

***WHAT IS HAPPENING AT
THE WORLD HEALTH ORGANIZATION?***

***The Coming Election
of the WHO Director-General***

by

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The Increasing Influence of Neoliberalism at the WHO

From World War II until the early 1980s, the World Health Organization was an important point of reference for those in the international community who were concerned with the health and well-being of populations. During the postwar period, the WHO subscribed to the dominant consensus in the international community that government and the public sector were responsible for guiding economic and social activities and correcting the social inequalities created by unrestrained market forces. This active role of the public sector led to establishment of the welfare states in the developed countries and to the planting of seeds for breaking with underdevelopment in the countries of the developing world. As a consequence of these public policies, the populations of both developing and developed countries experienced significant improvements in health and social conditions. The high point of the WHO of those years was the approval by the World Health Assembly of the Alma-Ata Declaration,¹ which stated that health required a public health approach, much broader than medical care interventions. This declaration was followed by many specific proposals that emphasized the social, economic, and political determinants of health. Needless to say, some of these proposals had their problems, but the approval of the Alma-Ata Declaration was a major step toward redefining the health interventions that are needed to improve the health and social conditions of populations. And in many countries, those improvements did indeed occur.²

In the 1980s the world's political climate changed, with the coming of the *neoliberal "revolution."* This change had its beginnings in the late 1970s, with the administration of President Carter – described by the *New York Times* as the most conservative of all Democratic presidents – and strengthened under President Reagan in the U.S. and Prime Minister Thatcher in the U.K., then under Presidents Bush Sr., Clinton,

and Bush Jr., and Prime Ministers Major and Blair. This “revolution” brought a weakening of the public sector and a strengthening of private forces that, following the dictates of the market, shape the nature of our societies according to the wishes of those whose consuming power reigns supreme in the economic and social spheres. The improvements in health and social well-being that had begun in the postwar years were considerably slowed down, and even reversed in many countries. The evidence for this is overwhelming.³

The neoliberal revolution in the health sector has meant reduced public and social expenditures, deregulated labor and financial (banking and insurance) markets, privatized health services, a dismantling of publicly funded and publicly provided health services, and the preeminence of health insurance; these are the new instruments for responding to people’s health needs. Patients become “clients”; public provision of services is replaced by private competition and the market. The neoliberal revolution also brought abandonment of the public health approach, except for public health measures that focus on individual behavioral change. These neoliberal practices have been actively promoted by the governments of the U.S. and the U.K. (which generated the *Washington Consensus*) and by the international agencies over which these governments have enormous influence – the International Monetary Fund, the World Bank, the World Trade Organization, and, indeed, the World Health Organization.⁴

The maximum expression of the ideological revolution taking place at the WHO is evident in the 2000 report *Health Systems: Improving Performance*, prepared under the direction of WHO official Julio Frenk and WHO consultant Christopher Murray.⁵ This report established the neoliberal narrative as official WHO policy. In the *Health Systems* report, countries are ranked according to the performance of their medical care systems,

based on highly questionable criteria, clearly rooted in a neoliberal agenda. For example, in Latin America, Colombia, which had introduced health insurance (at the advice of Frenk as a paid consultant to the Colombian government), was ranked first in performance, while Cuba – despite having health indicators and health systems performance recognized as outstanding by most experts – and other countries with national health services were placed at the bottom of the list. In this scheme, health insurance was in; national health services were out.

To satisfy the ideological position from which they started, Frenk and Murray went to great lengths to manipulate the data, achieving new highs in the art of distortion and creative accounting – a practice that some of us denounced in the *Lancet*.^{6,7,8} These highs of manipulation, in fact, exceeded the ethically acceptable, and Professor Philip Musgrove, technical director of the study supervised and directed by Frenk and Murray, resigned in protest and publicly denounced the statistical manipulation in the report, a statement that was also published in the *Lancet*.⁹ It is unfortunate that integrity such as that shown by Musgrove, in denouncing unethical practices at the WHO, is uncommon among WHO officials. Political and economic pressure are exerted on the WHO by powerful governments (especially the Bush and Blair administrations) and economic lobbies (ranging from pharmaceutical companies to the food industry). As a consequence, the WHO no longer provides much leadership in public health. When there is leadership, it usually comes from elsewhere, and the WHO follows, reluctantly and quite late. A recent example of this timidity on the part of the WHO was its very late support for the use of generic drugs to treat AIDS patients in developing countries, due to opposition to generics by the pharmaceutical industry. The WHO's accommodation to neoliberal dogma and

practice has damaged its social relevance. It has become more a part of the problem than part of the solution.

