

Higher-income countries and global child health

Bernadette O'Hare, MD, FRCPCH, Senior lecturer in global health at the School of Medicine at the University of St Andrews, Scotland.

Marisol Lopez, PhD, Research Fellow at the School of Medicine at the University of St Andrews, Scotland.

Eilish Hannah, MRCP, Research Fellow at the School of Medicine at the University of St Andrews, Scotland.

Takondwa Chimowa, MMED, FRSCA, Consultant Paediatrician, Head of Department of Paediatrics, Zomba Central Hospital, Malawi

Stephen Hall, PhD, Professor of Economics, University of Leicester.

*Corresponding author bamo@st-andrews.ac.uk, 07483893220 @GRADE_Research

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Abstract

Social and economic factors, acting via communities and households, impact child health. These are the social determinants of health. An array of international forces can affect the availability of these health determinants; this is especially important in lower-income countries. Government revenue is critical to funding the public services which provide child health determinants, such as water, sanitation, healthcare, and education. Global actors play a significant role in the availability of resources to provide these services and, thus, global child health. Important global actors: upper-middle and high-income countries, multinational corporations, and international organisations (such as the International Monetary Fund and other banks), impact policies and the availability of government revenue within lower-income countries. This short review considers the potential impacts of these actors. Understanding these dynamics is essential for advocacy, and paediatricians and healthcare professionals have a critical role. Child health advocates could critically analyse the impact of global actors and use these to advocate for children's right to health.

Keywords: child health, social determinants of health, government revenue, international development

Introduction

We know that no matter where a child is born and raised, economic and social circumstances influence their health. We also know that local governments' decisions shape household and community factors, such as how much budget is allocated to health or education. Local government decisions are, in turn, shaped by national decisions and politics, including the distribution of income and power; for example, one geographic area may receive more funding than another area for political reasons. Finally, all countries' national strategies and budgets, but especially important in low- and lower-middle-income countries (hereafter called lower-income countries), are influenced by policies that global actors shape. The influential global actors are upper-middle and high-income countries (higher-income countries), multinational corporations, international organisations (the International Monetary Fund and other development banks), and commercial banks. However, society generally looks to the health sector when it comes to health. Yet, all actors, including governments (local and subnational) and global actors who directly and indirectly influence children's health in their own country and other countries, must ensure that their policies do not harm children's health anywhere in the world.

What are the critical determinants of child health?

Individual factors such as genetics and health behaviours (e.g., smoking) and household factors such as education, employment, and economic status influence health. From a child's perspective, the most critical determinants of health include clean air, water, sanitation, nutrition, education, and healthcare, which are often provided within the context of quality public services. However, of the 2,350 million children aged less than 18 globally, almost 700 million do not have access to safely managed water, 1,300 million do not have safely managed sanitation, and nearly 1,000 million do not have basic handwashing at home.

What are health inequalities?

Health inequalities are the avoidable differences in people's health across populations, both within and between countries. Indicators commonly measured include access to the determinants of health, such as the percentage of the people who have access to safe water, and outcome measures, such as mortality rates. To identify inequalities, coverage and mortality rates are compared between wealth quintiles. Within a country, health inequalities are common. For example, in one study of 52 lower-income countries, coverage with measles immunisation ranges from 60 to 90% between the poorest to wealthiest quintiles (Barros et al., 2012). Inequality between wealth quintiles is usually higher for hospital-based interventions. Between-country health inequality outcomes are stark. For example, over 80 million people live in Germany, and almost 3000 children aged less than five years died in 2015. However, in Niger, a country with one-quarter of the population of Germany, the number of children aged less than five years who died in the same year reached 85,000.

The right to health and the Sustainable Development Goals

The critical determinants of health are also fundamental economic and social human rights and are included in the United Nations Convention on the Rights of the Child (Article 24). The government of a child's country is responsible for ensuring these rights by providing resources for them. In addition, the international community has agreed that everyone everywhere should have these fundamental economic and social rights with immediate effect, and they are among the targets of the 17 Sustainable Development Goals.

We discuss these issues in the following sections: barriers to child health determinants; how global actors impact child health determinants in lower-income countries; and conclusion and recommendations.

