The Political Economy of Health Inequalities

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Key Concepts

• Public policy creates the social inequalities that spawn health inequalities
• Public policy is shaped by form of the welfare state and the ideological commitments of ruling authorities
• Liberal welfare states are dominated by business and corporate interests
• Business and corporate power is increasing
• Reducing health inequalities in Canada requires shifting the role of the State
The Political Economy of the Welfare State

- Population health research is dominated by pluralistic concepts of public policymaking being a rational ideas-driven process.
- In contrast, the social inequalities (see Grabb, 2007) and political economy literatures (Bryant, 2009) identify the important role of power and influence in the distribution of resources that shape the quality and distribution of the social determinants of health.
Esping-Anderson Typology and its Variants

- Central features of welfare regimes are extent of stratification, decommodification, and role of the State, Market, and Family in providing security.
- Variants include additions of Latin, Antipode, Central European and Asian Welfare States (Bambra, 2007).
- Debate as to the value of the typology as opposed to more specific analyses of public policy activity (Bergqvist et al., 2013).
- Model produced by Saint-Arnaud and Bernard (2003) has been especially useful (at least for me)
Figure 2 The Characteristics of Welfare Regimes

Distinguishing Features of the Liberal Welfare State

• Key institution is the Market rather than the State
• Less State provision of economic and social supports to the population
• Modest State provision of benefits which are targeted rather than universally provided
• Weak labour sector
• Quality and equity of the distribution of the social determinants falls behind other wealthy developed nations
Figure 3. Total Public Expenditures as Percentage of GDP, Selected OECD Nations, 2007

The Political Economy of Social and Health Inequalities

• Relative power of the business and corporate sector

• Translation into public policy that shapes the social determinants of health
  – Labour policy
  – Childcare
  – Health and social services
  – Housing policy
  – Aboriginal
  – Disability
Threats: Ongoing and Emerging

• Canada
  – Ongoing documentation of deteriorating quality and distribution of the social determinants of health (see Bryant et al., 2011)
  – Decline in relative standings in life expectancy and infant mortality (see Raphael, 2014)

• Scandinavia
  – Retrenchment occurring and this is especially the case in Sweden (see Raphael, 2013)

• Germany
  – Transformation from a Conservative to Liberal welfare state (see Siegel et al., 2014)
Threats to the Redistributive State

- Policy action
- Policy drift
- Rise of neo-liberalism
- Weakening of organized labour
- Weakening of civil society organizations
- Weakening of research, advisory, and think tanks
- Devolution and weakening of central government

Source: Banting, K. and Myles, J. (2013)
### Losing Ground in Health: Infant Mortality

*Figure 14* We are losing ground among industrialized countries with respect to important health indicators. Our ranking for infant mortality (IMR) has slipped from 18th in 1980 to 25th in 2002.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>1980 IMR</th>
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Source: OECD Health Data 2012
Figure 1. Depiction of pathways by which economic globalization and immigration policy act to produce declining support for social democratic parties and the universalist Nordic welfare state (Welfare State Fatigue) thereby weakening the PrQ/SDH and threatening health (adapted from Labonte and Schrecker [27; p. 5]).
Shifting the State

- Governing authorities’ ideological commitments
  - Clearly dominated by interests of corporate and business sector
  - Most obvious manifestations are in enactment of free trade agreements, changes in tax structures, and shifts in government spending

- Citizen commitments to state interventions
  - Middle class has given allegiance to the market rather than the State
  - Corresponding citizen withdrawal from political engagement
Figure 1: Depiction of Pathways by which the Relative Strengths of the Business, Labour, and Civil Society Sectors act in concert with Form of the Welfare State and Voter Political Activity and Public Opinion to produce Public Policy that shapes the Quality and Distribution of the PrQ/SDH.

Adapted from Raphael, D. 2013.

