

# The Political Economy of Health Inequalities

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Inequalities: An International Perspective  
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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

- *Three Worlds of Welfare Capitalism* identified Social Democratic, Conservative, and Liberal welfare state regimes (Esping-Andersen, 1990, 1999, 2009).
- 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)

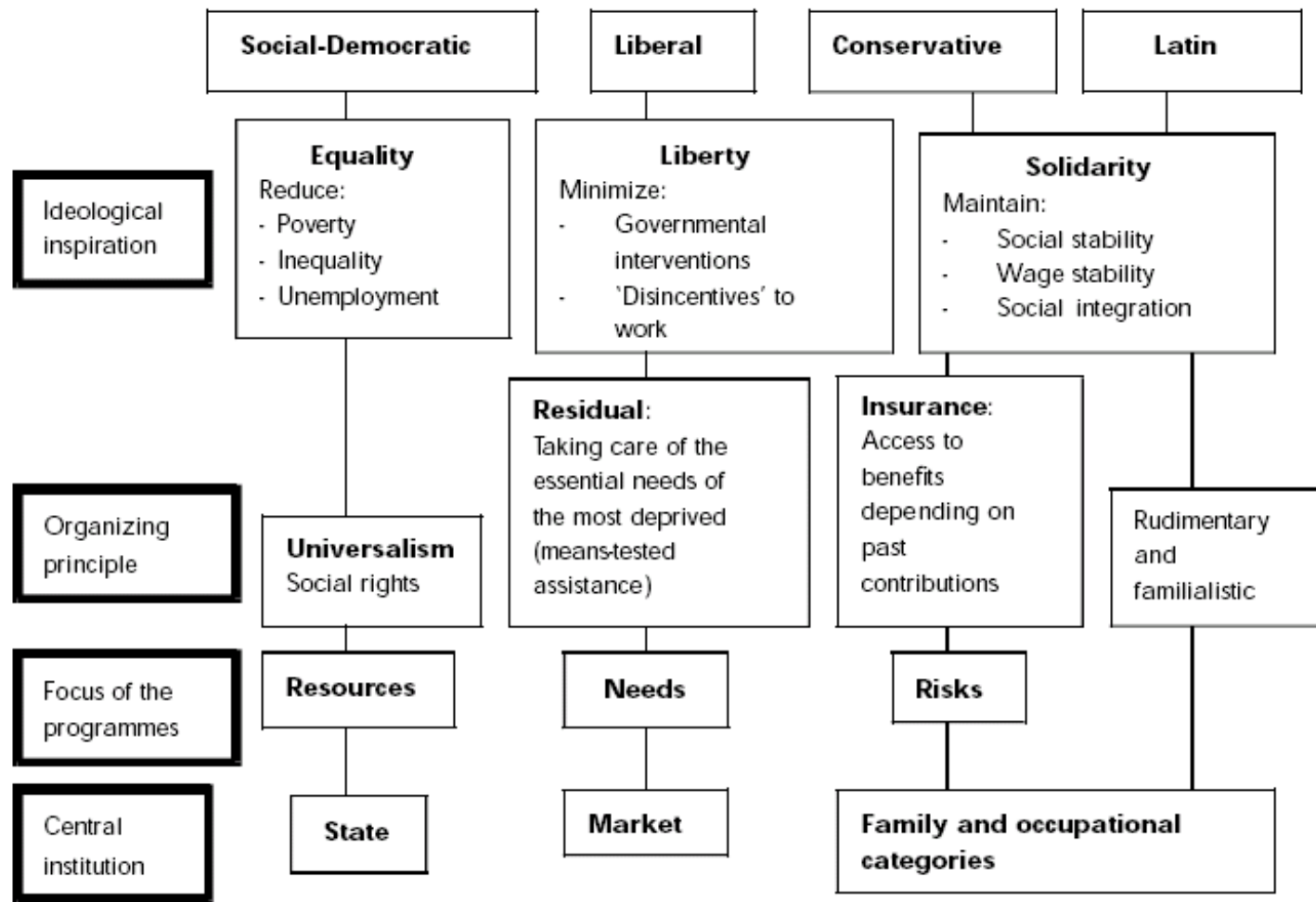


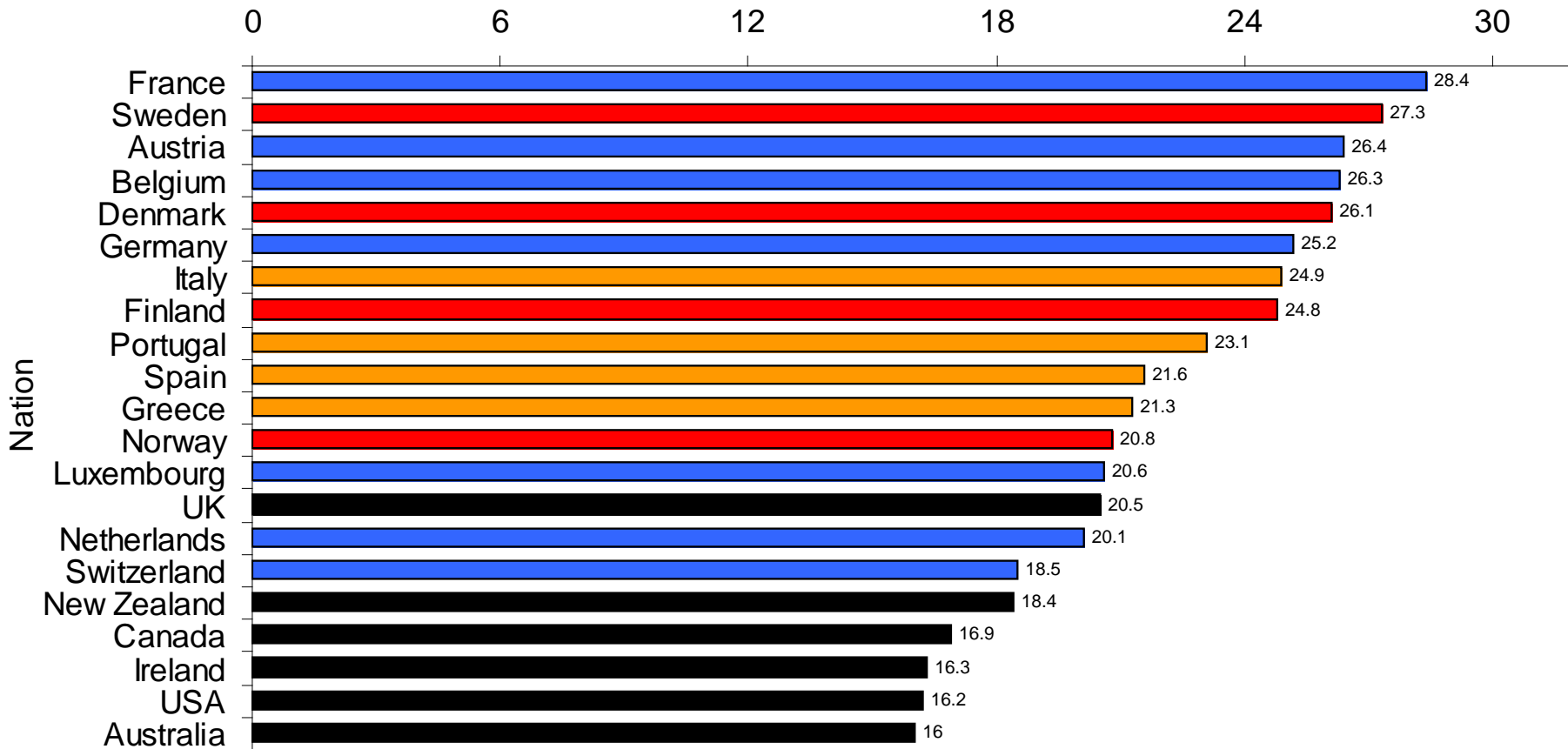
Figure 2 The Characteristics of Welfare Regimes

Source: Saint-Arnaud, S., & Bernard, P. (2003). Convergence or resilience? A hierarchical cluster analysis of the welfare regimes in advanced countries. *Current Sociology*, 51(5), 499-527.

# 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



Source: Raphael, D. (2013a,b).

# 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.

1980	Rank	2002
<b>IMR = 6.9 Sweden</b>	<b>1</b>	<b>Iceland IMR = 2.3</b>
Japan	2	Finland
Finland	3	Japan
Iceland	4	Sweden
Norway	5	Norway
Denmark	6	Austria
Netherlands	7	Czech Republic
Switzerland	8	France
France	9	Spain
Canada	10	Germany
Australia	11	Belgium
Ireland	12	Denmark
