

Global health and Mr Trump's "new world order"

- 20th Jan 2017



Gage Skidmore



Author :

Chris Simms

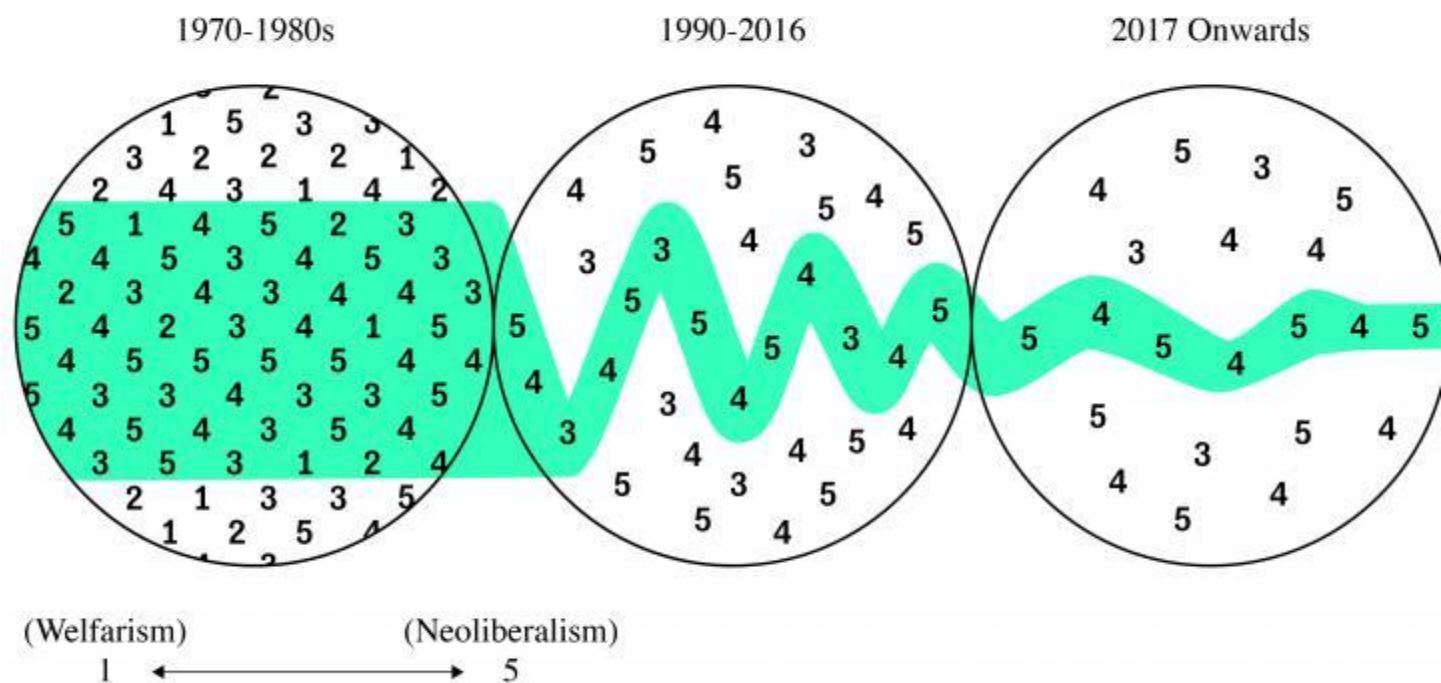
Chris Simms is an Assistant Professor in the School of Health Administration, Dalhousie University, Halifax, NS, Canada

A recent study of 268 political parties in 31 European countries shows that a key factor explaining the rise in populism is the emergence of neoliberalism that began in the 1970s.(1) The Brexit vote, the election of Donald

Trump, and trends in European elections are described in multiple quarters as part of a new world order. Yet what passes for a “new world order” may in fact be no more than a continuation of the neoliberal juggernaut transiting from one era to another, to emerge stronger and more daunting than ever. Past experience suggests that this does not augur well for global health.

British Prime Minister Margaret Thatcher (1979-90) and US President Ronald Reagan (1980-88) sparked the rise of neoliberalism with their “conviction politics”; they eschewed various policy options derived from the post-war consensus and instead extolled unfettered competition and individualism. Thatcher’s notion that “there is no such thing as [society](#)” captured the sentiment. Over the ensuing decades, these ideas, values, and attitudes became institutionalized and helped usher in for example, Bill Clinton’s welfare reform and repeal of the Banking Act and Tony Blair’s deregulation of financial institutions (1997) while simultaneously evading serious environmental legislation. Today, [deregulation](#) is at the top of the Trump agenda (see Figure).

