Global Health Governance in a G-20 World

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Historically, the G-8 has led the rich world’s response to global health challenges, including HIV. However, following the financial crisis of 2008 attention has turned not to the G-8, but to the larger G-20 – a group dominated by the interests of advanced and emerging markets and concerned primarily with building economic clout. The implications for global health governance and mobilizing resources for HIV remain unclear. Major players of the G-20 such as China, India and South Africa still rely on foreign assistance for their domestic HIV and other disease-specific programs. Whether such nations will also act as significant donors for global health is debatable. The challenge ahead is to assist emerging economies in their transition to self-reliance in obtaining public goods, and to find solutions that guarantee equitable access to health for the entire family of nations.

INTRODUCTION

In the second decade of the 21st century, the concept of global health is changing at a rapid pace. When the institutions that played the primary role in global health governance, chiefly the World Health Organization (WHO), were formed in the mid-20th century, the foremost concern was spreading epidemics, which were thought to be controllable at national borders and ports of entry. By the 1970s, the WHO, World Bank, United Nations (UN) agencies, and top bilateral donors had connected health and development, and were largely striving to extend life expectancy and lower premature mortality worldwide. Today, these and other key institutions related to global health have broad agendas and unprecedented access to funds with the flow of dollars in the hundreds of billions.

This shift in the scale of thinking regarding global health governance from a nation-state orientation to a worldwide perspective comes at a time when a similar broadening in perspective is occurring in many other transnational arenas such as climate change, financial regulation, oceans governance, counter-terrorism, and the control of human trafficking. These issues are challenging international institutions and national governments to consider governance in new ways. Overall, a crosscutting theme has emerged: namely the relationship between wealth, trade and divergent views of threat. A country once locked in poverty, but now racing for its share of global gross domestic product (GDP) may view the threat of infectious diseases, such as polio, differently from a traditionally wealthy nation that eradicated the disease 25 years ago. And as the disappointing outcomes of the Copenhagen climate summit showed, there is clear division in the world between those countries that are in a mode of economic expansion and those that are either in stagnation or represent traditional wealth. Therefore, global health governance is inextricably bound to battles over financial resources.

Historically, the G-8 has served as the primary mechanism for generating dollars to support global health and development. The tremendous financial power of the G-8,
both as bilateral and multilateral donors, granted the wealthy nations extraordinary leverage over all aspects of global health governance, from priority rankings of diseases to determination of the dimensions of medical technology transfer. Each year, advocacy groups, UN agencies and development organizations mobilize for the G-8 summit and advocate funding for their core concerns. Among the most successful of these efforts has been garnering support for HIV. However, following the global financial crisis of 2008 attention has turned not to the G-8, but to the far larger G-20. The G-20 is comprised of advanced and emerging economies and is represented by finance ministers, their deputies, and central bank governors from Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, the United States and the European Union. Since 2008, the G-20 has transformed from a loose coalition of nations into a structured organization that convenes annual meetings of heads of state and biannual sessions of finance ministers in locations around the world including Washington (2008), London and Pittsburgh (2009), and Toronto and Seoul (2010). Unlike the G-8, this group is primarily concerned with financial stability and sustainable economic growth. It gives little attention to social governance or public goods such as health.

This now-unfolding shift in global wealth and power was especially evident at the 2010 G-8/G-20 summits. The once elite G-8 failed to deliver any serious commitment to development, despite efforts by Canadian host Prime Minister Stephen Harper to push maternal and child health as the group’s top priority. Only $5 billion over 5 years was committed to Harper’s initiative, most of which represented previously budgeted donor funds, and no new financial commitments were made for other global health challenges, including HIV. Not surprisingly, the G-20 focused on economy recovery, stimulus and austerity, largely ignoring other global public needs.

