

PS 3.2

**TRANSFORMING THE ECONOMY FOR HEALTH EQUITY AND
ENVIRONMENTAL SUSTAINABILITY**

| BACKGROUND

The direct and indirect relationship between economic activities, health outcomes (equitable or otherwise), and environmental sustainability (notably climate change, biodiversity loss, and pollution) are no longer in doubt. What remains contested is whether reforms to our conventional market (capitalist) economy can lead to a 'green growth' in which the world equitably achieves net zero-carbon by 2050; or if the excess consumption of natural goods inherent in profit-driven market economies poses a systemic threat to the environment and, by implication, human health.

Some of the long- and medium-term financing and economic challenges that we face include:

- Unsustainable material consumption levels globally by high-income countries and the world's richest 10%.
- The need for material consumption levels to rise in low-income countries and the world's poorest 50% (generally through increased equitably distributed models of economic growth) to allow for ethical life expectancies.
- The pandemic and the invasion of Ukraine are increasing extreme (and not so extreme) poverty, food insecurity/acute hunger, and health inequities. The need for substantial financing for mitigation efforts directed to low-and-middle-income countries (LMICs) is greater now than in the years following the 2008 financial crisis.
- The economic shock from the pandemic and prospects for many LMICs of not recovering to pre-pandemic economic levels before 2026 have increased indebtedness, with recent inflation constraining their ability to fund access to essential health services and invest in green recovery.
- There is also concern that we may be poised for new rounds of austerity (fiscal contraction), and that new conditional lending to LMICs for pandemic relief and debt restructuring purposes will further weaken their ability to deal with the economic, health, and environmental fallout of COVID and the war in Ukraine.

Policy challenges include:

- HICs have yet to pledge and/or fulfill the level of commitments required to minimize the severe economic and environmental health risks now facing many of the world's poorer populations. Instead, increasing emphasis is given to incentivizing private capital investment in climate change initiatives (green energy, mitigation efforts) and health systems strengthening. It is important to note that the social impact of green technology investing (if effective) addresses wealth inequities that arise by dint of who benefits financially from such investment.
- The pursuit of carbon-neutrality in areas such as national economies and international trade (e.g. through fiscal and taxation policies, carbon-border adjustment measures, and other trade or investment treaty revisions to account for a zero-carbon global economy by 2050) is important; but it must also be aligned carefully with social and health equity goals.
- Carbon taxation and removal of fossil fuel subsidies should be enhanced and defined as also delivering direct health benefits from reduced pollution while also increasing governments' fiscal space to invest in health and green recovery.
- There need to be more financial institutional commitments to reduce loans to fossil fuel industries or redirect loans to green energy. Efforts to close tax havens (though improving) are still inadequate, while the commitment of many countries to ensure a minimum level of corporate taxation has yet to be implemented and fails to account for equitable allocation of tax benefits.
- Radical progressive and redistributive tax reforms (at national and global/intergovernmental levels) are needed to prevent financing shortfalls that risk sovereign debt defaults by LICs forced to borrow on global financial markets. IMF increases in special drawing rights holds some potential to reduce sovereign debt defaults but need to be adjusted to avoid most of the SDR benefits going to HICs and upper-MICs and not to LICs and LDCs where new financing needs are greatest.
- The financialized economy that led to the 2008 global financial crisis was spared dissolution through quantitative easing, which was repeated in central bank policies in most HICs in response to the social and economic dislocations arising from COVID and its public health interventions. In the years following the 2008 crisis little substantive reform to the liberalized global financial economy was undertaken, the result being vast amounts of surplus capital incentivizing private speculative investments and creating asset bubbles. This led to a huge upwards distribution in income and wealth, with most going to a sliver of elites. Governments must adopt policies that 'tame global finance'.
- Supply chain disruptions, pandemic-induced savings, and a surge in post-lockdown demand are creating inflation and the real risk of stagflation. Corporate profits are increasing in many economic sectors, suggesting that profiteering may also be driving inflation and the need for windfall taxes.
- The corporate oligopoly in global food markets worsens the growing evidence of new famines and starvation, as food prices rise beyond the affordability of many of the world's majority poor. Mass population movements within and between countries have not ceased, nor have the xenophobic responses and militarized borders by nations experiencing ongoing and often increased levels of irregular migration.