Of course, the WHO continues to do good work in many areas, such as establishing the Commission on Social Determinants of Health.¹⁰ But even there, the commission seems reluctant to take controversial positions, and it avoids or ignores research (and authors), institutions, and positions that may be seen as too controversial.¹¹ In some cases, the degree to which the WHO caves in to the neoliberal establishment is breathtaking. The Commission on Macroeconomics and Health, set up by past WHO Director-General Gro Brundtland and presided over by Jeffrey Sachs, is one such example. Sachs is the U.S. economist who pushed for deregulation of the Russian economy along neoliberal lines after the collapse of the Soviet Union – changes that were responsible for half a million deaths in two years. The choice of Sachs as chair of the Commission on Macroeconomics and Health is a vivid example of neoliberal influence at the WHO.^{12,13}

Election of the New Director-General

In early November 2006, a new Director-General of the WHO will be elected. This is an opportunity to select a Director-General who will help to reverse the organization's trend toward neoliberalism in the health arena, one who will stand up to powerful governments and powerful lobbies, providing the moral and scientific leadership to defend the principles of the WHO Constitution.

As expected, the Bush administration and other neoliberal governments are rallying around Julio Frenk as favorite candidate for that position. If this mobilization is successful, neoliberal forces will achieve quite a triumph: a well-known neoliberal, Julio Frenk, in

charge of the World Health Organization. After leaving the WHO, Frenk became Minister of Health in Mexico's right-wing government, under President Vicente Fox. The Fox government's public policies have been pure neoliberalism. They follow the "structural adjustment policies" advocated by the International Monetary Fund and the World Bank, which include reducing public expenditures, reducing taxes for the richest sectors of the economy (a proposal eventually rejected in Mexico under pressure from popular mobilizations), and deregulating the labor market. During Fox's tenure, inequalities in Mexico, already high, increased remarkably. Mexico has some of the highest income inequalities in Latin America. The top income decile of the population has more income than seventy percent of Mexico's population. The Gini coefficient, a measure of inequalities, shows the further increases in inequality in 2002-2005, under the Fox government. In fact, the growth of inequalities is most likely even larger than suggested by the figures published by the National Institute of Statistics, given the significant underreporting of income among the top income brackets. According to the World Bank, 20% to 30% of Mexicans live in extreme poverty (on \$2 a day), and 60% are poor (living on less than \$5 a day). During the Fox administration, the number of people living in extreme poverty increased by one million. Meanwhile, the top decile, and particularly the top 1%, of income holders have enjoyed unprecedented increases in income.¹⁴

Julio Frenk has been part of that government and therefore shares responsibility for the policies that have increased inequalities and poverty in Mexico. Frenk is also known in Mexico as the "privatizer." As one would expect, his reforms have included the introduction of markets and competition in the health sector, with the use of vouchers and similar instruments that have been discredited as ways of assisting people most in need of health benefits coverage. Behind the market rhetoric, Frenk's clear purpose has been to

introduce health insurance, contracting out health service provision to professionals and institutions that, in theory, will compete for “clients.” Actually, as indicated by Professor Cristina Laurell of the University of Mexico, one of the most respected public health researchers in Latin America, such insurance-based systems have increased regional and social class inequalities in Mexico, without resolving the huge problems of lack of health benefits coverage.

There was an alternative to this neoliberal program for Mexico: a universal, publicly financed national health service, funded by progressive taxation. This alternative was never considered because it would be opposed by very powerful forces (including the insurance industry and the medical establishment) that supported Fox’s election. *Fox and Frenk are representatives of the “neoliberal model” in Latin America.*

And now, it is an indication of the power of the neoliberal establishment that Julio Frenk is considered the leading candidate for Director-General of the WHO. Imagine the enormous opposition if the Minister of Health of Cuba or of Venezuela, for example, had been a candidate for the position of WHO Director-General. We would have seen an immediate and massive mobilization by the U.S. and U.K. governments against such candidates, as being “too far left,” “outside the mainstream of the international community”—even though Cuba has done a remarkable job in its health sector and has shown a commendable commitment to international health assistance, and even though Venezuela’s health sector reforms are producing spectacular improvements in health for the country’s most vulnerable populations.^{15,16} The reforms instituted in both of these countries are far more relevant to developing countries than are Frenk’s reforms in Mexico. Why would the Ministers of Health of Cuba and Venezuela be seen as “too far left” to be elected, while the Minister of Health of Mexico, at the opposite extreme of the political

spectrum, is seen as a good, “reasonable” candidate? For public health workers familiar with the problems of developing countries, Mexico and its neoliberal reforms cannot be considered a model for other “poor” countries. To the contrary. Mexico has shown how *not* to reform health systems.