The implications of a world in transition from G-8 to G-20 for global governance writ large, and more specifically, for global health governance and mobilizing resources for HIV remain unclear. Few institutions and policymakers have critically considered the issue. This piece examines the role of the G-8 in global health; the shift in landscape from a bi-polar to multi-polar world with the rising powers of China, India, and Brazil; the role of these and other G-20 countries in global health, both as donors and recipients; and the implications for global health governance, including mobilizing resources for HIV, making progress towards the Millennium Development Goals (MDGs), in particular Goal 6, building compliance with the International Health Regulations (IHRs) and promoting equitable access to life-saving treatment for HIV.

GLOBAL HEALTH IN A G-8 WORLD

The G-8 developed from the G-6, which was formed to confront the global recession in 1975 and comprised of six highly industrialized countries: France, West Germany, Italy, Japan, the United Kingdom and the United States. In 1976 Canada joined, and in 1998, Russia became a formal member. Over the decades the G-8 has led, alongside the World Bank, the rich world’s response to development challenges. It holds an annual summit intended to create consensus on these issues and makes various statements and financial commitments each year.

The G-8’s agenda is at times of such political scale that issues of health and development are trivial components: the group takes on everything from nuclear
proliferation and terrorism to financial stock market manipulations and banking trends. But since the mid-1990s, health and development issues have moved to a more central position in the annual G-8 agenda, typically resulting in annual commitments of cash for programs targeting developing nations. The annual summits are orchestrated by a large staff of so-called Sherpas (senior government officials who represent the views of their respective heads-of-state) from each of the member countries that bring issues to the table long before the annual summit and strive to build consensus beforehand. The process, led by the host country Sherpa team, ran with relative ease during the period of the G-7. However, this seeming unity eroded with Russia’s entry, as the new nation rarely met any of its annual commitments. Over the years, other nations have also failed to fulfill their annual promises, undermining the credibility of the G-8, and making internal consensus a more difficult process.

For global health, the 2000 and 2005 G-8 summits in Okinawa, Japan and Gleneagles, Scotland were most notable. At Okinawa, the group made a landmark political commitment to advancing the fight against infectious diseases, in particular HIV/AIDS, tuberculosis and malaria. The commitment spawned formation of the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) in 2002 and led to an unprecedented increase in financial resources to respond to these diseases. At Gleneagles, the group pledged to increase development assistance by $50 billion from $80 billion in 2004 to nearly $130 billion by 2010. Impressively, fifty percent of the increase was promised for Africa, more than doubling aid to the continent. For HIV, the G-8 pledged to “to provide as close as possible to universal access to treatment for AIDS by 2010” and in 2007 at the Heilgengdamm, Germany summit committed $60 billion for HIV, tuberculosis and malaria.

While these promises were laudable and signaled strong donor commitment to global health, the G-8 has failed to meet its pledge. According to the Muskoka accountability report prepared by G-8 members in June 2010, donors are $10 billion short (in current dollars) of the $50 billion Gleneagles target. The shortfall is even greater -- $18 billion -- when measured in constant 2004 dollars. The deficit mostly impacts commitments to Africa: in 2010 the continent will only receive $11 billion of the $25 billion promised increase.

Despite this, some members of the G-8 have been more generous than others. The United States has already fulfilled its pledge to double aid to Sub-Saharan Africa and is the largest single donor of health worldwide, accounting for over half ($5.68 billion) of total contributions in 2007. The United Kingdom has surpassed the minimum country target of 0.51% of gross national income in net official development assistance (ODA) and is the second leading donor, disbursing $1.96 billion to global health in 2007. On the other hand, France, Germany and Italy will not reach their Gleneagles targets. Likewise, Japan will fail to reach its target, despite recent commitments to double foreign assistance to $1.8 billion a year by 2012.

