

COMMISSION ON SOCIAL DETERMINANTS OF HEALTH

AN INDEPENDENT SYNOPSIS BY DAVID WOODWARD*

What the Report of the Commission on Social Determinants of Health says about:

- **Health Care**
- **Other Health-Related Services**
- **Economic Models of Development**
- **Markets and the Corporate Sector**
- **Employment and Livelihoods**
- **Social Protection**
- **Financing**
- **Globalisation**
- **Global Governance**

While the Commission makes a number of specific recommendations, these are constrained by its mandate, and as a result do not include many suggestions and proposals included in the body of the report, or address specific issues which are clearly identified as necessary if the Commission's objective of "closing the gap in a generation" is to be fulfilled. At the same time, because of the very complex and inter-connected nature of influences on the social determinants of health, material relevant to a number of key issues is spread across several sections of the report. The following is an attempt to draw the material in the report together, in summary form, under a number of thematic headings, highlighting the Commission's suggestions and proposals, and the specific needs it identifies, as well as its formal recommendations.

It should be emphasised that this synopsis has no official status, that it has been compiled entirely independently of the Commission and its secretariat, and that it should in no way be attributed to them. While the contents are intended to reflect what the report says on each subject, some selectivity has been inevitable, and the emphasis undoubtedly reflects the priorities of the writer.

Health Care

The Commission is strongly critical of recent health-sector reforms, which it sees as a product of broader economic influences and driven by international agencies, commercial actors, and medical groups. These reforms have resulted in health care becoming increasingly commodified, commercialised and fragmented, and promoted a narrow technical/medical focus. This has undermined the development of comprehensive primary health care, and generated a stark and growing divide between over- and under-consumption of health-care services between the rich and the poor worldwide.

Health-care systems should be designed and financed to ensure equitable, universal coverage and access, allowing everyone who needs health services to use quality services, with adequate human resources. Health systems should be based on the primary health-care model, combining locally organised action on the social determinants of health with strengthened primary care, and should focus at least as much on prevention and health promotion as on treatment. Where universal services cannot be achieved immediately, services disproportionately benefiting disadvantaged groups may be prioritised in the short term. User charges for health services are unacceptable, and health care should be financed from general taxation or mandatory insurance, minimising out-of pocket spending. Intended beneficiary groups should be included in all aspects of policy and programme development, implementation, and evaluation.

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The report also criticises the IMF's Medium-Term Expenditure Framework (MTEF) as prioritising very low inflation and conservative fiscal policy over poverty and health needs, leading to under investment in the human capacity critical for health-care systems; and it warns that global health initiatives may skew priorities and exacerbate human resource scarcity. Investment in medical and health personnel should be increased, and efforts made to balance health-worker density in rural and urban areas, for example through use of community health workers.

Other Health-Related Services

Education, quality housing, clean water and sanitation, as well as health and health-care, are human rights. The report condemns commercialisation of health services and education, which should be governed by the public sector. The state also has a clear responsibility to ensure access to water and sanitation, which is essential to life, and wholesale privatisation of water should be discouraged. Access to clean water should not be limited by ability to pay, and cross-subsidies should be used where cost recovery is necessary.

Economic Models of Development

The development model pursued since the 1980s has been the target of a great deal of deserved criticism. Structural adjustment had a severe adverse impact on key social determinants of health across most participating countries; and market-oriented economic policies have contributed to the dispersion of regional performances in life expectancy. It is not clear that such policies produced the anticipated benefits, or that the health and social costs were justified. The over-reliance of these programmes on markets to solve social problems has proved damaging; and they have limited investment in infrastructure and human resources, reducing state capacity. There is growing demand for a new approach to social development, moving beyond an overriding focus on economic growth to look at building well-being through a combination of growth and empowerment.

The Commission finds that the relationships among globalisation, growth, and poverty reduction are deeply problematic, noting widespread challenges to the view that economic growth alone can provide a solution to global poverty, and the decline in the income share of the poorest 20% of the population in many countries over the last 15 years. Without appropriate social policies, economic growth brings little benefit to health or health equity. Progress towards health equity requires addressing economic inequality, including inequity in public financing, and the evidence suggests that income redistribution is a more efficient means of reducing poverty. Systems should be built to ensure that no-one's income falls below a minimum healthy level.

The role of governments through public sector action is fundamental to health equity, and the State has a responsibility to guarantee a comprehensive set of rights and ensure fair distribution among population groups. An empowered public sector, based on principles of justice, participation and inter-sectoral collaboration, is needed to underpin action on the social determinants of health and health equity. This requires strengthening the core functions of government and public institutions, nationally and sub-nationally.

Policy coherence and inter-sectoral action for health – "health in all policies" – are essential, and renewed government leadership is urgently needed to balance public and private sector interests.

