

**WORKING GROUP ON PAHO IN THE 21ST
CENTURY**

**REGIONAL AND GLOBAL PUBLIC HEALTH
GOODS IN THE 21ST CENTURY AND THE
MANDATE OF THE PAN AMERICAN
HEALTH ORGANIZATION**

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REGIONAL AND GLOBAL PUBLIC HEALTH GOODS IN THE 21ST CENTURY AND THE MANDATE OF THE PAN AMERICAN HEALTH ORGANIZATION (PAHO)¹

Introduction:

1. The Region of the Americas is witnessing the globalization and internationalization of production and consumption, with common values and customs taking hold throughout the Region. **Among the multiple dimensions of this process is the concept of regional public health goods, whose discussion this document seeks to further.** This concept is instrumental for guiding PAHO/WHO cooperation to fulfill its Mission to “lead strategic collaborative efforts among Member States... to promote equity in health, to combat disease, and to improve the quality of, and lengthen, the lives of the peoples of the Americas.”

2. **Globalization, which has accelerated in recent decades, is having a positive and negative impact on the health of populations, altering the nature of health needs and the type of interventions necessary to meet them.** In addition to addressing local problems, communities in general and health systems² in particular must now increasingly deal with the international transfer of health risks.

3. The imperatives imposed by capital find functional health a means for setting a regional and subregional political agenda. Thus, the need to guarantee certain public goods regionally or globally is appearing on agendas. In addition, it is important to understand that globalization implies significant changes not only for the countries but for the organizations that cooperate with them.

4. **The opportunities and positive impact of globalization include global public health goods, whose benefits transcend national borders.** Global public health goods are public goods whose benefits extend to all population groups, regardless of their social and economic status, ethnic and cultural origin, or gender, across the generations.

5. **Within the framework of these opportunities and positive effects, the most favorable conditions for producing and distributing public health goods are found on a regional and subregional scale.** In this regard, integration processes in general and in health are being consolidated regionwide, in the Caribbean, the Andean Region, and the Southern Cone³. The production of regional public health goods thus becomes more relevant when conceived from a

¹ This document has been prepared by the Ministry of Health of the Argentine Republic in its capacity as a member of the Working Group on PAHO in the 21st Century.

² Controlling the international transfer of risks and threats to health to protect the people is often beyond the capacity of national governments. A report by the Institute of Medicine of the United States maintains that the distinction between domestic and international health problems is losing its usefulness and often creates confusion. *America's Vital Interest in Global Health: Protecting our People, Enhancing our Economy and Advancing our Interests*. Washington: National Academy Press, 1997.

³ There are some 30 economic integration and bilateral and multilateral agreements in various stages of implementation in the Region of the Americas.

regional and subregional perspective, implying a responsibility that transcends that of the States alone.

6. The joint identification of regional public health goods opens up an opportunity to obtain greater benefits for all, greater effectiveness, and economies of scale through the design and implementation of joint interventions among countries, civil society organizations, and international cooperation agencies for the production, distribution, and exchange of these goods.

7. Thus, globalization can serve as an opportunity to achieve greater equity in public health. However, it should be remembered that it also involves new health risks and can produce greater inequalities between nations that are competitive in the market and those that remain in its shadow.

8. The current debate surrounding the impact of globalization on health brings to the fore the need to find practical ways of managing the provision of regional public health goods. The formulation and implementation of policies governing the provision and management of public goods implies a process involving public, state, private, nongovernmental, national, and transnational actors.

9. Some definitions:

9.1. Public Goods:

Public goods have been defined as goods that generate benefits that cannot easily be confined to single buyer⁴ (or group of buyers); unlike private goods, they are in the public domain, accessible to any person. They are things as varied as world peace, environmental equilibrium, and economic stability.

Under the concept of public goods, goods or services must simultaneously meet two conditions:

- No one is barred from access to them;
- They do not have rival consumption; that is, when someone consumes them, they remain available for all in the same quantity.

If these two conditions are not fully met, then the goods and services are considered "impure."

We can therefore conclude that:

- public goods are incompatible with private markets;
- impure public goods are more common and closer to the reality.

Both pure and impure public goods are not governed by the rule of Pareto efficiency; thus, greater consumption of them can add utility or benefits without entailing additional charges or payments.

9.2. Global Public Goods:

The benefits of global public goods transcend national and regional borders and can in principle be available to all population groups, rich or poor, even across generations. Obviously, peace, equity, and justice⁵ yield results and benefits that are widely shared and are potentially within the reach of all.