Barriers to the determinants of child health

The WHO Commission on the Social Determinants of Health states that adequate financing for public services is essential for all to access their health determinants. Governments must play an active role in either providing or regulating public services so that everyone can have their right to health and the determinants of health. However, poverty, tiny government budgets, debt, politics, and climate change are barriers that hinder the provision of these rights.

Poverty

Children growing up in poverty suffer from multiple disadvantages and are less likely to drink clean water, eat nutritious food, live in a permanent shelter, and receive an education. Some of the factors which contribute to poverty at the national level, and thus children's disadvantage include –

- Many countries suffer from a poverty trap, which acts as a brake on economic growth, especially if there is limited access to public services, which increases costs on individual households.
- Many countries depend heavily on a small number of commodity exports, which increases vulnerability to shocks, such as changes in the commodity's price. This also gives rise to a "natural resource curse", as natural resources undermine the competitiveness of other sectors. In addition, there may be underinvestment in public services because the government does not depend on taxing citizens for revenue.
- For many countries, limited investment in infrastructure and human resources in the 1980s and 1990s, due to loan conditions, has reduced countries' capacity to provide public services. Not investing in human development is thought to be a barrier to economic growth.
- Trade and investment agreements have asymmetrical participation among signatory countries due to inequalities in bargaining power.
- Globalisation and the relocation of labour-intensive industries to countries where wages are low, and regulation is light has a significant impact on labour conditions and wages.

Government budgets and spending

The failure of privatisation to provide essential services equitably indicates that the public provision of these services is preferable. As most governments' budget comes from taxes, progressive taxation (i.e., higher taxes for the wealthy and lower taxes for the less wealthy) is required to provide public services. It has been shown that even moderate redistribution will reduce poverty more than economic growth, which is especially important in a climate emergency where economic growth will need to be balanced with the health impacts of climate change. The negative consequences of climate change will primarily be borne by children, especially those living in lower-income countries. However, government revenue is smaller as a proportion of total country revenue or gross domestic product (GDP) in lower-income countries than high-income countries, usually measuring at around 10-20% of the GDP in the former and up to 60% in the latter case. Thus, government revenue in lower-income countries is a small slice of a tiny pie, which results in minimal spending on public services. Government revenue for all sectors can be as low as \$50 per person in some countries, impacting governance as a very poorly resourced civil service is less likely to be efficient and more likely to be corrupt. In turn, this may drive the narrative that many lower-income countries are inefficient and corrupt.

Reasons for low government revenues and thus spending in some countries are multiple and include -

- Large informal sectors.
- Small revenue authorities.
- Undertaxed domestic companies and wealthy citizens.
- As a result of the above, there is an increased reliance on corporation tax. However, worldwide corporation taxes as a percentage of profits have diminished over 20 years.
- Globalisation has resulted in the integration of most countries into the global marketplace under the World Trade Organisation (WTO). This integration has resulted in the opening of markets and a reduction in import taxes which reduces government revenue (sometimes due to conditions attached to loans or aid) and deregulation of domestic markets, including public services.

Debt

If large proportions of government revenues are diverted to servicing debt, less funding is available for public services. For example, sub-Saharan African countries spend an average of 15% of government revenue on

servicing debt, with some countries such as Angola and Ghana spending around 50%. On the other hand, debt relief has facilitated school attendance for millions of children in Malawi, Uganda, and Tanzania.

Sometimes credit is extended to governments without the public being aware, yet has to be repaid by the people. In addition, the conditions attached to loans may impact health determinants. For example, conditionalities may include reducing expenditure on health or education to repay loans. Therefore 'debt responsibility' is required, with more transparency in the process of incurring debt itself: government borrowers and lenders should be subject to legislative scrutiny, and the public should be allowed participation in the decision to incur debt.

Political – Conflicts, displacement, and sanctions

90% of conflicts occur in lower-income countries and primarily within rather than between countries. Conflict often results in internal displacement, refugees, and families leaving their homes and livelihoods. These conflicts generally occur in regions of the world most likely to be affected by climate change. It disrupts healthcare and education services and damages a country's infrastructure, which can take years to reinstate. In addition, spending on the military and arms may divert spending away from public services.

