Global political-economic and geopolitical processes, structures and trends

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Abstract
This chapter assesses major shifts in global political economy and geopolitics since the 1970s, which have brought together processes of governance and liberalization in often uncomfortable ways. These processes have important manifestations in society, including the generation of structural constraints to improved health policy. Geopolitical realignments and neo-liberal policy ascendancy can be observed in a series of several dozen *moments* in which key events reflect important power shifts. The context has been a series of durable economic problems: stagnation, financial volatility and uneven development. Political alignments have followed, and remain in an adverse balance of power, from the standpoint of redistributive socio-economic reform. Any expectation that global governance offers solutions, given the prevailing political-economic and geopolitical processes, structures and trends, should be carefully reevaluated.

1. Introduction

Public health challenges related to globalization must be seen in a broader context combining *political economy* and *geopolitics*. Political economy is an analysis concerned with the interaction of economic processes and power relations. Geopolitics involves considerations of relations between territorially based actors — not just national states — which have interests in defending or expanding their spatial power.

Globalization is an explicitly geographical phenomenon and hence we must seek a framework capable of uniting macro-political and global economic forces on the one hand, with micro-foundational aspects of markets and political actors' interests on the other. That is the epistemological challenge for the pages ahead. It is to comprehend a compressed account of four subjects: (1) major defining events since the early 1970s, (2) ideological development, (3) explanatory theory, and (4) empirical tendencies that will shape the immediate future.

The gyrations and stumbles are documented in the next section. While the neo-liberal project may have failed to meet its sponsors' promises, nevertheless there is not yet a replacement conceptual framework strong enough to reshape the world. The forces in Washington that support economic neo-liberalism (the World Bank, International Monetary Fund (IMF), United States Treasury, United States Federal Reserve and associated think tanks) and political neo-conservatism (the White House, Pentagon, U.S. Department of State and think tanks) are both suffering major legitimacy problems. But their *fusion* in many multilateral agencies — notwithstanding some reform rhetorics — suggests a difficult period ahead for those desiring either global *Post-Washington Consensus* reforms, or more national sovereignty for Third World states, or global/local *justice.* Before addressing prospects for changing the power balance, as well as the competing agendas, it is important to set out the three-decade long geopolitical process, as well as deeper political economic dynamics, and then provide some theoretically informed explanation for these.

2. Geopolitical realignment, neo-liberal ascendancy and economic volatility

A catalogue of geopolitical changes since the 1970s would emphasize at least four major developments:

- the 1975 US defeat by the Vietnamese guerrilla army, which reduced the US public's willingness to use its own troops to maintain overseas interests

- the demise of the Soviet bloc in the early 1990s, as a result of economic paralysis, foreign debt, bureaucratic illegitimacy and burgeoning democracy movements

- Middle East wars throughout the period, with Israel generally dominant as a regional power from the 1973 war with Egypt (notwithstanding its 2006 defeat in Lebanon)

- the rise of China as a potent competitor to the West (in political as well as economic terms) during the 1990s and 2000s.

These were merely the highest-profile of crucial *political* developments, leaving a sole superpower in their wake. Yet this superpower is one with much lower levels of legitimacy, dubious military and cultural dominance, slower economic growth, higher poverty and inequality, and vastly reduced financial stability over the past third of a century. One critical aspect of the struggle between *classes* associated with these developments was the waning of the Third World nationalist project and a dramatic shift in class power, away from working class movements that had peaked during the late 1960s, towards capital and the upper classes.

Chronologically, other crucial *moments* that helped define the splintered, polarized political sphere since the 1970s included the following:

- Formal democratization arrived in large parts of the world — Southern Europe during the mid-1970s, the Cone of Latin America during the 1980s and the rest of Latin America during the 1990s, and many areas of Eastern Europe, East Asia and Africa during the early 1990s — partly through human/civil rights and mass democratic struggles and partly through top-down reform. Yet, because democratization occurred against a backdrop of economic crisis in Latin America, Africa, Eastern Europe, the Philippines and Indonesia, the subsequent period was often characterized by instability, in which "dictators passed debt to democrats" (as the Jubilee South movement termed the problem) who were compelled to impose austerity on their subjects, leading to persistent unrest.

- In the wake of transformations in Nicaragua, Iran and Zimbabwe in 1979-80, the ebbing of Third World revolutionary movements was hastened by the US government's explicit attacks during the 1980s on Granada, Nicaragua, Angola and Mozambique (sometimes directly but often by proxy). It was also a period of attacks on liberation movements in El Salvador, Palestine (via Israel) and Colombia, as well as former CIA client regimes in Panama and Iraq. Hence signals were sent to Third World governments and their citizenries not to stray from Washington's mandates.