Markets and the Corporate Sector

While recognising the potential benefits of markets to health, the Commission also highlights their adverse effects, including economic inequality, resource depletion, pollution, unhealthy working conditions, and increased consumption of dangerous and unhealthy goods. Even where goods and services can be efficiently and equitably provided through the private sector, government regulation is vital, and efforts are needed to ensure that private sector activities and services (eg production and patenting of medicines, and health insurance) contribute to health equity rather than undermining it.

The impact of voluntary initiatives on corporate behaviour is inevitably limited, and "corporate responsibility" is often little more than cosmetic, lacks enforcement, and entails little evaluation. Corporate accountability may provide a better means of ensuring positive effects of business activities. The Commission suggests disclosure standards for companies on where products have been produced and with what employment standards. Consideration could also be given to internationally coordinated changes to company law, to require publicly quoted companies to pursue a broader set of social and environmental objectives rather than maximising shareholder value.

Employment and Livelihoods

The Commission condemns inequitable, exploitative, unhealthy and dangerous working conditions, and calls for employment conditions conducive to well-being, including safe, secure and fairly paid work, year-round work opportunities, and healthy work-life balance for all, with effective worker protection and measures to reduce stress and exposure to material hazards.

Fair employment and decent work should be a central focus of development strategies, and economic and social policies should provide secure work and a living wage, taking in line with the cost of health needs. Full employment requires integrated economic and social policies, including employment generation, eg through public works, local procurement policies, income-generation and support to small, medium and micro enterprises.

The Commission calls for progressive fulfilment of global labour standards. While standards should be graduated, recognising the lower standards developing countries are able to achieve, there should be progressive upward convergence of standards over time. The starting point should be the four core principles – freedom of association and the right to collective bargaining; freedom from forced labour; the effective abolition of child labour; and non-discrimination in employment. Child labour can be reduced by increasing poor households' income and ensuring quality schooling. The state should guarantee the right to collective action among formal and informal workers.

The Commission supports progressive development and implementation of binding codes of practice in relation to labour and occupational health and safety (OHS). Mechanisms should also be explored to create cross-country wage agreements, initially at a regional level.

Government policy and legislative support are required to rebalance work and private life, providing parents the right to time to look after children, access to childcare regardless of ability to pay, flexible working hours, paid holidays, parental leave, job share, and long-service leave. Encouragement could be given to shorter working hours in high-income countries. Government policy and legislation are also needed to create more security in different working arrangements.

Efforts should be made to improve working conditions in the informal sector as part of a coherent economic and social policy including social protection, education, and public sector strengthening. OHS policy and programmes should be applied to all workers, and should be extended to include work-related stress and harmful behaviours. OHS components should be included in employment creation programmes, and in regulation of subcontracting and outsourcing.

The Commission emphasises that changes in the operation of the global economy are necessary for its recommendations on employment to be implemented. (See *Globalisation*.)

Social Protection

Social protection should be provided to all people across the lifecycle, and should include unemployment, sickness, and disability benefits and social pensions. Universal (rather than targeted) approaches are important for dignity and self-respect, can enhance social cohesion and social inclusion, and may be more politically acceptable. Governments should build towards

universal social protection systems, increasing the generosity of benefits over time towards a level that is sufficient for healthy living, and gradually protecting against a more comprehensive set of risks. Targeting should be used only as a back-up for those who slip through the net of universal systems.

A concerted effort is needed to develop realistic solutions to social protection of migrants, asylum seekers and refugees. Attention should also be given to the needs of people with disabilities, including fighting discrimination by employers.

In developing countries, social protection should be embedded in Poverty Reduction Strategies. Social protection systems can be developed gradually through pilot projects, successful pilots being rolled out nationally, starting with the most deprived regions. Donors and international organisations have an important role to play in building capacity for social protection.

As for employment, the Commission emphasises that changes in the operation of the global economy are necessary for its recommendations on social protection to be implemented. (See *Globalisation*)

Financing

The Commission calls for increased public finance for programmes and policies to support the social determinants of health, including child development, education, improved living and working conditions and health care, recognising the failure of markets to supply vital goods and services equitably. It also calls for a fair allocation of the costs of action on the social determinants of health, both geographically and across social groups, through progressive taxation at the national level, a major increase in aid, improved aid quality and greater debt cancellation.

Tax systems should be progressive, and focus on direct rather than indirect taxation; and mechanisms should be established to ensure that available tax funding is allocated between populations and areas according to need. This requires strengthening tax systems and capacities in many developing countries.