Climate change

Children in the least responsible countries will pay the heaviest price for the climate crisis. The vulnerability to climate change often overlaps with other environmental health risks, including lack of access to critical health determinants such as clean air, water, sanitation, nutrition, and education. In addition, children are vulnerable because they are still growing. Due to climate change, crop failures, and displacements, exposure to poor air, food, water, sanitation, and education will have lifelong repercussions.

Global actors and the determinants of child health

The country's government's sound policies and practices where a child lives are critical for child health. Other factors include history, geography, and the global imbalance in the flows of goods, services, technology, information, capital, and people. Global actors, including upper-middle and high-income countries (multinational corporations, banks and international organisations, write the rules governing these flows (trade agreements and tax treaties), see figure 1. Obligations to provide international assistance and cooperation mean that countries must prevent human rights abuses abroad, including those that occur because of the actions of entities over which they can exercise control, such as other global actors and professional enablers of capital flight (e.g. firms offering legal and auditing expertise). For example, the United Nations Committee on the Rights of the Child recently asked Ireland to explain what it is doing to ensure its policies on tax are not negatively impacting child rights in other countries (O'Hare et al., 2021). As most multinational corporations and banks are based in higher-income countries, which also hold the most voting power in international organisations, we focus on these, see figure 2. Although challenging, we must try and analyse the pathways between the policies and practices of global actors and child health outcomes, including those that act across borders, to identify barriers to all children accessing their health determinants.

The influence of higher-income government policies on the determinants of health in lower-income countries

When considering bilateral relationships between higher-income and lower-income countries, we often think of foreign aid or development finance, but this is just one part of a larger picture. A higher-income country's policies impact the determinants of health in a lower-income country via multiple other pathways, including policies on the environment, the flow of goods, services (trade), capital (finance), and the movement of people (immigration).

A crucial aspect of higher-income policies is their engagement and implementation of international agreements to reduce their environmental impact. These policies will have a massive effect on children in lower-income countries, many of whom already suffer from environmental hazards, further amplified by climate change.

Other examples include trade: subsidising agricultural products of interest to lower-income countries will impact health determinants negatively if they export these products but positively if they are importers. On the other hand, low- or no-tariff access to markets for lower-income countries will positively impact health determinants. Another critical aspect of higher-income policies is their approach to the flow of capital. The provision of financial secrecy supports tax abuses and corruption which drains governments revenue and compromises spending on public services, while tax treaties between higher and lower-income countries limit the ability of the latter to tax multinational corporations. Failure to support public reporting of profits and cutting corporation tax drives the "race to the bottom", which reduces revenue for health determinants.

Higher-income countries which welcome immigrants support health in the home country, as the money sent home (remittances) often outweighs foreign aid and is sent directly to families. Conversely, higher-income countries which sell arms support the imposition of sanctions or invade countries negatively impact health determinants.

As well as the volume, the allocation of aid is also critical. For instance, aid directed towards the poorest countries has more impact than military assistance for geopolitical reasons. Also, aid that supports primary healthcare and education, as recommended by the World Health Organisation, is more effective. In that case, this is more likely to influence health outcomes positively. Equally, support for domestic resource mobilisation will be more sustainable than grants. But, on the other hand, if the private provision of public services is promoted, this harms the determinants of health.

Figure 1 The pathway between global actors and the barriers to the determinants of child health