- After Vietnam, the US's subsequent ground force losses in Lebanon during the early 1980s and in Somalia during the early 1990s (followed by Afghanistan and Iraq in the mid-to-late 2000s) shifted the tactical emphasis of the Pentagon and the North Atlantic Treaty Organisation (NATO) to high-altitude bombing. This proved momentarily effective in situations such as the 1991 Gulf War (decisively won by the US in the wake of Iraq's invasion of Kuwait), the Balkans during the late 1990s, the overthrow of Afghanistan's Taliban regime in 2001 and the initial ouster of Saddam Hussein in Iraq in 2003.

- The 1989-90 demise of the Soviet Union had major consequences for global power relations and North-South processes, as Western aid payments to Africa, for example, quickly dropped by 40 per cent given the evaporation of formerly Cold War patronage competition (until the resurgence of Chinese interest in Latin America and Africa during the 2000s).

- The consolidation of European political unity followed corporate centralization within the European Economic Community, as the 1992 Maastricht Treaty ensured a common currency (excepting the British pound which was battered by speculators prior to joining the euro zone), and as subsequent agreements established stronger political interrelationships. This occurred at a time when most European social democratic parties turned neo-liberal in orientation and voters swung between conservative and centre-right rule, in the context of slow growth, high unemployment and rising reflections of citizen dissatisfaction.

- Persistent 1990s conflicts in "Fourth World" failed states gave rise to Western *humanitarian interventions* with varying degrees of success, in Somalia (early 1990s), the Balkans (1990s), Haiti (1994), Sierra Leone (2000), Côte d'Ivoire (2002) and Liberia (2003). However, other sites in Central Africa — Rwanda in 1994 and since then Burundi, northern Uganda, the eastern part of the Democratic Republic of the Congo, Somalia and Sudan's Darfur region — have witnessed several million deaths, with only rather ineffectual regional, not Western, interventions.

- The 2001 attack on the World Trade Center and the Pentagon (followed by attacks in Indonesia, Madrid and London) signalled an increase in conflict between Western powers and Islamic extremists. These followed earlier bombings of US targets in Kenya, Tanzania and Yemen, which in turn prompted US reprisals against Islamic targets in Sudan (actually, a medicine factory) and Afghanistan in 1998 and Yemen in 2002.

- The early-mid 2000s rise of left political parties in Latin America included major swings in Venezuela (1999), Bolivia (2004) and Ecuador (2006), as well as turns away from pure neo-liberal economic policies in Brazil, Argentina, Uruguay and Chile. These were joined during the mid-2000s in Europe by left coalitions in Norway and Italy.

This list of seminal political moments should not obscure other important trends that seem to have accompanied them:

- social and cultural change, including postmodernism, the "network society", demographic polarizations and family restructurings
- new technologies brought about by the transport, communication and computing revolutions
- major environmental stresses including climate change, natural disasters, depletion of fisheries and worsening water scarcity
- health epidemics, such as AIDS, drug-resistant tuberculosis and malaria, severe acute respiratory syndrome and the human health risks of bovine spongiform encephalopathy and avian flu.

Although these are topics beyond the scope of the current chapter, in the realm of *ideology* the importance of these polarizing events and processes cannot be overstated. Moreover, given the rise of neo-liberal and neo-conservative philosophies (formerly "modernization" and colonialism), there have been sometimes spectacular counter-reactions ranging from Islamic fundamentalism and resurgent Third World nationalism, to Post-Washington Consensus and *global governance* reform proposals, to global justice movement protests, as discussed later.

Meanwhile, in the sphere of economics, a variety of key moments mark the rise and then decline of neo-liberal policy influences across the world:

- In 1973 the Bretton Woods agreement disintegrated when the US unilaterally ended its payment obligations, representing a default of approximately $80 billion. The agreement on Western countries' fixed exchange rates, -— by which one ounce of gold was valued at US$35 between 1944 and 1971 — had served to anchor other major currencies. As a result of the US move the price of gold rose to $850 per ounce within a decade.

- Also in 1973, several Arab countries led the formation of the Oil Producing Exporting Countries (OPEC) cartel, which raised the price of petroleum dramatically and in the process transferred and centralized inflows from world oil consumers to their New York bank accounts.