The fight against poverty, though not in itself a global public good, can contribute to the production of other global public goods. Alleviating poverty benefits not only the poor, but the rest of society, strengthening peace and stability, improving health and the efficiency of market mechanisms, and reducing environmental degradation.

The adequate provision and management of public goods has been promoted as crucial for responding to the changes in social and economic relations prompted by globalization.

Many public goods have become global, meaning that they cannot be adequately provided through national policies alone, but require some type of international cooperation if they are to be accessible locally.⁶ Given the growing economic openness and interdependence among countries, a precise definition of these goods is essential for developing effective public policies.

10. International Health:

Public health is an area where greater benefits can be secured for all and economies of scale and greater effectiveness achieved through joint activities among several countries. Thus, globalization can be viewed as an opportunity for public health. It also can represent a risk, however, since it implies greater inequalities between the nations that are competitive in the market and those that remain in its shadow.

As Frenk points out (2003), globalization is changing the nature of the challenges in health. In addition to local problems, national health systems⁷ must now increasingly cope with

⁴ The difference between public and private goods is their external impact and the perceived magnitude of their external impact.

⁵ Mohan Rao points out the important instrumental role of equity and justice in contributing to the creation of other public goods and in defining the demand for public goods and setting priorities—that is, determining which public goods should be provided first.

⁶ Kaul, I., Conceição, P., LeGoulven, K., Mendoza, R. "Why do global public goods matter today?"; "How to Improve the Provision of Global Public Goods?", in *Providing Global Public Goods- Managing Globalization*, Oxford University Press, Oxford: 2003

⁷ Controlling the international transfer of risks and threats to public health to protect their peoples is often beyond the capacity of national governments. A report by the Institute of Medicine of the United States maintains that the distinctions between domestic and international health problems are losing their usefulness and often create

the international transfer of health risks. This transfer is associated, *inter alia*, with global environmental change, population movements, normal trade, and the trade in harmful products, both legal (tobacco, alcohol) and illegal (drugs), in addition to the spread of new medical technologies.

Global health activities can, moreover, generate externalities for investors seeking advantages in the new subregional economies, such as those of the Caribbean, Andean Area, and MERCOSUR. In this regard, promoting and coordinating the efforts of ministries within a government, different governments, academic institutions, and civil society actors can be effective in combating disease, lengthening life, and promoting access to certain social goods that have become global.

Thus, international or global health can be defined as health problems, challenges, and activities that transcend national borders, can be influenced by the situation in different countries, and that are best addressed through cooperative processes. Global health implies reciprocal influence between health issues and international relations and a broader, more integral approach involving not only the intervention of different disciplines but the analysis of national and international health determinants. Global health implies the efforts of governments and other organizations to produce health and guarantee it as a global public good.

Borders are no longer real barriers to the spread of many diseases that afflict mankind. This leads us to the realization that health is the right of citizens or humanity, which calls for a different commitment from governments and organizations.

The World Bank has adopted the idea of **developing human capital** as an asset for society, an essential component of its ability to grow and compete. Under this approach, human capital in health and other sectors is beginning to represent the perception of human security.

International health is a function that day by day is gaining importance in the institutional designs of the State, in both the health sector and the Ministries of Foreign Affairs. In this regard, international health could be included in the Essential Public Health Functions postulated by the Pan American Health Organization, while developing a vision of health in the field of diplomacy.

Although the health status of the population in each country is largely the result of biopsychosocial processes and national policies, health and its production as a public resource--especially in the context of globalization--requires a series of circumstances that transcend the boundaries of the health sector and country borders. It can therefore be considered a global public good. However, few goods and services in health meet the two basic

criteria for consideration as public goods, since the majority of them are impure public or private goods.

The best-known public health goods are associated with epidemiological and public health surveillance, health promotion, and environmental measures against risk factors. Everyone benefits from activities such as health promotion and disease prevention, the use of insecticides against vectors linked with communicable diseases, and urban and environmental sanitation measures.

Vaccines are a special case, since they can be considered private goods that primarily meet individual needs, even though immunization coverage has positive social effects that are greater than the sum of the individual benefits.⁸ Identical reasoning can be applied to essential drugs that, especially when used to treat communicable diseases, can have a collective preventive impact. However, when scarce, public goods can be considered impure.