Figure: Trends in Neoliberalism



The impact of neoliberalism on global health has been controversial. For example, commenting on the leverage used to implement structural adjustment in poor countries, a senior World Bank [economist](#) stated “policy-based lending is where the Bank really has

power – I mean brute force. When countries really have their backs to the wall, they can be pushed into reforming things at a broad policy level that normally, in the context of policies, they can't".

An example of this is revealed by the World Bank's response to Africa's HIV crisis. The bank's own documents show how, as lead donor in Africa's health sector in the 1990s, it explicitly and repeatedly sought (and succeeded) to deprioritize AIDS in favour of its neoliberal health reform agenda. Although improvements in the way health care was financed and delivered were badly needed, HIV rates were soaring and called for immediate action. The World Bank warned that "an expanded role of the Bank in AIDS should not be allowed to overtake the critical agenda for strengthening health systems". Bank [documents](#) show that as trends emerged in the 1990s, "AIDS was even less strategically prominent in the Bank's health sector strategy" so that by 1997 a paltry US\$3 was allocated for each infected African. Then, as if to underscore that the neoliberal juggernaut was oblivious to the plight of ordinary people, a [World Bank](#) report concludes "these allocations are remarkably large relative to national spending on the same problem and probably in comparison with current international spending on any other disease. Perhaps only the international campaign to eradicate smallpox in the 1970s benefited from such a large preponderance of donor funds." By the end of the decade 30 million Africans were dead or dying.

Two financial crises exemplify deregulation's impact on the wellbeing of ordinary people. The [East Asian](#) Financial Crisis (1997-98) and the [Great Recession](#) (2008) became bookends for a spate of aggressive deregulation initiatives taken over a 10 year period. In East Asia, the free-flow of capital and poorly regulated banks eventually led to taxpayers footing the bill to "right the ship". In Indonesia for example, the International Monetary Fund (IMF) "persuaded" governments to cut spending in order to repay western banks, leading to a 25% cut in primary health-care spending, a decline of between 26% and 47% in the uptake of services such as clinics and health centres (used mainly by the poor), and a 25% fall in the percentage of children vaccinated. After decades of steady improvement in life expectancy, infant mortality increased in 22 of 26 provinces by an average of 14% between 1996 and 1999. The tragedy was worsened by the international financial institutions' failure to select the best data available to describe health outcomes – choosing data that instead painted a rosier picture.

Indeed, a key feature of this rise of neoliberalism is the tendency to ignore or deny unwanted data or to cherry pick for those that suit the purpose - the so-called "post-truth". For example, American government scientists are [reported](#) to be frantically copying climate data for fear they may be destroyed after Barack Obama leaves office - prompted perhaps by the nomination of the CEO of [Exxon Mobile](#) to head-up the State Department. This, the world's largest oil company, is under investigation by 17 attorneys general in the USA for allegedly suppressing data on the risks of climate change. Other [data](#) that are being ignored by Trump and all his cabinet nominees are those that show that the percentage of Americans uninsured is now at historic lows. Under the Affordable Care Act, 13 million [Americans](#) now have health insurance through marketplace programmes and

another [20 million](#) have been added to insurance or expanded Medicaid role. The stated goals of the incoming government is to “repeal and replace” Obamacare.

The Figure shows neoliberalism’s trajectory becoming more linear and focused and, perhaps, benefiting increasingly fewer. Indeed, the rising levels of inequalities since the 1970s, once framed in terms of the elite 10%, are now often cited as the top 1% or even the world’s 2500 billionaires. Many observers have noted that, despite Trump’s railing against Wall Street and elites, his nominees are now described as the “cabinet of billionaires”. Their wealth is estimated at US\$14 billion - that is, 50 times greater than that of George W Bush’s cabinet. If this is a “new global order”, it is one marked by irony. The rise of “unfettered competition and individualism” and [dramatic unravelling](#) of regulations are a threat to the values and ideals of local and global health and to the wellbeing of many of those who supported Trump. For example Steven Mnuchin, the nominee for Secretary of the Treasury (which plays a dominant role in World Bank and IMF lending), a banker at the center of thousands of foreclosures of subprime mortgages, said [his main focus](#) is “making sure we scale back regulation”. A former bank executive noted that Mnuchin “is an ideal emissary of Wall Street”; in contrast, a [retiree](#) who voted for Trump, said upon learning of the nomination: “they all promise you the world at the end of a stick and take it away once they get in.”

At a time normally marked by a sense of hope and renewal, much of the global community feels uncertain and, in many quarters, trepidation about what lies ahead. A four-page [memo](#) circulated by Trump’s transition team to the State Department and reported in the New York Times this past week indicates an overall scepticism about foreign aid and humanitarian assistance and depicts a sharper focus on US business interests. It asks, for example, “Why should we spend these funds on Africa when we are suffering here in the U.S.?” If the answers to this and related questions are unknown, then the next 4 years may indeed give new meaning to neoliberalism and perhaps conviction politics – both at home and abroad.