- From 1973 *los Chicago Boys* of Milton Friedman, Chilean bureaucrats, began to reshape Chile in the wake of Augusto Pinochet's coup against the democratically elected Salvador Allende, representing the birth pangs of neo-liberalism.

- In 1976 the International Monetary Fund (IMF) signalled its growing power by forcing austerity on Britain at a point where the ruling Labour Party was desperate for a loan, even prior to Margaret Thatcher's ascent to power in 1979.

- In 1979 the US Federal Reserve addressed the dollar's decline and US inflation by dramatically raising interest rates. In turn this catalyzed a severe recession and the Third World debt crisis, especially in Mexico and Poland in 1982, Argentina in 1984, South Africa in 1985 and Brazil in 1987 (in the latter case leading to a default that lasted only six months due to intense pressure on the Sarnoy government to repay).

- At the same time, the World Bank shifted from project funding to the imposition of structural adjustment and sectoral adjustment (supported by the IMF and the Paris Club cartel of donors), in order to assure surpluses would be drawn for the purpose of debt repayment, and in the name of making countries more competitive and efficient.

- The overvaluation of the US dollar associated with the US Federal Reserve's high real interest rates was addressed by formal agreements between five leading governments that devalued the dollar in 1985 (the Louvre Accord). However, with a 51 per cent fall against the yen, this required a revaluation in 1987 (the Plaza Accord).

- Once the Japanese economy overheated during the late 1980s, a stock market crash of 40 per cent and a serious real estate downturn followed from 1990. Indeed not even negative real interest rates could shake Japan from a long-term series of recessions.

- During the late 1980s and early 1990s Washington adopted a series of financial crisis-management techniques — such as the US Treasury's Baker and Brady Plans — so as to write off (with tax breaks) part of the $1.3 trillion in potentially dangerous Third World debt due to New York, London, Frankfurt, Zurich and Tokyo banks which were exposed in Latin America, Asia, Africa and Eastern Europe. Notwithstanding the socialization of the banks' losses, debt relief was denied the borrowers.

- In late 1987 crashes on the New York and Chicago financial markets (unprecedented since 1929) were immediately averted with a promise of unlimited liquidity by Federal Reserve Chairman Alan Greenspan. The promise was based on a philosophy which in turn allowed the bailout of the savings and loan industry and various large commercial banks (including Citibank) in the late 1980s notwithstanding a recession and serious real estate crash during the early 1990s.

- Likewise in 1998, when a New York hedge fund, Long Term Capital Management (founded by Nobel Prize-winning financial economists), was losing billions in bad investments in Russia, the New York Federal Reserve Bank arranged a bailout, on grounds the world's financial system was potentially at high risk.

- Starting with Mexico in late 1994, the US Treasury's management of the "emerging markets" crises of the mid- and late 1990s again imposed austerity on the Third World. It also offered further bailouts for investment bankers exposed in various regions and countries — Eastern Europe (1996), Thailand (1997), Indonesia (1997), Malaysia (1997), Korea (1998), Russia (1998), South Africa (1998, 2001), Brazil (1999), Turkey (2001) and Argentina (2001) — whose hard currency reserves were suddenly emptied by runs.

- In addition to a vastly over-inflated US economy whose various excesses have occasionally unravelled — as with the bursting of dot.com stock market (2000-01) and real estate (2007-09) bubbles — China and India picked up the slack in global materials and consumer demand during the 2000s. However, this is not without extreme stresses and contradictions that in coming years will threaten world finances, geopolitical arrangements and environmental sustainability.

This then is a list of major events that reflect tensions and occasional eruptions, but never *genuine resolutions,* to the growing overall problems of volatility that have wracked world politics and economics. These events were also critical from the standpoint of public health, given how many were associated with drastic increases in mortality and morbidity. The overall sense of chaos in global political economy and geopolitics contrasts to a more stable, predictable, prosperous and evenly distributed set of political-economic relations during the immediate post-Second World War quarter-century (1945-70).

What explanations can be generated to help come to grips with volatile global political economy and geopolitics?

3. Durable economic problems

The merits of classical political-economic theory include the identification of durable economic problems — also termed *crisis tendencies* — at the core of the market's *laws of motion*. But these tendencies are typically met by countervailing management techniques that stabilize the market. Crisis *displacement* techniques became much more sophisticated since the 1930s freeze of financial markets, crash of trade, Great Depression and by 1939 inter-imperial turn to armed aggression. By 1936 these conditions had compelled John Maynard Keynes to write his *General Theory,* which advocated much greater state intervention so as to boost purchasing power.