Since the appearance of the human immunodeficiency virus (HIV) in the 1980s, new viruses and bacteria, many of them with the potential for a global pandemic, have been identified. For other well-known disease agents, poverty, overcrowding, and environmental degradation have created the conditions for epidemics, such as the dengue epidemic in several countries of the Region and the outbreak of plague in India in 1997. The burgeoning international trade has precipitated new epidemics, such the cholera epidemic in Latin America and bovine spongiform encephalopathy in Europe. At the same time, some drugs are becoming ineffective due to the development of resistance, as seen in the treatment of tuberculosis and malaria.

As in communicable disease control, the control of environmental risks can be considered a global public good, since there is no doubt about the adverse health effects of the thinning of the ozone layer, global warming, and pollution with toxic wastes--all of them evils of planetary scope.

Furthermore, with globalization, certain noncommunicable diseases whose control was traditionally considered a private good are developing markedly public characteristics--for example, smoking and drug abuse. In fact, many behavior-related health risks arising from the powerful influence of advertising have ceased to be strictly private, as in the case of smoking, where second-hand smoke creates problems for "passive smokers." The same is true for the control of illegal addictive substances, whose international production and distribution networks are clearly a "public evil" that must be combated.

In short, health is steadily becoming a global public good, since the close international links in trade, migration, and information flows have accelerated the international spread of disease and the transfer of behavioral and environmental health risks. Furthermore, the

intensification of pressure on shared global resources such as air and water has created shared environmental threats.

According to Lincoln Chen et al., globalization is not simply the acceleration of long-term trends but the introduction of changes in context that are quantitatively and qualitatively different in terms of the risk of disease, vulnerability in health, and policy response. In 1998, Jamison, Frenk, and Knaul likewise declared that while the responsibility for health remains primarily national, health determinants and the means for meeting responsibility in this area are increasingly global.

The economic and social import of the activities of the “health production complex”⁹ make the health sector and health policies an ideal place for the articulation of cooperation among countries. Beyond the traditional types of cooperation, common public policies can serve to promote integrated regional development of the productive complex, intersectorally creating the conditions for the economic growth and social welfare of the countries involved.

Beyond the provision of public goods, the current debate on globalization highlights the need to find practical solutions for how to manage that provision in today’s world—solutions that involve different types of actors. The “global public” includes national populations, non-state for-profit and nonprofit transnational actors, and states, which venture into the international arena to influence the markets, civil society, and governments.

Although the formulation and implementation of policies governing the provision and management of public goods is a process involving all the aforementioned actors, the inclusive, multifaceted nature of many global challenges appears to be incompatible with the exclusive piecemeal way in which public policies are usually formulated and implemented. Lack of consensus regarding the process often impedes consensus building and political action.¹⁰

11. Financing Global Public Goods:

Many of the challenges that we currently face are more intersectoral than sectoral, while international assistance is geared more to countries than to problems. This has implications for cooperation aimed at the provision of global public goods that demand research and discussion, new instruments, innovative political responses, and new financing sources and methods.

Several authors suggest that adequate financing of global public goods requires special means—for example, the creation of funds with emphasis on these goods. Cook and Sachs suggest that financing should be allocated on a more regional basis in priority problem areas.

⁸ When the available supply of vaccines is sufficient to meet regional or national demand, vaccination can be considered the provision of public goods; however, when, vaccines become impure public goods.

⁹ Gadelha, Carlos Augusto G. *Complexo da Saúde - Estrutura, Dinâmica e Articulação da Política Industrial e Tecnológica com a Política de Saúde*, UNICAMP, 2002, mimeo

⁹ Kaul, I. et al., *idem*

Furthermore, since the financing of global public goods represents greater expenditure, resources could be freed up by lowering perverse fiscal incentives or incentives that promote “public evils” (UNDP, Human Development Report, 1998)—for example a global tax on carbon emissions, on international plane travel (Chen, Evans and Cash), or on inventors that apply for patents to exact payment for using the fund of global knowledge (Stiglitz)

12. Toward a new State

The situation described in the preceding paragraphs regarding the comparative advantages of capital and the preservation of global health suggests the need for a new State. In 1997, the World Bank declared that an effective State is indispensable for the production of the goods and services—and the norms and institutions—that permit markets to prosper and people to have healthier and happier lives. Absent that, there can be no sustainable development in the economic or social sphere.

Under this new approach, developing the health of the population is not the exclusive responsibility of the State, but of a network of actors, both national (politicians, career civil servants, NGOs) and supranational (international agencies, transnational solidarity groups, as well as market agents).

The construction of this new State with the capacity to articulate interests, regulate, and model behaviors is what has been called “steering power.”