The Commission finds current levels of aid "grossly inadequate", and the net financial outflow from many developing countries to richer countries "alarming". It identifies a "trust deficit" between donors and recipients, leading to multiple and onerous conditions which increase transaction costs, strain recipient countries' often weak administrative capacity, and constrain their freedom to determine their own developmental and financing priorities. It also highlights problems arising from the volatility and unpredictability of aid flows.

It calls on donor countries to honour existing commitments by increasing aid to 0.7% of GDP, to establish predictable long-term funding mechanisms, to increase aid quality, to reduce tied aid, to increase budgetary support, to align aid with recipient countries' own development plans, to increase aid for health (particularly the social determinants of health), and to coordinate aid use through a social determinants of health framework.

The Commission identifies a need for new multilateral institutions for an expanded, reliable and more coherent system of global aid. Greater emphasis should be placed on globally pooled funds, multilaterally managed and transparently governed, multi-year stability of donor inputs, and the determination of recipients' eligibility and allocations according to agreed needs and developmental objectives.

The PRSP process has been "something of a missed opportunity", and appears to have had an adverse impact on national policy space and public spending on education and health care. The PRSP process should emphasise more explicitly that it is a process of national cross-sectoral coherence in decision-making. Donors and national governments should provide more funding for cross-sectoral work on the social determinants of health; more support should be provided to

Health Ministries in their engagement with Ministries of Finance; and Medium-Term Expenditure Frameworks should be more flexible, to allow key recurrent costs to be met.

An urgent need exists for more debt relief, deployed more effectively in support of social determinants of health, as the considerable weight of remaining debt continues to draw public resources away from developmental investments. The Multilateral Debt Relief Initiative should be strengthened and extended; and there have been calls for a more balanced approach to debt cancellation and independent arbitration. Consideration of indebtedness should expand the focus from narrow indicators of economic sustainability towards a broader concept of 'debt responsibility', including broader measures of economic vulnerability, and legislative scrutiny of government borrowing and lending.

Efforts should be made to ensure that increases in aid and debt relief support coherent policy-making and action by recipient governments on the social determinants of health, and performance indicators of health equity and social determinants of health should be core conditions of recipient accountability.

Globalisation

While the Commission sees potential benefits in globalisation, the process has been inherently disequalising, concentrating benefits among the better off and negative effects among the poor. It criticises various aspects of the recent process of globalisation, market integration and liberalisation throughout the report as increasing inequity in health between and within countries; increasing the cost of life-saving drugs; damaging food security; undermining the ability of governments to collect taxes through tariff reduction and tax competition; adversely affecting labour and working conditions and increasing job insecurity; contributing to the double burden on women of paid and domestic work; increasing the frequency of financial crises; intensifying the commodification and commercialisation of water, health care, and electrical power; severely diminishing the role of the public sector in regulation for health; increasing the availability and consumption of health-damaging products; and encouraging unhealthy diets.

The Commission emphasises the necessity of changes in the operation of the global economy and international institutions, including WTO, IMF and World Bank, for its recommendations on employment and social protection to be implemented. While it notes that the design of a new international economic order is beyond its mandate, it stresses the need for urgency and innovation to integrate health, development and environmental concerns.

The Commission sees an urgent need for a global economic system which supports renewed government leadership to balance public and private sector interests, and identifies quantifying the impact of supra-national political, economic, and social systems on health and health inequities within and between countries as an important research need. It also proposes that international legislative standards for rich country business relations with low- and middle-income trading partners should be increased.

The Commission notes that the global financial architecture may have more influence on health than international assistance for health care, contributing to large net outflows of resources from poor to rich countries and increasingly frequent financial crises.

It calls for better international coordination of tax policy and the establishment of an International Tax Organisation, and highlights the need for a globally enforceable framework to reduce international tax avoidance and capital flight, calling for measures to combat the use of offshore financial centres and curb tax avoidance. It also stresses the need for effective taxation of transnational corporations, including the avoidance of tax incentives for export-processing zones. It proposes requirements for disclosure by companies of all tax, royalty and other payments to governments and other public entities. It calls on all governments to ratify and implement the UN Convention against Corruption rapidly.

The Commission also calls for the development of new national and global public finance mechanisms, ensuring that the resources generated are genuinely additional to development assistance. It sees a strong argument in favour of the development of a system of global taxation, possibly including a tax or solidarity levy on currency transactions.

Health impact assessments are required before international agreements or policy commitments on trade and investment are finalised. Countries considering such commitments should exercise due caution. WHO should re-affirm its global health leadership by initiating a review of trade and investment agreements, in collaboration with other multilateral agencies, with a view to institutionalising health equity impact assessment as a standard part of all future agreements. The flexibility of trade agreements should be increased to allow signatory countries, after signing, to mitigate unforeseen negative impacts on health and health equity, possibly including opt-out provisions where domestic conditions suggest this is necessary.