The difference today is that such drastic problems have been averted, largely through *moving* devaluation — what Joseph Schumpeter called "creative destruction". Moving devaluation moves across both time (via the credit system) and space. It also draws on non-market spheres (environmental commons, women's unpaid labour, indigenous economies) for new surpluses by way of extra-economic coercions ranging from bio-piracy and privatization to deepened reliance on unpaid women's labour for household reproduction.

The global economy's vast financial expansion and the use of geographical power have devalued large parts of the Third World and various emerging market sites, as well as some vulnerable markets in the North that have suffered substantial "corrections" in past years. Extra-economic coercion, including gendered and environmental stress, has intensified in the process. The result is an economy that concentrates wealth and poverty in more intense ways geographically and brings markets and the non-market spheres of society and nature together in ways adverse to the latter. This phenomenon is sometimes termed *uneven and combined development,* to which we return below.

Consider three central components to this political-economic argument about global economic problems:

- First, the durable late 20th century condition of *overaccumulation of capital* witnessed huge gluts in many markets, declining increases in per capita GDP growth, and falling corporate profit rates. This was displaced and mitigated (shifted and stalled geographically and temporally) at the cost of much more severe tensions and potential market volatility in months and years ahead.

- Second, the temporary dampening of crisis conditions through increased credit and financial market activity has resulted in the expansion of "fictitious capital". This is especially so in real estate but other speculative markets based on trading paper representations of capital (derivatives), far beyond the ability of production to meet the paper values.

- Third, geographical shifts in production and finance continue to generate economic volatility and regional geopolitical tensions, contributing to unevenness in currencies and markets as well as pressure to combine market and non-market spheres of society and nature in search of restored profitability.

As noted below, the interlinked problems of overaccumulation, financialization and globalization brought not only pressures for war, as witnessed by the battles for resources especially in the Middle East, Central Asia and Central Africa. The circumstances mainly associated with hyper-expansion of commerce in a context of technological/transport changes also generated threats of catastrophic climate change and new pandemics.

The world macroeconomic context since about 2000 includes some incongruent experiences, especially in the US, the Euro Area and Japan (Bank for International Settlements 2006, 12-32):

- a recovery in trade, foreign investment flows (especially mergers and acquisitions) and stock market values after early 2000 downturns;

- rising US and Japanese fiscal deficits;

- an unprecedented US trade deficit (especially due to increased Chinese imports), while nearly all emerging market economies — aside from Turkey, Mexico, South Africa, the Czech Republic and Poland — ran large current account surpluses;

- an upturn in raw material prices from early 2002 (especially in energy and minerals/metals);
- an uptick in corporate profits as a share of GDP accompanied by sluggish private fixed investments;
- real interest rates below 1 per cent since 2001 in spite of 17 small rate increases by the US Federal Reserve since 2004, prior to reversals from 2007;
- a fast-rising household debt/income ratio in the US;
- uncertainty in global property markets – especially US housing - after apparent mortgage-driven peaks in 2005 and a potential real estate devaluation of $6 trillion in the US;
- a 25-per cent fall in the value of the dollar from its early 2002 high until year-end 2007; and
- the ongoing role of emerging Asian economies as the engine of world growth, accounting for half of global GDP since 2000.

Can incongruities within these data, suggesting a terminal US economic decline, be reconciled with political-economic analysis? Recent orthodox analysis of economic disequilibria, especially US trade/budget deficits, often relies upon four key variables by way of an explanation for the huge tensions that have emerged:

- extremely low US national (especially household) savings rates;
- the positive implications of the "new economy" for US investments (which have been stable at just lower than 20 per cent of GDP during the 1990s-2000s, roughly equal to Europe and Latin America but lower than Japan's 25 per cent and other East Asian countries' 33 per cent);
- the argument that a *global savings glut* (roughly 2 per cent higher than 1990s levels) permits relatively low interest rates in the US in addition to capital inflows; and
- a *Sino-American co-dependency* situation due to risk avoidance by Asian investors in the wake of the 1997-98 crisis (Bank for International Settlements 2006, 24).

For Barry Eichengreen (2006, 14), "the four sets of factors supporting the global imbalance and the US deficit will not last forever. There will have to be adjustment, the question being whether it will come sooner or later and whether it will be orderly or disorderly." From 2007, that adjustment began, but vast financial bailouts – of major banks and institutional investors – kept the process in check.