The G-8’s ability to deliver on these commitments is constrained by many competing priorities. For example, at the 2009 L’Aquila summit, the G-8 pledged $22 billion over three years for food security, and at Copenhagen pledged $30 billion by 2012 for climate change. This year, Canadian Prime Minister Stephen Harper announced maternal and child health as his designated priority for the G-8 summit, but while experts estimated that at least $30 billion additional funding is needed by 2015, the group committed only $5 billion over 5 years.
CHANGING GLOBAL GOVERNANCE LANDSCAPE

For some twenty years former Canadian Prime Minister Paul Martin argued that the G-8 mechanism no longer served in a fair and just manner, as it represented a tiny elite of the nations of the world.\textsuperscript{39} Martin argued for what he called an L-20, with the L being leaders, insisting that the major emerging market nations had to be included in this coalition of global governance.\textsuperscript{40} From the outset, the primary critique of the Martin position was that expansion of the ‘democracy of nations’ would lead to the same dilution of principles and interests as is seen in the often stymied General Assembly of United Nations. The G-8 initially approached this question of expansion by inviting a handful of leaders from five key emerging market countries – Brazil, China, India, Mexico, and South Africa – to attend special sessions held peripheral to the G-8 in 2005.\textsuperscript{41} It was immediately evident however that the interests of the newly invited peripheral guests were quite different from those of the G-8 and Mexico became the de-facto leader of what was initially called the G-5.\textsuperscript{42}

Then in 2008 the financial crisis led to a massive shift in global wealth. North American assets shrank by 21.8 percent, European by 5.8 percent and Japan stagnated.\textsuperscript{43} But China and other emerging market economies ballooned, and by the summer of 2010 China outstripped Japan to become the second largest economy in the world.\textsuperscript{44} At its current pace of growth China will overtake the United States by 2027.\textsuperscript{45} In the 26 months since the financial crisis some countries have been virtually bankrupted, such as Iceland; others continue to sink into deeper debt and massive unemployment such as Ireland, Greece and Spain. In contrast, several key emerging market nations have profited from financial disaster both by becoming multibillion dollar lenders and magnets for cheap manufacturing.

This is leading to a crisis in financial governance as the emerging market nations are racing to reach the same levels of wealth for their elites as has long been experienced by the elite of traditionally wealthy countries. The very institutions that have played the pivotal role in governance of world finance, trade and development – the Bretton Woods institutions (International Monetary Fund, International Finance Corporation and World Bank) – are finding their powers limited and their role undermined by a virtually lawless state of free marketeering that has taken command of all aspects of global finance, monetary valuations, currency transfer and real estate trading. While they warn that the 2008 crash was the result of a disengagement of pricing valuation of real goods and property, the G-20 has stubbornly declined to support serious market reforms or financial regulation. And the post 2008 G-20 world has only exasperated this stark split between the real value of goods, services and properties versus speculation. As this article is written, the Bretton Woods Institutions have issued a stark warning that the world is heading into currency wars as nations artificially devalue their key monetary instruments in order to undermine competing countries for cheap labor in manufacturing.\textsuperscript{46}

This shift in power over global wealth has marked the beginning of a major change in governance from a G-8 to G-20 dominated world. The G-20 currently represents approximately ninety percent of the world’s wealth, eighty percent of the world’s trade and two-thirds of the world’s population.\textsuperscript{47} A U.S. National Intelligence Council report assessing global trends to 2025 predicts that in the next decade and a
half “the whole international system - as constructed following WWII - will be revolutionized. Not only will new players - Brazil, Russia, India and China - have a seat at the international high table, they will bring new stakes and rules of the game” with the “unprecedented transfer of wealth roughly from West to East” continuing into the foreseeable future. Experts predict that by 2025, China will become a leading military power; New Delhi will emerge as one of the major poles of the multi-polar world; and most Latin American countries will become middle income powers.

The rising influence of the G-20 has been recognized by classic powers too. In May 2010, the Obama administration released its National Security Strategy, in which it elevated the importance of the G-20 over the G-8: “We will expand our support to modernizing institutions and arrangements such as the evolution of the G-8 to the G-20 to reflect the realities of today’s international environment” and “The United States has supported the G-20’s emergence as the premier forum for international economic cooperation.”