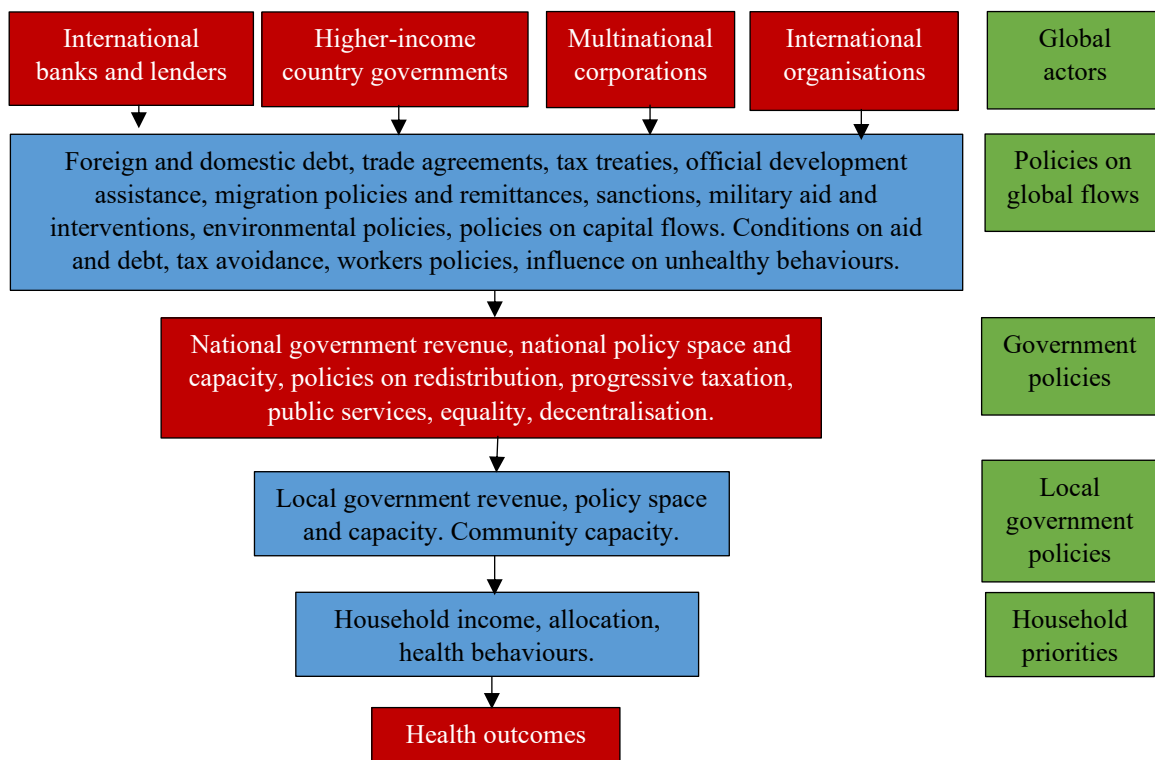
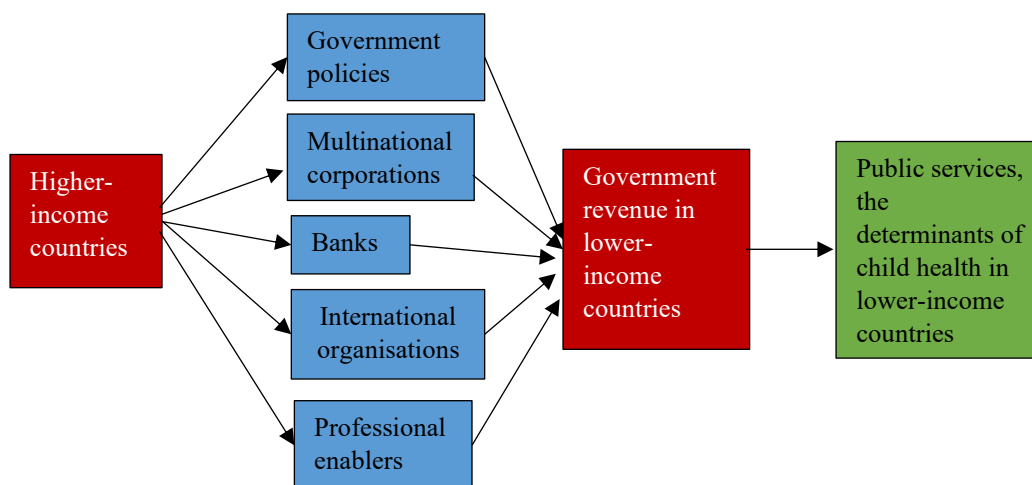


Figure 2 The pathway between higher-income countries and the determinants of child health in lower-income countries.



Multinational corporations and the determinants of health

Multinational corporations, which are generally headquartered in higher-income countries, are hugely influential, and some have larger revenue turnovers than many countries in the world. Positive contributions include the discovery and development of medicines and vaccines, philanthropic activities and possibly public-private partnerships which contribute to health determinants. In addition, their investment may increase employment and improve working conditions in lower-income countries. However, public health experts have also started to discuss the corporate determinants of health as vectors for spreading risk factors that negatively impact health, such as tobacco, alcohol, ultra-processed food, and firearms. Corporations decide which products are available at what price and may lobby against government regulation to protect public health. The corporate ownership of media giants influences how people vote, and lobbying influences policymakers to push for trade liberalisation and opaque resolution to trade disputes. Whilst they can contribute to public finances through corporate taxes, they may use artificial arrangements to avoid paying taxes and shift profits to low tax jurisdictions (McKee and Stuckler, 2018).