Beyond the US financial crisis conditions, there have been other "very long bouts of stagnant or even negative growth", according to the World Bank (2006, 56): "The past 25 years have had numerous setbacks afflicting growth in the developing countries." The Bank offers an explanation for "Sub-Saharan Africa, the Middle East and North Africa, Latin America, and Europe and Central Asia. They each had specific reasons for these periods of depressed growth ranging from Latin America's debt crisis in the 1980s, the Middle East and North Africa's (and, to a lesser extent, Africa's) energy decline, and Europe and Central Asia's emergence from its transition toward market-based economies."

But in each case, the Bank (2006, 55) claims, progress can be recorded:

- improved macroeconomic conditions (such as less inflation and inflationary expectations);
- more sustainable debt levels (at least for developing countries on average);
- more diversified economies with less reliance on volatile commodities;
- a much greater role for services (which tend to be less volatile);
- much improved production management with lower inventories (which tended to be a major factor in past business cycles); and
- better macroeconomic management, particularly monetary policy.

Nevertheless, as the Bank (2006, vii) observes, "growing inequality, pressures in labor markets and threats to the global commons" are not only "evident in the current globalization" but "are likely to become more acute. If these forces are left unchecked, they could slow or even derail globalization." The Bank notes that threats from "environmental damage, social unrest, or new increases in protectionist sentiment are potentially serious", in part because "returns to skilled labor will continue to increase more quickly than those to unskilled labor, extending today's natural wage-widening tendencies evident in many, if not most, countries" (World Bank 2006, vii, xxi).

Whether it is *natural* that the world is suffering the worst inequality in human history might be disputed. For example, one of the core arguments by Harvey (2003, 2007) is that neo-liberalism is an explicit political project of "class war". That this war has generated vast inequalities between people in poor countries and people in rich countries — measured by the international Gini coefficient — is no longer in dispute, even if India and China complicate matters due to uneven development.

If the orthodox explanation for these durable economic problems is unsatisfactory, what do *political economists* have to offer instead?

4. Stagnation, volatility and uneven development

Explanations of contemporary political economy require us not only to address volatility but also the long slowdown in economic growth. The world's per capita annual GDP increase fell from 3.6 per cent during the 1960s, to 2.1 per cent during the 1970s, to 1.3 per cent during the 1980s to 1.1 per cent during the 1990s followed by a rise to 2.5 per cent for the first half of the 2000s (World Bank 2005, 297). To be sure, the bundle of goods measured over time has changed. High technology products enjoyed today were not available in the last century. Yet overall, GDP measures are notorious overestimates, especially since environmental degradation became more extreme from the mid-1970s, the point when a "genuine progress indicator" went into deficit (http://www.redefiningprogress.org). We must also acknowledge the extremely uneven character of accumulation across the world, with some regions — especially Eastern Europe — having dropped vast proportions of their output during 1980s-90s downturns.

Even prior to the 2007-08 economic turbulence, there have been several powerful analyses of the *crisis* faced by global, and especially US, businesses in their restructuring of production systems, social relations and geopolitics (Brenner 2003, Harvey 2003, Pollin 2003, Wood 2003). From the standpoint of political economy, concerns have long been expressed about not only distorted US financial and trade accounts, but also underlying features of production, ecological destruction and social degradation. The core ingredients in any explanation include:

- employer-employee class struggle (especially emanating from late 1960s Europe, but waning since the mid-1970s and at very low levels during the 1980s when nominal profits increased);

- international political conflict;

- energy and other resource constraints (especially looming oil shortages); and

- the tendency to overaccumulation (production of excess goods, beyond the capacity of the market to absorb).

For David Harvey (2003), "Global capitalism has experienced a chronic and enduring problem of overaccumulation since the 1970s." Robert Brenner (2004) finds evidence of this problem insofar as "costs grow as fast or faster in non-manufacturing than in manufacturing, but the rate of profit falls in the latter rather than the former, because the price increase is much slower in manufacturing than non-manufacturing. In other words, due to international overcapacity, manufacturers cannot raise prices sufficiently to cover costs."

That overcapacity has continued, for even at the height of the West's devalorization stage of overaccumulation during the 1980s, other political economists — Simon Clarke (1988, 279-360), Harvey (1989, 180-197) and Ernest Mandel (1989, 30-58) — showed how de-industrialization and intensified uneven development were correlated to overaccumulation. Subsequently, evidence of the ongoing displacement of economic crisis to the Third World and via other sectors was documented by Harry Shutt (1999, 34-45) and Robert Biel (2000, 131-189).

