naomi Klein[7] and the other by Paul Krugman[8], portray those events and enable us to understand how they changed the course of history. Each book looks at the situation from a different angle: the former looks at the events on the international chessboard, while the latter focuses more on the domestic situation in the USA.

From Roosevelt to Reagan. From Keynes to Friedman

The story begins in 1930s America, the years of the Great Depression and the New Deal. The two main figures were Democrat President Franklin D. Roosevelt and British economist John Maynard Keynes. The response to the economic and social catastrophe in the wake of the Wall Street Crash in 1929 was absolute "heresy" against dominant contemporary economic thought, which demanded a State that was "non-interventionist" as regards the economy and social policies. The US State, however, intervened heavily by financing public works to give employment some breathing space and by passing the 1935 Social Security Act[9], which introduced a sophisticated social security system into the USA for the first time. The Act envisaged the establishment of old-age pensions, financial assistance for the elderly poor, child benefit, unemployment benefit, mother and child protection, and assistance for disabled children*. A hard-hitting tax policy was introduced to finance the Act. Until that time, taxes were an almost insignificant factor for the rich: the top income tax rate touched 24%. With the introduction of the New Deal, the rich started to pay tax at a decidedly higher rate: income tax rose to 63% during the first Roosevelt administration and to 79% during the second. Once the 1930s crisis had been dealt with successfully, Roosevelt's Democrat governments and Harry Truman's government from 1948 addressed the war and post-war periods respectively by confirming the active role of the government in the economy when it intervened in the labour market by promoting wage equality and developing trade union power.

The events that took place in the USA between the 1920s and the 1950s are known as The Great Compression. This process bridged the gap between the rich and the working class and reduced wage differences between workers, thus redressing the inequalities within American society and fuelling the rise of the middle class. We should also note that the economic boom that followed The Great Compression was the longest in the history of the United States. When the Republicans returned to the White House in 1952, they accepted the institutions created by the New Deal

* Despite Roosevelt's repeated attempts, national health insurance had to be left out of the 1935 Act. This was due to intransigent opposition from the American Medical Association (AMA) to any form of mutual assistance and socialized medicine. Roosevelt was forced to waiver the introduction of this part so that the bill could be passed.

as a permanent part of the American political scene. "Should any political party attempt to abolish social security and eliminate labor laws and farm programmes," wrote new US President Dwight Eisenhower in 1954 in a letter to his brother Edgar, "you would not hear of that political party again in our political history".

During the same period, Europe had no reason to envy the US's welfare state[10]: quite the opposite in fact. At the end of the nineteenth century, Bismarck's Germany was the first to introduce health and workplace insurance, old-age and reversibility pensions, as well as unemployment benefit. In the 1940s, the United Kingdom parliament unanimously agreed to introduce the National Health Service, financed by taxpayers' money, as a part of a robust universal welfare system that included free compulsory education among other things. The Italian National Health Service was established in 1978 on the basis of the British system; almost all of the Italian political parties voted in favour, except for the Liberal Party, 3% of the electorate, which voted against.

In the USA, national health insurance has remained a mirage for reasons that Krugman explains very clearly in his book. Although no general system reform has been introduced, over the years a range of piecemeal reforms has been made: private employee insurance paid for by employers; Medicare (public insurance for the elderly); Medicaid (public insurance for the poorest sections of society); and public insurance for the military and veterans. The American system, however, is costly and inefficient as it leaves a major part of American citizens without insurance cover. In 1974 Republican President Richard Nixon stated, "Comprehensive health insurance is an idea whose time has come in America. Let us act now to assure all Americans financial access to high quality medical care". His Comprehensive Health Insurance Plan did not get off the ground, however, because he had to resign in the aftermath of the Watergate Scandal. The bipartisan approach to welfare issues stopped at the end of the 1970s when the neo-conservatives took control of the Republican Party and took Ronald Reagan to the White House in 1980.

This new political era was characterized by the defenestration of the ideas, theories and policies that had fuelled the New Deal and guided US Government policy for about half a century. The new buzzwords were deregulation, free market, privatization, and slashing public spending. Whereas the New Deal was based on Keynes's economic theories, the new ultra-conservative path owed more to the ideas of Milton Friedman, Professor of Economics at Chicago University and Nobel Prize for Economics in 1976. He was also known for being the inspiration behind the economic decisions of the Chilean Dictator General Pinochet and for rearing a vast army of neo-liberal economists nicknamed "The Chicago Boys". Many of these came from Latin America, mainly Chile, and when they returned to their home countries they were appointed to important government posts or other powerful positions.