13. Role of PAHO/WHO in the provision of regional public health goods.

In the current context of rapidly changing events, shrinking distances, and accelerated social change, a major challenge is to resolve the existing tension between equity in health and social exclusion. In this regard, international cooperation can develop effective mechanisms for protecting global health. For example:

13.1. Analysis of the role of PAHO in the provision of regional public health goods: Joint identification and characterization (Member States–Secretariat) of the regional public health goods most necessary to the countries of the Region and the analysis of trends, the current production and provision of global public health goods, and their potential contribution to the attainment of Millennium Development Goals (MDG).

13.2. Knowledge as a global public good:

According to Joseph Stiglitz, the efficient production and equitable use of global knowledge require collective action. The challenge to the international community is whether we can make our current system of government, of cooperation, work to the collective good.

One of the main functions of PAHO/WHO is to administer knowledge in health. In this field, the Organization facilitates the achievement of cooperation objectives by furnishing reliable, quality information on the health situation, health surveillance, the harmonization of standards and regulations, evidence-based best practice, etc.

The global revolution in the information and life sciences can offer important new health interventions. Working with the Member States, PAHO/WHO **can negotiate the procurement and/or generation of health information and databases**, guaranteeing more equitable access to all the Member States. Support for the egalitarian production, transformation, and dissemination of sufficient information for individual countries and regional and subregional blocs can help guarantee the public goods designated as priorities.

Strategies for disseminating and improving access to information should be based on the common problems identified by the countries.

Support for research in public health and health investment in the Region and their relation to economic, social, and human development can contribute to the formulation and implementation of public health policies

13.3. Support for consensus building and the negotiation and management of international agreements in health, based on the principles of equity and solidarity, recognizing health as a basic civil right. In this regard, support for the initiatives of integration blocs such as MERCOSUR and the Andean and Caribbean countries, together with the Meetings of Ministers of the Americas, is a strategic undertaking.

13.4. Joint negotiations for the procurement of drugs and other strategic health inputs and technologies. PAHO/WHO should provide support for these negotiations throughout the Region. Regional negotiations on antiretroviral prices show how a strategy for improving access to information led to the creation of a database that facilitated economies of scale to guarantee goods such as antiretroviral drugs and diagnostic reagents.

13.5. Support for regional economic evaluation studies, updatable estimates, and monitoring of the social cost and cost of regional and subregional interventions to control diseases such as HIV/AIDS, malaria, dengue, Chagas' disease, and tuberculosis. It is necessary to estimate the regional gaps, country by country; to calculate the proportion of GDP lost annually due to selected public health problems; and to estimate needs with respect to knowledge, health services (technologies, HR, financing), and international support.

13.6. Characterization of the strategies used in disease prevention and control, dissemination of best practices, and greater use of external evaluation of national responses. **Intensify the regional exchange of information and experts and the planning of joint activities with the countries.** This will require a better understanding of the magnitude of the selected public health problem in each country.

13.7. Designation of priority countries by types of regional public health problems: Just as five priority countries were selected on the basis of their health status and economic development, priority countries could be selected on the basis of their malaria, tuberculosis, Chagas' disease, or other situation. With PAHO/WHO support, these countries would closely interact with one another in a joint review of the situation, strategies employed, new interventions, etc.

13.8. Boosting the capacity of technical teams in Ministries of Health to negotiate and implement international agreements in health and to determine whether it is necessary to optimize the available resources in the country or obtain additional resources to guarantee a timely and adequate supply of regional public health goods.

13.9. Strengthening the contribution of health to regional peace and security: In this regard, there should be an intensification of regional exchange on intersectoral interventions for violence prevention, with emphasis on modifying the principal health determinants: nutrition, education, housing, employment, environment, models of mental health care (primary mental health care), etc.

13.10 Cooperation in the identification of regional health needs: Identify health needs and equity gaps between subregions or countries, encouraging the best use and advantages of the production and use of cost-effective regional public goods in coordination with other sectors; promoting the lowering of trade barriers; creating incentives and credit and financing facilities, and monitoring and evaluating the processes.

13.11. Coordination to meet regional health needs: This process could become a reality by: 1) encouraging the Banks to finance attention to regional health needs, 2) supporting the development of networks or common regulations to meet needs, 3) supporting intergovernmental efforts to jointly produce regional public goods, 4) encouraging reciprocity, guaranteeing foreign visitors or tourists the same health rights as residents in terms of access to goods and services in health.

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