From crisis, it is logical for the amplification of uneven and combined development to occur, especially in specific peripheral or semi-peripheral settings where the market mode of production depends upon earlier modes of production for an additional superexploitative subsidy – extraeconomic coercsion - by virtue of reducing the costs of labor power reproduction (Wolpe 1980). That logic entails not only the differential (or "disarticulated") production and consumption along class lines (de Janvry 1982). It also includes worsening discrepancies between capital goods and consumer goods, and between different circuits and fractions of capital. For example, the rise of financial markets during periods of overproduction crisis means that, as Michel Aglietta (1979:359) showed, "Uneven development creates artificial differences in the apparent financial results of firms, which are realized only on credit. These differences favour speculative gains on the financial market." Tendencies towards sectoral and spatial unevenness are also manifest periodically in the sort of financial crises that have characterised the world economy in recent years. Indeed, unevenness has been associated with theories of unequal exchange and forms of core dominance and peripheral dependency for many years, but these analyses have had the effect of over-emphasizing interstate relations and under-emphasizing the flows of capital and social struggles that have more decisively shaped local "underdevelopment". It is here that the articulation of the market and pre-market modes of production generate a "combined" development, which feeds into the overall unevenness of the world economy.

Indeed as Harvey (1996:295) has argued, the process of generating unevenness should be in more general ways, as "different places compete endlessly with one another to attract investment. In the process they tend to amplifying unevenness, allowing capital to play one local or regional or national class configuration off against others." While comprehending the uneven development of sector, space and scale is ambitious enough, there must be, as well, future opportunities to explore systematic unevenness in spheres as diverse as the production and destruction of the environment, social reproduction, and human domination along lines of class, gender and race/ethnicity. But it is to the political implications we turn in conclusion.

5. Conclusion: Implications for public health and public policy

What, finally, are the strategic lessons of the foregoing discussion, for contemporary politics and public policy, and for public health? While the latter point is largely beyond the scope of a short chapter, we can posit trends that have some important lessons for future strategies to promote health care and mitigate disease burdens.

The problems of health care associated with and largely *caused by* globalization follow from the volatile political economic processes (including South-North resource drain) and hostile geopolitical environments discussed above. To be sure, however, there are defenders of globalization, such as the World Bank's David Dollar (2001, 827) who makes four points:

- First, economic integration is a powerful force for raising the incomes of poor countries. In the past 20 years several large developing countries have opened up to trade and investment, and they are growing well—faster than the rich countries;

- Second, there is no tendency for income inequality to increase in countries that open up. The higher growth that accompanies globalization in developing countries generally benefits poor people. Since there is a large literature linking income of the poor to health status, we can be reasonably confident that globalization has indirect positive effects on nutrition, infant mortality and other health issues related to income;

- Third, economic integration can obviously have adverse health effects as well: the transmission of AIDS through migration and travel is a dramatic recent example. However, both relatively closed and relatively open developing countries have severe AIDS problems. The practical solution lies in health policies, not in policies on economic integration. Likewise, free trade in tobacco will lead to increased smoking unless health-motivated disincentives are put in place. Global integration requires supporting institutions and policies; and

- Fourth, the international architecture can be improved so that it is more beneficial to poor countries. For example, with regard to intellectual property rights, it may be practical for pharmaceutical innovators to choose to have intellectual property rights in either rich country markets or poor country ones, but not both. In this way incentives could be strong for research on diseases in both rich and poor countries.

Each point can be rebutted. Indeed the World Bank's own review of its research output since 1998 cites the work of Branko Milanovic criticizing Dollar on the first two points, finding in the latter's work "a serious failure in the checks and balances within the system that has led the Bank to repeatedly trumpet these early empirical results without recognizing their fragile and tentative nature. As we shall argue, much of this line of research appears to have such deep flaws that, at present, the results cannot be regarded as remotely reliable, much as one might want to believe the results." In contrast, Milanovic "was providing extensive empirical evidence of increasing income and consumption inequalities in the world, and taking a much more jaundiced view of the benefits for the poor of growth and of globalization" (Banerjee *et al*, 2006, 53). The third point about how to effect change in tobacco and AIDS problems relies on an active civil society *resisting* commodification and corporate power, a position taken up in this book's final chapter by David Sanders. Finally, aside from a few cases such as access to antiretrovirals (as the result mainly of citizen activism), there are very few, if any, reforms feasible in today's global governance system, as argued more fully below.