Money, writes Krugman, is the glue that binds the neo-conservatives, who are mainly funded by a handful of extremely wealthy individuals and by some major multinationals who have everything to gain from the abolition of progressive taxation and the dismantling of the welfare state. With the exception of Democrat President Bill Clinton's terms in power between 1992 and 2000, the ultra-conserva-

tives have governed the USA since 1980, from Ronald Reagan to George W. Bush. While in power, they applied their policies rigorously, the first of which was the reduction of the tax burden for the richest sections of the population. **Table 1** illustrates the development of the three tax rates that affect the wealthiest 1% of American society, but have very little effect on the rest. Between 1979 and 2006, the highest income tax rate was halved, tax on capital income was almost halved and tax on company profits was slashed by more than a quarter.

The rise to power of the intransigent right encouraged businesses to launch a full-scale attack on the trade union movement, which reduced the workers' contractual power enormously and freed directors from the political and social constraints that had limited the giddy increases in their salaries. Tax policies favouring the wealthy, erosion of the welfare state and stagnating salaries produced widespread social and economic inequalities, as illustrated by some symbolic figures. In the 1970s, the pay of managing directors was 40 times higher than the average salary of a full-time worker; in the early years of 2000, it soared to 367 times higher. The pay of managers of large enterprises was 31 times higher in the 1970s, but 169 times higher in the early years of 2000.

Table 1. The highest tax rates (as percentages)

Year	*Highest rate of income tax*	*Highest tax rate on long-term capital income*	*Highest tax rate on company profits*
1979	70	28	48
2006	35	15	35

Source: Urban Brooking Tax Policy Center; see note 8 in the Bibliography.

With the simultaneous ascent to power of Ronald Reagan and Margaret Thatcher, the influence of neo-conservative policies quickly spread across the international chessboard. Their strongly ideologized administrations were able to pilot the World Bank and the International Monetary Fund towards their goals, turning them into the main vehicles for the advancement of a neo-liberal crusade. The Chicago School's colonization of these two institutions, writes Klein, was mainly a silent process, but it became official in 1989 when John Williamson presented the public with what he defined as "The Washington Consensus". It was a list of 10 economic regulations that were to be imposed on poor and indebted countries as conditions for them to obtain loans and financial assistance. It was shock therapy based on privatization, liberalization of trade and imports, deregulation, tax cuts, and especially a drastic reduction in public spending. "The ideological aspects of the advice are plain enough", states the economist J. Sachs "Conservative governments of the United States, United Kingdom, and elsewhere used international advising to push programs that found no support at home. Many African countries have heard an earful from the World Bank over the past two decades about privatizing their health services, or at least charging user fees for health and education"[11].

Weapons of mass distraction

Only a shock, such as a natural catastrophe or the intentional violence of war, terrorism and torture, can make "the politically impossible the politically inevitable", said M. Friedman. In her book Shock Doctrine, Klein provides a detailed and documented account of all the cases in which the shock of war, coups, repression and torture were the necessary and deliberate preface to making the impossible inevitable, i.e. the rapid implementation of neo-liberal policies within countries such as Brazil, Indonesia, Chile, Uruguay, Argentina and Iraq. For the weakest countries, The Washington Consensus was a more-than-sufficient shock to bring governments to their knees. China deserves a separate mention, as it was repeatedly the goal of Friedman's study missions and consultancy. "Friedman's definition of freedom," writes Klein, "in which political freedoms were incidental, even unnecessary, compared with the freedom of unrestricted commerce, conformed nicely with the vision taking shape in the Chinese Politburo. […] The model the Chinese government intended to emulate was not the United States but something much closer to Chile under Pinochet: free markets combined with authoritarian political control, enforced by iron-fisted repression". Klein's book revolves around the idea that neo-liberal policies can only be implemented in a "shocked" or repressive context. The question Krugman asks himself is that in a democratic, ordered country, how can mass consent be gained by a movement that aims to cut taxes and dismantle the welfare state? Tax cuts would mainly benefit a small minority of the population, while slimming down the social security network would affect much larger swathes of the population. In order to win elections and compensate for the innate unpopularity of these right-wing policies, he says in a New York Times editorial, the neo-conservatives need to find a way to shift attention onto other issues; what Krugman calls "weapons of mass distraction". A powerful weapon used by the Republicans is to exploit cultural feelings and fears, e.g. by fuelling racial issues and exploiting white revanchism against the Civil Rights movement, the Republicans won the southern States, which were traditional Democrat bastions. Another effective "weapon of distraction" is the issue of national security; since the Vietnam War, there has been a general belief that the Republicans are better equipped than the Democrats to govern the country in times of danger and conflict.

What can we expect?