The Surprising Support of the Lancet for Julio Frenk’s Candidacy

To the surprise of many who work in the field of public health and health care, Julio Frenk’s candidacy for WHO Director-General has been actively supported by the *Lancet*. The journal has recently published a self-serving article by Frenk that promotes his neoliberal reforms in Mexico,¹⁷ and it has explicitly supported and endorsed Frenk’s candidacy in a recent editorial.¹⁸ Before that endorsement, the senior editor of the *Lancet* participated in a conference in Mexico organized by Julio Frenk, basically to promote his candidacy.

Lancet’s support for Julio Frenk is surprising and disappointing for three reasons. First, the *Lancet* is the forum where Frenk’s unethical practices in preparing the WHO report *Health Systems: Improving Performance* were made public. Thus the *Lancet* is fully aware of Frenk’s practices, but is ignoring them.

Second, the *Lancet* has a longstanding progressive tradition, which for many professionals is a breath of fresh air, a refreshing alternative to the profoundly conservative medical journals, especially in the U.S. Indeed, many health professionals in both North America and Latin America promote the *Lancet* as a progressive alternative to the *New England Journal of Medicine*, which has practically eliminated all progressive voices from its pages. It is because of this tradition that the *Lancet’s* support for Julio Frenk – a

minister in one of the most pro-Bush governments, with a commitment to spreading the Washington Consensus worldwide – is widely perceived as a major departure from the journal’s progressive tradition.

And finally, the criteria presented by the *Lancet* to justify its support for the candidacy of Julio Frenk exclude major qualities required of any WHO Director-General. The *Lancet* presents its criteria in two broad categories, “technical and administrative.” Among technical competencies, it includes (a) experience of global health practice and/or research, (b) ability to translate scientific evidence into policy, and (c) experience in managing health systems (meaning, in fact, *medical care* systems) in low- or middle-income countries. These three “technical” qualities emphasize experience in policymaking and management. To these three technical criteria, the *Lancet* adds three administrative skills, which, again, boil down to experience: (a) strong policymaking political experience, (b) ability to run complex organizations, and (c) strong communication and advocacy skills.

All of these characteristics, then, are technical-managerial. While such skills are important, they are dramatically insufficient as requirements for a WHO Director-General. Far more important is what type of experience does the candidate have, with what type of health services? And what type of advocacy has the candidate shown, for what type of health policies? It is surprising that the *Lancet*, the most progressive medical journal in the English-speaking world, does not touch on these issues at all. Julio Frenk may indeed be very experienced in managing a voluntary health insurance system, and very skillful (if somewhat unethical) in advocating insurance-based managed care systems and policies; but such systems and policies have proved harmful in both developed and developing countries. Moreover, health depends not only, and not primarily, on medical care but on

political, economic, and social interventions. The evidence for this is well established, robust, and overwhelming,¹⁹ so it would be appropriate to evaluate a candidate's awareness of this reality. Again, Frenk's government (the Fox administration) has developed economic, political, and social public interventions that have significantly increased social and health inequalities in Mexico. Furthermore, as the highly respected Economic Policy Institute in Washington, D.C., has shown,²⁰ Fox's active support for NAFTA (North American Free Trade Agreement) policies has adversely affected the working conditions of Mexican workers. Most new jobs created during Fox's tenure do not include health benefits coverage. And Julio Frenk supported these policies.

Evidence of the impact of economic and social inequalities on people's health and quality of life is extremely well documented.²¹ And there is also evidence that political forces committed to a redistribution of resources are more successful in improving the health of populations than political forces not primarily concerned with redistribution.²² Right-wing governments such as Fox's liberal government are not known for their concern about redistribution of resources. Quite to the contrary. Frenk and Fox are at one extreme of the political spectrum in Latin America, and in the world. If one extreme is excluded because it is too far left, how can it be acceptable that a person at the far right is the "reasonable" and leading candidate for WHO Director-General?

The appointment of Frenk to the leadership of the WHO would follow the pattern of appointing Rodrigo Rato – Spain's Minister of Economy in the right-wing government of Jose Aznar, close friend of Bush – as head of the IMF, and appointing Paul Wolfowitz – close advisor to Bush – as director of the World Bank.²³ This appointment would be wrong.

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