Implementation of the Commission's recommendations on employment requires improved terms in WTO Agreements, more development-friendly trade policies in developed countries, reduced dependence on external capital and export markets in developing countries, and more intra-regional trade. High- and middle-income countries should not demand further tariff reductions in bilateral, regional, and world trade negotiations with low-income countries which still depend on tariffs for public revenue; and low-income countries should be extremely cautious in agreeing to reduce tariffs before creating alternative revenue streams to replace them. The report also indicates support for the development of preferential trade agreements offering protection to countries attempting to build the capacity to engage viably in the global marketplace.

While it supports the inclusion of occupational health and safety provisions in trade agreements, the Commission highlights the need for caution in seeking to use 'social clauses' in trade agreements to enforce international labour standards, which may have counterproductive effects, urging instead the strengthening of the International Labour Organisation, the UN Environment Programme, the Food and Agriculture Organisation and WHO.

Countries should avoid making any commitments in binding trade treaties (eg the WTO's General Agreement on Trade in Services) which affect their ability to regulate health services effectively until they have demonstrated that they can regulate private health services in ways that increase health equity. It is not clear that any country has yet done so.

Food-related trade agreements should concentrate on the three key aspects of nutrition and health equity – availability, accessibility and acceptability. Trade policy that actively encourages the production and consumption of foods high in fats and sugars to the detriment of fruit and vegetable production is contradictory to health policy. It is important to ensure that local agriculture is not threatened by international trade agreements and agriculture protection in rich countries. National and local government policies and programmes should focus on agricultural development and fairness in international trade arrangements, and protect the livelihoods of farming communities exposed to cost and competition pressures through agricultural trade agreements.

The Commission calls on international agencies, donors and national governments to address the "brain drain" of health human resources, focusing on investment in increasing health human resources, and bilateral agreements to regulate gains and losses. It also calls for more effective policy and financing mechanisms to support refugees and internally displaced populations; and greater global cooperation on the establishment of 'portable rights' accruing to all cross-border migrants, to be honoured by all host countries.

Global Governance

The nature of global systems and the requirements of good global governance have changed considerably since the current multilateral system was established some 60 years ago. Poor democratic function and inequality of influence are widely prevalent. The institutional processes

and democratic credentials of the World Bank and IMF are questionable; trade and investment agreements have often been characterised by asymmetrical participation and inequalities in bargaining power among signatory countries; and participation and representation on the Codex Alimentarius Commission are inequitable and biased, resulting in an imbalance between the goals of trade and consumer protection. Agreements are often entered into without adequate assessment of the full scale of the social risks; and the profound disempowerment of some countries through their lack of resources and unequal capacity leads to treaties and agreements that do not necessarily serve their best interests.

The Commission argues for stronger global management of integrated economic activity and social development as a more coherent way to ensure fairer distribution of globalisation's costs and benefits. It sees the entrenched interests of some social groups and countries as "barriers to common global flourishing", and expresses concern about the increasing influence of transnational companies, which it argues should be accountable to the public good as well as to private profit.

The Commission highlights the need for new, strengthened and more democratic forms of global governance, considering it imperative that the international community recommit to a multilateral system in which all countries have an equitable voice. A system of global governance which places fairness in health at the heart of the development agenda and genuine equity of influence in the centre of its decision-making is indispensable to the realisation of the right to health. The Commission calls for reform of Security Council, for example through strengthened regional representation; and for support to governments and other stakeholders to allow their equitable participation in global policy-making fora.

Multilateral agencies should work more coherently to a common set of overarching objectives, underpinned by a common vision of issues to be addressed, and shared indicators by which to measure the impact of their actions. Representation of public health in domestic and international economic policy negotiations should be ensured and strengthened; and the public sector should take a leadership role in national and international regulation to protect health and reduce health inequities.

The 'thick' global governance on economic, trade, finance and investment relations, is in marked contrast with 'thin' governance on health and social equity, and global roles relating to social determinants of health are fragmented between numerous competing actors. The Commission proposes revising existing global development frameworks to incorporate health equity and social determinants of health indicators more coherently, and the adopting health equity as a core global development goal, with appropriate indicators to monitor progress both within and between countries. The MDGs should be reconsidered, advancing equity as a core marker of achievement.

The Commission strongly supports WHO in renewing its leadership in global health and its stewardship role across the multilateral system, and urges an increase in WHO's capacity, and its institutional renewal through the establishment of a social determinants of health approach across its programmes and departments. It also proposes the creation of inter-agency thematic working groups on different aspects of the social determinants of health, the appointment of a Special Envoy for Global Health Equity, and a Permanent Special Rapporteur on the Right to Health.

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