The intersecting nature of these crises suggests the need for new forms of economic management tools to achieve the net-zero target and a decarbonized economy by 2050 and to do so in a way that preserves biodiversity and avoids further environmental pollution. Such tools (intergovernmental agreements, policies, regulations, practices) must also be driven by the goal of reallocating the pre- and redistribution of material resources (and income/capital) within and between countries, while simultaneously reducing unsustainable levels of consumption by wealthier populations and countries and creating necessary consumption (growth) space for poorer groups and nations to achieve ethical life expectancies.

| OBJECTIVES

- Identify key tenets of economic 'health for all' policies that simultaneously decrease material (income/wealth) inequalities and achieve a safe consumption space protecting both human and planetary health.
- Debate the green growth/postgrowth (fair growth) policies in terms of improving health equity and ecosystem system sustainability at local, national, and global scales.
- Describe new financing mechanisms (fiscal policies, national/global funding programs, lending conditionalities) relative to achieving health equity and climate change goals and targets.
- Identify alternative economic and fiscal policies to austerity to reduce the impacts of inflation/profitteering and recession on health and human development outcomes.
- Discuss best practices in progressive (redistributive and environmentally protective) tax policies and strategies to overcome barriers to their implementation at local, national, and global scales.



Panelist

Ravi Duggal

Independent Researcher

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India

Ravi Duggal is a Sociologist, trained at the University of Bombay, who has been involved in health services research, advocacy and training, especially related to health economics, health systems, and health policy; budgets, decentralization/governance and social accountability; and social sector policies and social security, for now over three and a half decades. Presently he works as an independent Researcher and Consultant. Prior to this he worked as the Country Manager for the International Budget Partnership from 2009 – 2018 and earlier supported the Action Aid International partners in a multi-country initiative in South and South-east Asian countries on governance, economic literacy and budgets (2005-2008) and the IDRC on health, equity and governance research in South Asia (2008-2009). Other key consulting involvements included supporting the European Commission in building its new program support strategy for India, helping the Administrative Reforms Commission in developing a reform strategy for the health sector in Maharashtra and undertaking research on issues relevant to a rights based approach to health and health care. Until 2005 he was the Coordinator of CEHAT, an institution he founded along with other health activists and researchers. CEHAT, the research centre of Anusandhan Trust, since 1991 has been carrying out research, action research, trainings, campaigns and advocacy on the following core thematic areas – Health Services and Financing, Health Legislations, Ethics and Patients' Rights, Health and Human Rights, Women and Health, and Psychosocial Trauma. His areas of expertise in research, advocacy and training include economic literacy and budgets, gender budgets, social policies and social security, health policy and systems reform, health economics and financing, health equity, health and human rights, decentralization and governance, social dimensions of abortion and abortion services, regulation of the private health sector, medical and social science ethics, and development of health and socio-economic information databases. Until recently he was a visiting faculty for teaching health economics to MPH students at the Achutha Menon Center in Trivandrum, Kerala, as well has been a guest faculty at TISS, Mumbai and University of Mumbai for a number of years. Most recently in 2019-20 assisted the Chhattisgarh Govt. Health Ministry to evolve a strategy for UHC and completed an international assignment on developing a UHC training manual for the WHO in 2019. He is also associated with international initiatives like the Peoples Health Movement, Global Equity Gauge Alliance and the International Federation of Health and Human Rights Organisations. Presently, Vice President - Health Economics Association of India and mentor of the Peoples Budget Initiative.

Prior to CEHAT he had worked as the Country Representative of SWISSAID for six years supporting initiatives of peoples' organisations and grassroots NGOs in Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Bihar and Rajasthan working on livelihood, natural resource management and protection, and development issues. During this tenure he joined the LEAD Cohort-6 (Leadership in Environment and Development) graduating at the New York session. His other involvements have included fulltime WHO National Consultant in the Ministry of Health, New Delhi, Consultancy assignments on health and development issues for World Bank, IDRC, SIDA, UNFPA, UNDP, Planning Commission, Governments of India and Maharashtra, Action Aid International, MacArthur Foundation, ICSSR, Liverpool School of Tropical Medicine, OXFAM India, FXB Centre of Harvard School of Public Health, Institut de Recherche pour le Développement - France, Society for International Development – Rome, Tata Institute of Social Sciences, National Insurance Academy, ICRIER, and Bombay Municipal Corporation. He had begun his research career at the Foundation for Research in Community Health where he worked for 12 years and did pioneering research in the area of health financing and the private health sector, after a two-year stint at teaching Sociology at Vivekananda College, Mumbai. He has over 20 books/reports and over 200 research papers and articles published as of now most of which are available at the link:

https://www.researchgate.net/profile/Ravi_Duggal/publications