GLOBAL HEALTH AND THE RESPONSE TO HIV IN A G-20 WORLD

The shift in global wealth and power signals a new policy and resource environment emerging worldwide. Increasingly, experts are calling for greater involvement by the G-20 in development issues. In a welcome move, in 2010 the chair of the G-20, Korean President Lee Myung-bak, announced his decision to include development as an integral part of the G-20’s mission. Since then, a G-20 working group for development has been established and may provide a means to elevate public goods on the group’s agenda. However, the G-20 should not be viewed as a single minded block of political and economic power. Indeed there are deep divisions in the G-20, including a clear rivalry between China and India. One debate concerns G-20 relations with UN. Many of the G-20 countries favor a close working relationship on such things as the Millennium Development Goals (MDGs), while others insist that the G-20 should stay clear of so-called public goods issues, leaving them entirely in the hands of the UN. Korean President Lee’s announcement heralds the pro-development faction’s temporary leadership of the agenda, but the longer view of the relationship between the G-20, the UN and development is highly uncertain.

In fact, major emerging market economies of the G-20, such as China, India, Brazil and South Africa, still rely on foreign assistance for their domestic health programs. According to the Institute of Health Metrics and Evaluation (IHME), three of the top ten recipients of donor assistance in health from 2002 to 2007 were G-20 countries: India was the largest recipient collecting $3.072 billion; Indonesia came in sixth with $1.265 billion; and China was tenth receiving $1.113 billion. Among the next top ten countries, three more were G-20 members: South Africa was fourteenth, Brazil fifteenth and Argentina eighteenth. Mexico is not far behind at number twenty-six. Several G-20 countries are also recipients of aid from innovative financing mechanisms such as the GFATM. Since the founding of the GFATM in 2002, $10 billion has been dispersed to HIV, tuberculosis and malaria efforts worldwide, of which four G-20 countries have received almost $1 billion or 10% of disbursements.

It is disconcerting that these G-20 nations have, and continue to receive such a significant share of donor health aid, particularly given their record of economic growth. Moreover, in today’s difficult global economy, the GFATM is facing a major
deficit and its limited resources should be spent on the poorer nations of the world. For
the 2011 to 2013 funding cycle, the Global Fund will need anywhere from $13 billion to
$20 billion. But at the GFATM’s replenishment meeting in October 2010, donors
failed to commit sufficient funds to even cover the minimum stay-the-course need of
$13 billion. $11.7 billion was committed, but this includes soft money based on
collection predictions from programs such as the RED campaign and UNITAID that
may or may not pan out.

In addition to the GFATM shortfall, funding for HIV, and in particular for HIV
treatment programs, appears to be waning. Since 2009, the global health community
has vigorously debated donor financing of treatment programs in Sub-Saharan Africa;
everyone from individual health experts at U.S. congressional hearings to non-
governmental organizations such as Médecins Sans Frontières (MSF) have argued that
the flat-lining of donor funds is hampering the scale-up of treatment programs in the
region. The slowing of the rate of annual increase (around 2-3%) in PEPFAR funds has
been especially criticized. A 2009 report from MSF of eight African countries revealed
that in South Africa, several implementing agencies have stopped enrolling new patients
on ARVs; in the Democratic Republic of Congo (DRC) PEPFAR has asked the GFATM to
take over the costs of opportunistic infections and laboratory needs; and in Uganda a
rationing of services has occurred.

Brookings argues that the G-20 has the ability to play a powerful role in
development, shifting from classic models of charity that have characterized G-8 giving
to collective action, sustainable development, and greater accountability and
transparency. Other institutions, too, have called on the G-20 to boost its involvement
in global health and development. Recently the GFATM and GAVI initiated a joint
effort to raise $24 billion from the G-20. In an interview at a regional HIV conference
in Bali, Indonesia, the GFATM Director Michel Kazatchkine urged emerging economies
to offer aid to poorer countries. Kazatchkine asserted: “As these countries come in and
play more political leadership roles, they have to enter into the global solidarity effort
when it comes to health...” and “I really think it is time for the G20... to come into the
circle of donors.”

