

“Intellectual Property and ISDS: The Challenges of Financialized Capitalism for Universal Health Coverage

Susan K. Sell, Nov. 1, 2018

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Intellectual Property and ISDS: The Challenges of Financialized Capitalism for Universal Health Coverage

- Introduction to Financialized Capitalism: What is New?
- Outsized role of intangibles in contemporary capitalism
- Multi-level Governance Effects
- Reform Opportunities



Introduction to Financialized Capitalism: What is New?

- “financialization”: “increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operation of the economy and its governing institutions, both at the national and international levels” (Epstein, 2005, 3, *Financialization in the World Economy*).

Introduction to Financialized Capitalism: What is New?

- Financialization: Global Economy at 30,000 ft.
- Structural Change
 - ↑ Role of Finance, Intangibles, Economic Concentration
 - ↓ Labor, Public Provision

Introduction to Financialized Capitalism: What is New?

-  Household debt, economic volatility
-  Households increasingly integrated into system of global finance and vulnerable to its instabilities

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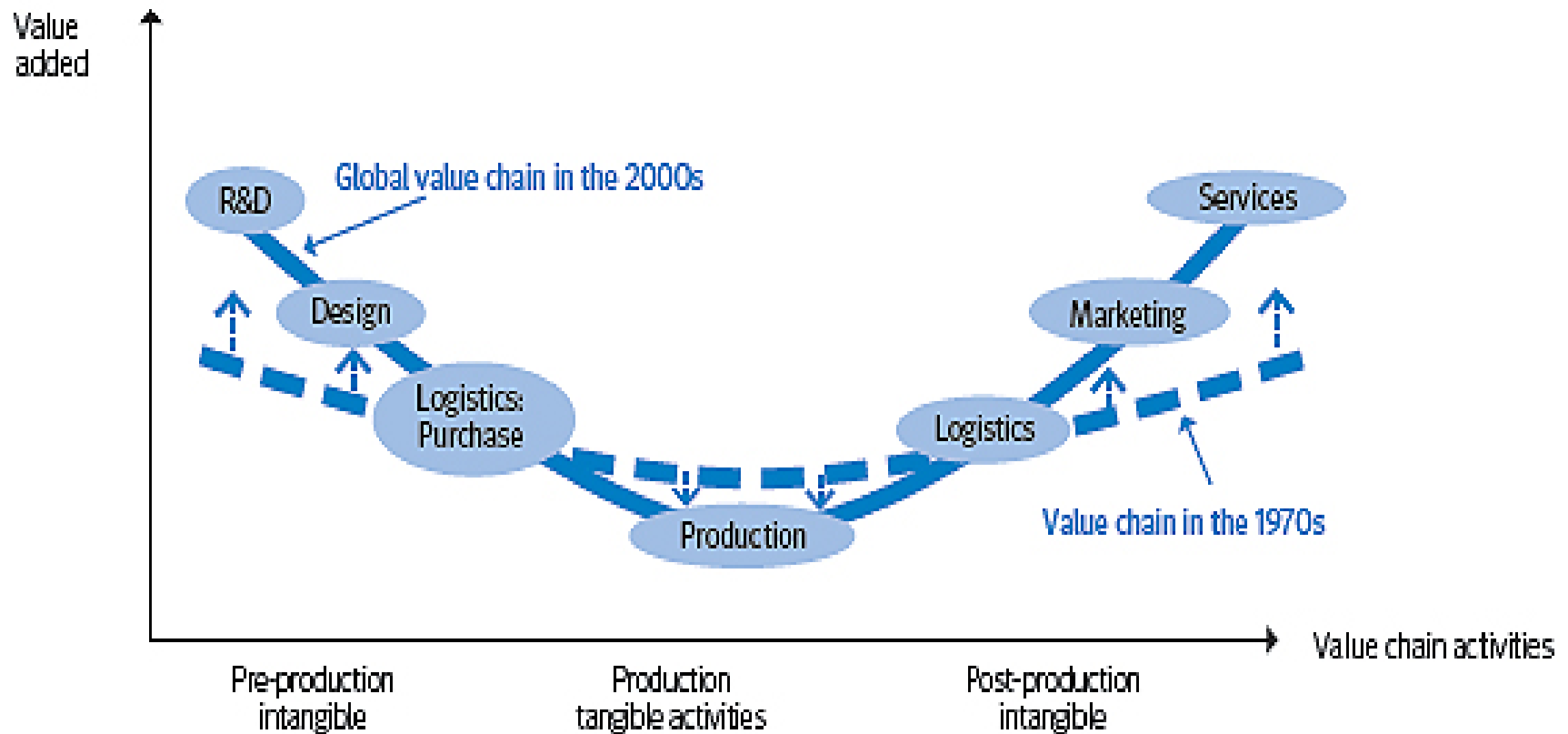
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Outsized Role of Intangibles in Contemporary Capitalism

- Trade and Investment Agreements
- Intellectual Property Protection
- Investor-State Dispute Settlement

The smiling curve

Value distribution along the global value chain



Source: "Interconnected Economies Benefiting from Global Value Chains", OECD 2013.

Outsized Role of Intangibles in Contemporary Capitalism

- Increased Political and Economic Power of Owners of Intangibles and Controllers of Global Value Chains
- Can Dictate Terms of Trade and Investment Agreements to Shore Up their Oligopoly and Oligopsony Power

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- **Multi-level Governance Effects**
- Reform Opportunities

Multi-Level Governance Effects

- *Macro-level*: Power shift, Concentration, Oligopoly, Volatility
- *Multilateral level*: Reduced Commitment to Health Policy in Face of Imperatives of Finance Capitalism (donor dependence; economic powers block health initiatives if threaten profits and shareholder value);
Plurilateral and Bilateral Strategies

Multi-level Governance Effects

- *Meso-level*: Short-termism; Broken link between labor productivity and wage growth; Labor power reduced; “Flexible” employment; Deregulation; Privatization
- *National Level*: Tax cuts for the 1%; Tax evasion; Austerity; Reduced public budgets to address health; Sharpening income inequality

Multi-level Governance Effects

- *Every-day*: Debt; private responsibility for retirement income; payday lenders; fast food consumption; unaffordable medicines and health services; deaths of despair; inequality; poverty

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Reform Opportunities

- Re-arranging Deck Chairs on the Titanic?
- Policy Space (Halabi, 2018)?
- More ambitious embrace of UHC?



- Thank you for listening.
- Comments welcome:
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