International financial organisations and the determinants of health

International organisations such as the International Monetary Fund and the World Bank make decisions about the flow of credit and aid. Restructuring loans and soft credit may benefit health but is often associated with conditions. Some conditions have been beneficial, such as those which aim to improve fiscal accountability. In contrast, others have reduced government spending on public services, driven the privatisation of public services, and created ceilings on salaries for public servants and regressive taxation, all of which impact the determinants of health. Conditions that affect revenue and thus spending on the determinants of health include reducing taxes on imports from high-income countries and promoting tax incentives that decrease the amount of tax revenue governments can generate and thus spend on the determinants of health. In addition, higher-income countries enjoy the lion's share of the voting power within these global organisations, which skews decisions towards the self-interest of higher-income governments, their corporations, and banks.

Banks and the determinants of health

Over the past decade, commercial banks have increasingly become significant lenders to lower-income countries. Sustainable lending can positively impact the ability of governments to pay for projects essential for health, including paying for crucial infrastructure, recurring expenditures (e.g., medical staff salaries), and directly investing in healthcare and medical equipment. Private lenders also have the financial capacity to invest in more costly healthcare ventures, which would be unattainable using non-governmental or public funds.

However, their economic prowess also gives them immense power. Unfortunately, private loans are often unregulated and not publicly reported. Due to this secrecy and lack of regulation surrounding private loans, it is difficult for governments to negotiate effective repayment strategies. In addition, the COVID-19 pandemic exacerbated the debt crisis, and many countries struggled to ensure their economies and healthcare systems did not collapse under the immense pressure posed.

Private lenders are playing an increasingly significant role in lending to lower-income countries. Many countries were already at risk of default in the years leading to 2020, which drastically squeezed the availability of revenue for health spending. In some cases, spending on debt service was larger than health spending (Bonizzi et al., 2020). Throughout the COVID-19 pandemic, countries still had to repay debts to private creditors despite the economic shock caused by the pandemic, leaving many to prioritise debt service over health spending. This process led to countries such as Zambia defaulting. The continuous collection of high levels of debt service by private creditors coupled with high-interest rates leads to unnecessary loss of government revenue and, therefore, children's lives.

Without effective domestic resource mobilisation strategies, private debt service can divert government revenue and negatively impact the availability of health determinants. With limited resources, it is challenging to develop the necessary governance and structures to increase resource mobilisation, highlighting the importance of prioritising global efforts to regulate private loans and establish transparent, sustainable loans. Many argue that sustainable lending can allow countries to rebuild and finance their healthcare systems and the broader determinants of health. However, the current global system has limited capacity to ensure sovereign debt sustainability.

Lower-income-country governments and the determinants of health

While governments may ratify international covenants that affect health determinants and legislate to ensure implementation, they are also obliged to make every effort to provide an adequate and equitable allocation of available revenue for these priorities. To meet their obligations and ensure all citizens have access to the determinants of health, governments must raise adequate revenue, including from the informal sector, and limit leaks, including corruption, tax expenditures, tax treaties, and abuses by international corporations and wealthy elite.