Source: Raphael, D. 2014a)
Labour Power and Redistibution

Figure 1. Union Density, Collective Agreement Coverage and Child Poverty, 2008 (density and coverage rates) and Mid 2000s (poverty rates)
Implications for Reducing Social and Health Inequalities

• Educating the public (see Langille, 2009)
• Exposing the villains (see Raphael, 2014)
• Instituting left power
  – Brady (2009) (poverty), Navarro (2009) (redistribution) argue that determinants of health themselves determined by power and influence of the left
  – Swank (2005) shows that political power shapes form of welfare state provision
• Instituting proportional representation
  – Alesina (2004) and Esping-Andersen (1985) demonstrate strong role of proportional representation in creating more developed welfare states
If you are in a hole and you want to get out, the first thing you have to do is stop digging.

-- Alexander Raphael, Age 8.
By using the best evidence to invest in what really determines health, we can identify what we want and what we need. And we can make it happen.

Canada • thinkupstream.net
Identifying the Villains

- Income power and privilege have been shifted towards those who own and control the corporate world and away from the majority of the North American public, with the express democratic consent of that very public... The current conservative policy environment has made our society less healthy, more dangerous, less stable, more unequal, less fair, and more inefficient (Chernomas & Hudson, 2007).
Reject unions and prosper

Enacting a worker-choice law would give a province a competitive advantage

by Niels Veldhuis and Amelia Karabegović

Over the past two decades, Canadian politicians, bureaucrats, and others have become increasingly aware of the importance of business investment to the overall health of our economy. Business investment in plants, machinery, and equipment drives economic growth, creates jobs, and increases productivity. When workers have more capital (machines, equipment, and technology) at their disposal, they can produce more and/or higher-valued goods and services per hour and they can, therefore, demand higher wages.

To attract business investment many provinces have focused on implementing policies to improve their investment climates. These have included more prudent management of government finances (pre-recession, of course), lower personal and corporate income taxes, the elimination of corporate capital taxes, invest-

Given a choice, workers choose unions less often
Figure 14.2: Components of Brady’s Institutionalized Power Relations Theory

Ontario Liberals win one, lose two

Feb 09, 2007 04:30 AM

ROBERT BENZIE
QUEEN'S PARK BUREAU CHIEF

Premier Dalton McGuinty's Liberals stumbled last night, losing two of three provincial by-elections in the GTA, including one key Toronto seat they won handily in the 2003 election.

But John Tory's Progressive Conservatives did not fare much better, retaining their Burlington stronghold as expected, but failing to regain Markham from the Liberals.

Campaign staff of NDP candidate Paul Ferrone discuss poll results in the York South-Weston by-election last night. The riding, one of the poorest in the province, was left vacant after last fall's retirement of veteran Liberal MPP and former industry minister Joe Cordiano. Ferrone ended up beating Liberal Laura Albanese by a slim margin. Tory candidate Pina Martino was a distant third.

Only NDP Leader Howard Hampton picked up a new seat, topping the Liberals in York South-Weston.

Sorbara boosts 'poverty agenda'

Feb 10, 2007 04:30 AM

ROBERT BENZIE
ROB FERGUSON
QUEEN'S PARK BUREAU

NIAGARA FALLS, Ont.--In the wake of a by-election loss in a key working-class Toronto riding to the NDP, Finance Minister Greg Sorbara says the governing Liberals must embrace a "poverty agenda" to help the most needy people in Ontario.

While Sorbara insisted the Liberals' defeat Thursday in York South-Weston was not due solely to the New Democrats' crusade to increase the hourly minimum wage from $8 to $10, he acknowledged the urgency of the issue.
Health care: Now is the time

Prevention is better than cure

Every Canadian should have the opportunity to lead a healthy life, and the federal government can help them by making sure they have a decent income, access to healthy food, affordable housing, and a social safety net—what experts call the social determinants of health. After all, an apple a day keeps the doctor away.