What the information in this chapter adds to this framework is attention to *social and political context*, *social stratification*, and the basic structural *social determinants of health* that are affected by the strengths and weaknesses of health systems. Specifically the chapter has argued, first, that geopolitical realignments that were in part responsible for neo-liberal policy ascendancy occurred through important power shifts reflected in roughly a dozen major *moments*. But these reflected underlying structural dynamics that emerged during the 1970s — stagnation, financial volatility and uneven development.

The public health sector is adversely affected by each of these. Directly, there have been cuts in state resources for health care (or imposition of cost recovery which lowered low-income people's utilization rates) and structural adjustment's early and indeed ongoing orientation to privatization of state services. Indirectly there are worsening health conditions associated with unevenly experienced unemployment, income inequality and workplace conditions which are the result of global capital's mobility and the limited scope for state employment-generation policies. Although this chapter does not have the scope required to draw these links explicitly, one of the key insights from the literature on political economy and geopolitics is the problem of extra-economic resource extraction. This problem follows from market interrelationships with both non-market social and ecological systems, and with important implications for resources that might otherwise be channelled into building strong public services.

Politically, the stress caused by stagnation and volatility has been exacerbated by the joining of neo-liberal and neo-conservative forces. In Table 1, the five major ideological orientations of contending forces are considered. What is crucial to remark when considering this table, is that none of the five blocs have overcome internal contradictions sufficiently so as to represent unproblematic approaches to public policy. To illustrate, the US neoconservatives are, in 2008, on the defensive not only because of military defeats, political unpopularity and economic stress, but also because of socio-cultural features such as divergent religious influences, and disputes over how to best protect culture, patriarchy, and state sovereignty.

The neoliberal bloc, stretching from Washington through most of Europe's major capitals to Japan, has also suffered from an inability to overcome the durable economic crisis on its own terms. There have, as well, been differing reactions to the US imperial agenda, due to divergent national-capitalist interests and domestic political dynamics. And yet the neoconservatives and neoliberals have generated a working partnership on most multilateral matters, that in turn has foiled global-scale reforms necessary for human health and welfare, not to mention the environment.

The reform-oriented Post-Washington Consensus agents and key personalities (Joseph Stiglitz, Jeffrey Sachs, George Soros, etc) have, indeed, failed to achieve meaningful gains in global governance venues, dating to the 1996 chlorofluorocarbon ban in Montreal. Largely because of the adverse power relations that follow from the economic and geopolitical processes discussed above, the world's reformers face several daunting problems:

- in relation to geopolitical tension, the lack of peace settlements (or indeed prospects) in the Middle East, Gulf, central Asia, central Africa and the Horn of Africa, with a looming war involving the US, Iran and probably Israel and oft-predicted long-term inter-imperial conflicts between the US and China;

- on United Nations democratization, the inability to expand the Security Council in recent heads-of-state summits, notwithstanding pressure from aspirant members Japan, Germany, India, Brazil, Nigeria and South Africa;

- on trade, repeated delays in concluding the Doha Round of World Trade Organization negotiations;

- in international finance, ongoing contagion of turbulence (including bursting market bubbles, bankruptcies and volatile currencies), extremely high – and growing – current account deficits in the US and other countries, World Bank legitimacy crisis, worsening IMF financial deficits, and US/EU resistance to Bretton Woods reform as witnessed by the leadership appointments in 2007 of two men from the neoconservative/neoliberal power structure, Robert Zoellick (World Bank) and Dominique Strauss-Kahn (IMF);

- environmentally, the failure of the EU and supportive Third World states to defend, much less decisively expand the Kyoto Protocol, as the 2007 Bali and 2008 G8 meetings failed to make sufficient breakthroughs to halt and reverse potentially catastrophic climate change (and with respect to other global ecological management problems arising in freshwater, maritime resources, trade in toxics, species extinction and the like, there has been very little or no progress); and

- an overall 'global apartheid' structure in terms of economics, political power, culture, public health and social services, through which most measures of inequality and genuine progress continue worsening, making mockery of the (already relatively unambitious) Millennium Development Goals.