Of note, Brazil has taken a markedly different approach to pressuring for changes
in health and development global policy. Its key target is the WTO and its intellectual
property components. Brazil maintains that pharmaceutical patent provisions amount
to protectionism aimed at blocking technology transfer and maintaining U.S. and
western European control of all drugs and profits derived from them. Brazil pioneered
development of a generic ARVs market and continues to juxtapose all discussions of
global financing of treatment and governance of health against world trade policy.

MILLENNIUM DEVELOPMENT GOAL 6 AND THE G-20

Goal 6 of the MDGs “to combat HIV/AIDS, malaria and other diseases” remains a major
global challenge. While significant progress has been made to combat HIV, an
estimated 33 million people still live with the disease, two-thirds of whom reside in Sub-
Saharan Africa. About 5 million people – less than half of those in need – have access
to treatment in low- and middle- income countries, and for every two people starting
treatment, five are newly infected.
Disappointingly, most G-20 emerging market countries are unlikely to achieve Goal 6. At the end of 2009, some 740,000 people were living with HIV in China with 48,000 new infections a year and antiretroviral (ARV) coverage at less than two-thirds of advanced patients. In India 2.27 million people were living with the disease in 2008 with only 45% ARV coverage in 2009. South Africa, the country with the largest epidemic, was home to 5.7 million HIV-positive people in 2007, half a million new infections in 2009 and treatment coverage of 56%. Among the emerging G-20 markets, only Brazil has met the treatment MDG target attaining 80% coverage by 2007. However, the country faces major prevention challenges with over 730,000 people live with HIV and 34,480 new infections in 2008. As with Brazil, in most G-20 countries prevention efforts lag treatment highlighting the need for better leadership on prevention. It is expected that the newly created UNAIDS High Level Commission on HIV Prevention will drive urgency to slow the spread of new infections worldwide.

The five-year countdown for the achievement of the MDGs finds all eight MDG targets at high risk of failure. Efforts to respond to HIV are now competing for attention and resources amid overall constriction in classic donor economies. Unless the donor pool broadens, and the emerging markets of the G-20 (China, India, Indonesia, Brazil and Mexico) elevate domestic attention to the MDG targets drawing from domestic resources, the 2015 failures could be abysmal.

INTERNATIONAL HEALTH REGULATIONS, THE RESPONSE TO HIV AND THE G-20

Since the creation of the WHO in 1948 the World Health Assembly (WHA) has played a key role in governance of cross-border risks, a primary example being immunization standards. For decades, immunization standards were decided in WHA and travelers were meant to carry proof of vaccination cards. Travel and trade could be stopped based on a disease list that reflected ailments such as small pox and cholera that were prevalent in the 1950s. By the 1990s, WHO leaders found the vaccination list was antiquated and globalization was ushering in new types of infectious disease threats. This led to a full-scale review of the IHRs in a heated process that spanned several years. The IHRs were adopted by the Health Assembly in 1969, revised in 2005, and entered into full effect in 2007. The purpose of the regulations is to “prevent, protect against, control and provide a public health response to the international spread of disease in ways that are commensurate with and restricted to public health risks, and which avoid unnecessary interference with international traffic and trade.” Despite approval by nearly all the nations of the world in the 2005 WHA, country compliance with the IHRs has been mixed. For example, in the 2009 H1N1 pandemic Mexico’s immediate public response, openness, and virus sample-sharing with other nations was impressive, while Indonesia was heavily criticized for not reporting new cases to the WHO and for refusing to share samples of the avian flu virus. The country’s former Minister of Health, Siti Fadilah Supari, justified ignoring the IHR and declaring that the virus was the “sovereign” property of the country, despite its pandemic threat. The H5N1 virus was considered a serious global threat, requiring full cooperation and epidemiological transparency, neither of which were forthcoming from Indonesia during years when that nation had the largest numbers of human cases and deaths due to avian influenza.
A key tension between emerging market economies and the traditionally wealthy world has centered on the World Trade Organization’s (WTO) patent and intellectual property agreements. Indonesia’s stance on bird flu and criticism of the WHO’s handling of the 2009-2010 swine flu pandemic reflect rising anxiety over equitable distribution of vaccines and medicines, violation of patents by generic manufacturers and compulsory licensing. As treatment for HIV infection expands, so will drug resistance against the cheap, first-line antiretroviral therapies. Costs of treatment and anti-WTO sentiments will increase - especially in the emerging market G-20 nations - as the urgent need for second- and third-line ARVs is felt more broadly.