What the federal government should do:
Offer living conditions that support good health through many different initiatives:

- **Decent incomes**: making sure every Canadian has access to decent jobs and working conditions;
- **Food**: establishing a pan-Canadian strategy for ensuring access to quality food;
- **Housing**: working with the provinces to establish a national affordable housing strategy;
- **Strong social safety net**: ensuring secure pensions, accessible Employment Insurance and policies to end poverty;
- **Aboriginal living conditions**: the federal government has failed in its responsibility to ensure proper health services, education, housing and clean water in aboriginal communities. It is time these communities had the resources they need.
Research

• Public understandings as to the determinants of health and quality of life.
• Public understandings – especially that of youth -- of the public policy process.
• Analysis of the political process in Canada (and elsewhere) and the forces shaping political parties’ policy positions.
• Research into how the health establishment – including public health, health care professions and institutions, disease associations, and Ministries -- think about and act upon the social determinants of health.
• Means of shifting public understandings and actions
Almost half of respondents said they are saving five per cent or less of their income (Canadian Press)

Almost 60 per cent of Canadians live paycheque to paycheque and say they’d be in financial difficulty if their paycheque were a week late.
One in two Canadians would have difficulty paying bills if paycheque late

**QUESTION:** If your next paycheque was delayed for a week, would it be difficult, somewhat difficult, somewhat easy or easy to meet your current financial obligations?

- Difficult: 21%
- Somewhat difficult: 30%
- Easy: 18%
- Somewhat easy: 23%
- Unsure: 8%

**METHODOLOGY**

To follow is a review of the latest Nanos national representative online survey of 1,000 Canadians 18 years of age and older. It was completed between October 13th and 14th, 2012 and reflects the views of the Canadian populace.

Any use of this research data should identify it as a “Nanos Survey”.

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<thead>
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<th>PRH/SDH Discourse</th>
<th>Key Concept</th>
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<tbody>
<tr>
<td>1. PRH/SDH as identifying those in need of health and social services.</td>
<td>Health and social services should be responsive to peoples’ material living circumstances. HPP aims to improve access and quality of these services.</td>
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<tr>
<td>2. PRH/SDH as identifying those with modifiable medical and behavioural risk factors.</td>
<td>Health behaviours (e.g., alcohol and tobacco use, physical activity, and diet) are shaped by living circumstances. HPP aims to make the healthy choice the easy choice.</td>
</tr>
<tr>
<td>3. PRH/SDH as indicating the material living conditions that shape health.</td>
<td>Material living conditions operating through various pathways -- including biological -- shape health. Implicit assumption that policymakers will respond to evidence with appropriate HPP.</td>
</tr>
<tr>
<td>4. PRH/SDH as indicating material living circumstances that differ as a function of group membership.</td>
<td>Material living conditions systematically differ among those in various social locations such as class, disability status, gender, and race. Implicit assumption that policymakers will respond with appropriate HPP.</td>
</tr>
<tr>
<td>5. PRH/SDH and their distribution as results of public policy decisions made by governments and other societal institutions.</td>
<td>Public policy analysis should form the basis of PRH/SDH analysis and advocacy efforts. Explicit call for the making of HPP to address these issues.</td>
</tr>
<tr>
<td>6. PRH/SDH and their distribution result from economic and political structures and justifying ideologies.</td>
<td>Public policy that shapes the PRH/SDH reflects the operation of jurisdictional economic and political systems. Explicit call for the making of HPP to address these issues with recognition that nations tend to follow established public policy paths.</td>
</tr>
<tr>
<td>7. PRH/SDH and their distribution result from the power and influence of those who create and benefit from health and social inequalities.</td>
<td>Explicit call for the making of HPP to address these issues with recognition that specific societal sectors both create and benefit from the existence of social and health inequalities. Need to identify these opponents and build political social movements to defeat them in the public policy domain.</td>
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TACKLING HEALTH INEQUALITIES
Lessons from International Experiences

Edited by
Dennis Raphael
Foreword by
Alex Scott-Samuel
Thank you!

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