The more radical forces in world politics, then, are the Third World nationalists and the global justice movements. Emanating, respectively, from national sites like Cuba, Venezuela, Bolivia, Ecuador and Paraguay, and from civil society settings such as the Zapatistas' Chiapas province of Mexico, or occupied factories of Buenos Aires, or health clinics with AIDS medicines catalysed by the South African Treatment Action Campaign, or the anti-dam encampments in India's Narmada Valley, to give a few prominent examples, these progressive Nationalists and global justice advocates may have the will and vision to advance the required far-reaching reforms. Whether they have the capacity and support depends upon politics, but the past three and a half decades of elite mismanagement descriped in the pages above, should alert readers to the dire consequences of top-down strategies for improved healthcare. The future will be forged where neoconservative/neoliberal globalisation-from-above is countered by globalization-from-below (and in some cases such as healthcare and water that will entail *deglobalization* of patent rights and municipal services contracts).

Table 1: Five geopolitical currents

Political current:	Global Justice	Third World Nationalism	Post-Wash. Consensus	Washington Consensus	Resurgent Rightwing
Tradition	socialism, anarchism	*national* capitalism	(lite) social democracy	Neo-liberalism	Neo-conservatism
Main agenda	'deglobalization' of *capital* (not of *people*); 'globalization-from-below', international solidarity; anti-war; anti-racism; indigenous rights; women's liberation; ecology; 'decommodified' state services; radical participatory democracy	increased (but fairer) global integration via reform of interstate system, based on debt relief and expanded market access; reformed global governance; regionalism; rhetorical anti-imperialism; and Third World unity	fix 'imperfect markets;' add 'sustainable development' to existing capitalist framework via UN and similar global state-building; promote a degree of global Keynesianism; oppose US unilateralism and militarism	reform neo-liberalism with provisions for 'transparency', self-regulation and bail-out mechanisms; coopt potential emerging-market resistance; offer financial support for US-led Empire	unilateral petro-military imperialism; crony deals, corporate subsidies, protectionism and tariffs; reverse globalization of people via racism and xenophobia; religious extremism; patriarchy and bio-social power
Leading institu-tions	social movements; environmental justice activists; indigenous people; autonomists; radical activist networks; leftist labour movements; liberation theology; radical think-tanks (e.g., Focus on the Global South, Global Exchange, IBASE, IFG, IPS, Nader centres, TNI);[1]radical media (*GreenLeft Weekly*, Indymedia Pacifica, Pambazuka, zmag.org); semi-liberated zones (Bolivaran projects, Kerala); sector-based or local coalitions in the WSF (World Social Forum)	Non-Aligned Movement, G77 and South Centre; self-selecting regimes (often authoritarian): Argentina, Brazil, China, Egypt, India, Indonesia, Kenya, Libya, Malaysia, Nigeria, Pakistan, Palestine, Russia, South Africa, Turkey, Uganda, Zimbabwe with a few – Bolivia, Cuba, Ecuador and Venezuela – that lean left; *AlJazeera*, supportive NGOs (e.g., Seatini, Third World Network)	some UN agencies (e.g., UNICEF, WIDER; some INGOs (e.g, CARE, CIVICUS, IUCN, Oxfam, TI[2]); large enviro. groups (e.g., Sierra Club and World Wildlife Federation); big labor (e.g., ICFTU and AFL-CIO);[3] liberal foundations (Carnegie, Ford, MacArthur, Mott, Open Society, Rockefeller); Columbia U. economics department; the Socialist International; Norway	US State (Fed, Treasury, USAID); corporate media, IT (information Technology)and financiers; World Bank, IMF, WTO; elite clubs (Bilderburgers, Trilateral Commission, World Economic Forum); some UN agencies (UNDP, UNCTAD, United Nations Global Compact); universities and think-tanks (U. of Chicago economics, Cato Institute, Council on Foreign Relations, Adam Smith Inst., Inst. of International Economics, Brookings); BBC, CNN and Sky[4]; most G8 states	Republican Party populist and libertarian wings; Project for a New American Century; right wing think-tanks (AEI, CSIS, Heritage Foundation, Manhattan Institute[5]); Christian Right institutions and media; petro-military complex and industrial firms; the Pentagon; rightwing media (Fox, *National Interest, Weekly Standard, Washington Times*); proto-fascist European parties - but also Zionism and Islamic extremism

1. Instituto Brasileiro de Analises Sociais e Economicas, International Forum on Globalization, Institute for Policy Studies, Transnational Institute
2. UN Research Institute for Social Development, World Institute for Development Economics Research, International Union for the Conservation of Nature, Transparency International
3. International Confederation of Free Trade Unions, American Federation of Labor and Congress of Industrial Organizations
4. British Broadcasting Corporation, Cable News Network
5. American Enterprise Institute

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