Quantifying the impact

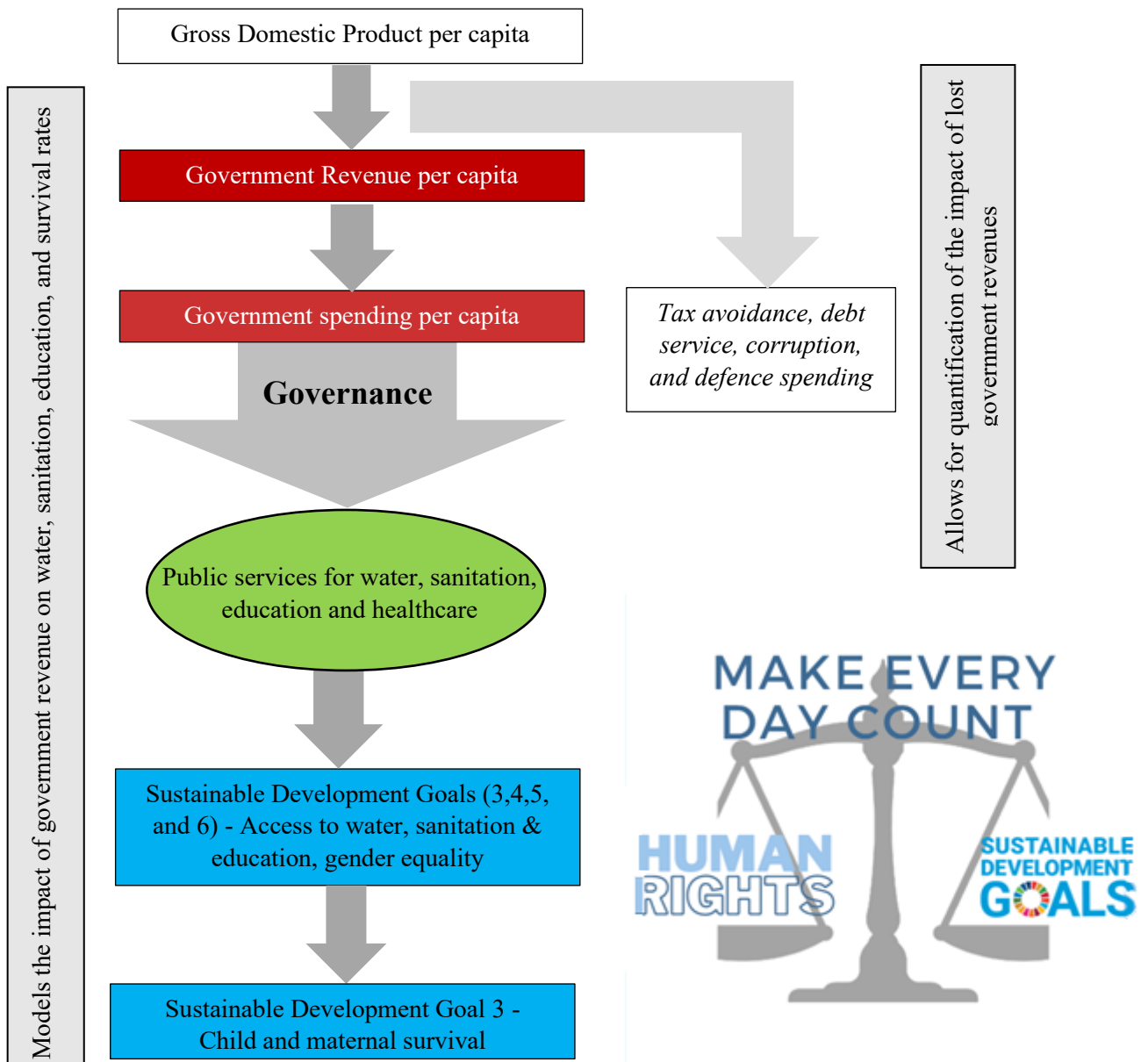
When governments have more revenue, they spend more on social services. As a result, children have increased access to their determinants of health, which are fundamental economic, social and rights and SDGs, See Figure 3.

We have modelled the relationship between government revenue and child health. This model allows us to predict the benefit for children if a government has more revenue; for example, if the debt service is reduced, see the Government Revenue and Development Estimations (the [GRADE](#)).

Conclusion and recommendations

The determinants of health are fundamental economic and social human rights. While governments are obliged to ensure these rights, there are many external influences on their ability to provide quality public services. Some narratives proclaim that governments of lower-income countries do not offer public services because of inefficiency or corruption, but these countries are also subject to both political and economic forces which restrict their ability to provide the critical determinants of health. Higher-income countries have immense power, directly because of their policies and their voting power in international organisations and (latent) ability to regulate professional enablers, multinational corporations and banks. International human rights obligations require that all countries ensure their policies and the actions of actors over which they can exercise control do not negatively impact children's rights in other countries. Paediatricians and child health advocates should play an essential role in analysing the impact of the policies of higher-income countries on the determinants of health in lower-income countries and use these analyses to advocate for child health in all countries.

Figure 3 The GRADE allows estimation of the potential if there is an increase in revenue equivalent to the revenues lost.



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