This preface, and the chapters of this report, makes it clear that the outcome of many of the unacceptable inequalities in global health, and in the health and social systems that support them, will depend on the policies adopted by high-income countries in the years to come. This is mainly true of the US, but also includes Italy and the rest of the European Union. One recent comment in the Lancet[12] suggests that much will depend on what mixture of the five possible global health metaphors will be adopted by wealthy countries after the upcoming American elections. The five metaphors are global health as 1) foreign policy; 2) security; 3) char-

ity; 4) investment; and 5) public health. If they use the first metaphor, wealthy countries will forge alliances with countries in which they have a strategic interest; they will open new markets and protect their pharmaceutical industries. With the second, emphasis will be placed on controlling communicable diseases, including bio-terrorism, which could also threaten wealthy countries. The third will be used to promote health as a weapon against poverty, with emphasis on mothers, children, malnutrition, and natural disasters, with NGOs as natural allies. The fourth involves the use of global health as a tool for economic growth; special focus will be placed upon young people and workers, and the diseases that hinder economic activity such as AIDS, tuberculosis and malaria, as well as animal diseases. The fifth metaphor aims to reduce the global burden of disease by giving priority to risk factors and social determinants in order to maximize the positive effects on health. There is no doubt that since 1978 rich countries, and especially the US, have promoted policies that favour foreign policy and security; it was inevitable that development assistance for health would feel the repercussions of these trends. UN agencies and the World Bank, however, have focused on the third and fourth metaphors, and their drives have also influenced development assistance policies. What would happen if we were able to shift the pendulum of global health towards the fifth metaphor and public health?

The Third Report on Global Health

The third report by the OSIG is divided into two parts. The first is devoted to various issues of development assistance for health, as we stated at the beginning of this preface. These issues include global health and development assistance policies; international health cooperation; the role of Italy and other emerging actors such as China; the point of view of assistance beneficiaries and of Non-Governmental Organizations. Focus will also be placed on specific issues such as "Armed conflict and humanitarian work" and "The migration of health workers", and on countries such as Uganda and Palestine. The second part is devoted to current issues and updates regarding global health and is divided into three sections: a) The politics of global health (from "Health to intellectual property rights: the never-ending battle" to "Refugees, asylum seekers and the right to health"); b) The state of health in the world, the current situation of some specific conditions (from Aids to cardiovascular diseases); c) Health care systems, with updates on the evolution of health care policies in countries including the USA, Cuba, China and Brazil.

We would like to dedicate this Report to university students on a wide range of degree courses, including medicine and surgery, dentistry, nursing, political science and sociology, who participate in the educational activities on global health that are becoming increasingly common in Italian universities; in many cases the initiatives and impetus are created by the students themselves. This growing awareness of public health and social justice is a sign of hope and a strong symbol that will enable our association to continue and, we hope, to further the analysis, study, dissemination and promotion of our work.

This third report, like the two that preceded it, is an immense joint effort that involved forty authors. We would like to thank Valeria Confalonieri for coordinating the editing and for her priceless help in reviewing the texts of all the chapters.

Adriano Cattaneo and Gavino Maciocco
cattaneo@burlo.trieste.it - gavino.maciocco@unifi.it

Italian Global Health Watch
www.saluteglobale.it

References

[1] G. Maciocco, Preface of OISG*, A Caro Prezzo*, Second Report by Osservatorio Italiano sulla Salute Globale, Edizioni ETS, Pisa 2006, pp. 7-11.
[2] R. Horton, *Countdown to 2015: a report card on maternal, newborn and child survival*, «Lancet» 2008, 371, pp. 1217-1219.
[3] WHO/UNICEF, *Declaration of Alma Ata*, WHO, Geneva 1978.
[4] OISG, *Salute e Globalizzazione*, First Report by Osservatorio Italiano sulla Salute Globale, Feltrinelli, 2004.
[5] OISG, *A Caro Prezzo*, Second Report by Osservatorio Italiano sulla Salute Globale, Edizioni ETS, Pisa 2006.
[6] www.saluteglobale.it
[7] N. Klein, *Shock Doctrine*, Metropolitan Books, 2007.
[8] P. Krugman, *The Conscience of a Liberal*, Norton, 2007.
[9] http://www.ssa.gov/history/35act.html
[10] G. Maciocco, *Politica, salute e sistemi sanitari*, Pensiero Scientifico, Roma 2008.
[11] J.D. Sachs, *The End of Poverty*, Penguin, 2005, p. 82.
[12] D. Stuckler, M. McKee, *Five metaphors about global health policy*, «Lancet» 2008, 372, pp. 95-97.