During the 1990s and following the SARS outbreak of 2003, many countries elevated concern over infectious diseases to national security level. Most governments now recognize that their economic survival depends on expanded, open trade and decreased legal and physical congestion of the borders. But open trade can mean greater vulnerability to microbial hitchhikers from one part of the world to another. In the absence of clear, fair linkage of trade agreements with codes aimed at disease control and prevention, the globalized world will continue to be a vulnerable one. This is proving to be a paramount challenge for all aspects of health governance. The 2009 H1N1 pandemic demonstrated that the old wealthy world still dominates all aspects of drug and vaccine production and will prioritize access to its own people. In the absence of breakthrough technology that can lead to billions-dose scale rapid production of inexpensive vaccines and other medicines, the link between outbreak control, trade policy, equity of access to drugs, and globalization writ large will remain the key, non-financial barrier to effective governance of global health.

The HIV pandemic offers both the clearest evidence of the failure in global governance of health, as for years most international institutions ignored the epidemic while it spread across the globe or took ineffective action. But the pandemic also demonstrates the best possible elements of linkage between trade policy and global health governance with expanded access to ARVs and encouragement of generic production.

As the HIV pandemic has shifted from a classic public health response to medical treatment, the disease is increasingly viewed as a chronic management problem. This has raised an entirely new set of governance questions related to the strength of health systems, appropriate and equitable use of human resources, the relationship between donor and host countries, and policy agenda setting. As HIV and other chronic diseases, such as diabetes, heart disease and cancer claim larger percentages of developing and emerging market populations, these challenges will become central to the future of global governance of health. At this writing, few leaders or health policy makers have forwarded ideas regarding judicious governance of the range of chronic disease problems likely to dominate the global health landscape in the mid-21st century. The G-20 can provide one such forum to further the discourse, particularly as its member-states increasingly carry the burden of chronic diseases.

CONCLUSION

The phrase “health transition” typically refers to countries that are entering the chronic disease paradigm that emerges with advancing development – cardiovascular disease, cancer, diabetes – but are still burdened with infectious disease scourges like...
tuberculosis and malaria. In the context of 2010 global health, the notion of “health transition” might also apply to emerging markets like China, India and Brazil that seek simultaneously to sit at the seats of economic and political power and to demand financial support from traditional donors for implementation of essential health programs and other public goods. These rapidly-growing economies are undoubtedly heading towards complete donor independence and may one day embrace Great Power responsibility as global donors. But at this time of transition, many of the G-20 nations play the poverty card when it suits them, even as they demand greater power.

The challenge for global health in the second decade of the 21st century is to assist these emerging giants of economic and political power in swiftly completing their transitions to self-reliance in obtaining public goods without sacrificing the health needs of the poor and disadvantaged within their countries, while also aiding poorer regions of the world. Moreover, global health leaders must find solutions to trade and intellectual property issues that augment mistrust between the emerging and traditional wealth worlds. And, even more challenging, leaders must find ways to guarantee equitable access to life-sparing drugs and vaccines, not only for the G-20 countries but for the entire family of nations.

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7 Ibid.
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