Luxembourg	13	Italy
Belgium	14	Australia
United Kingdom	15	Netherlands
Spain	16	Portugal
Germany	17	Switzerland
<b>IMR = 12.6 United States</b>	<b>18</b>	Greece
New Zealand	19	Ireland
Austria	20	Luxembourg
Italy	21	United Kingdom
Czech Republic	22	Korea
Korea	23	Canada
Greece	24	New Zealand
Slovak Republic	25	<b>United States IMR = 7.0</b>
Hungary	26	Hungary
Portugal	27	Poland
Poland	28	Slovak Republic
Mexico	29	Mexico
Turkey	30	Turkey

From 10<sup>th</sup> of 30 in 1980  
to 23<sup>rd</sup> of 30 in 2002  
to 27<sup>th</sup> of 34 in 2010

## HEALTH STATUS (MORTALITY)

Infant mortality, Deaths per 1 000 live births

Iceland	2.2
Finland	2.3
Japan	2.3
Portugal	2.5
Slovenia	2.5
Sweden	2.5
Czech Republic	2.7
Norway	2.8
Korea	3.2
Spain	3.2
Estonia	3.3
Denmark	3.4
Germany	3.4
Italy	3.4
Luxembourg	3.4
Belgium	3.5
France	3.6
Israel	3.7
Greece	3.8
Ireland	3.8
Netherlands	3.8
Switzerland	3.8
Austria	3.9
Australia	4.1
United Kingdom	4.2
Poland	5.0
Canada	5.1
New Zealand	5.2
Hungary	5.3
Slovak Republic	5.7
United States	6.1
Chile	7.9
Turkey	10.1
Mexico	14.1

Source: OECD Health Data 2012

[http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH\\_STAT](http://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT)

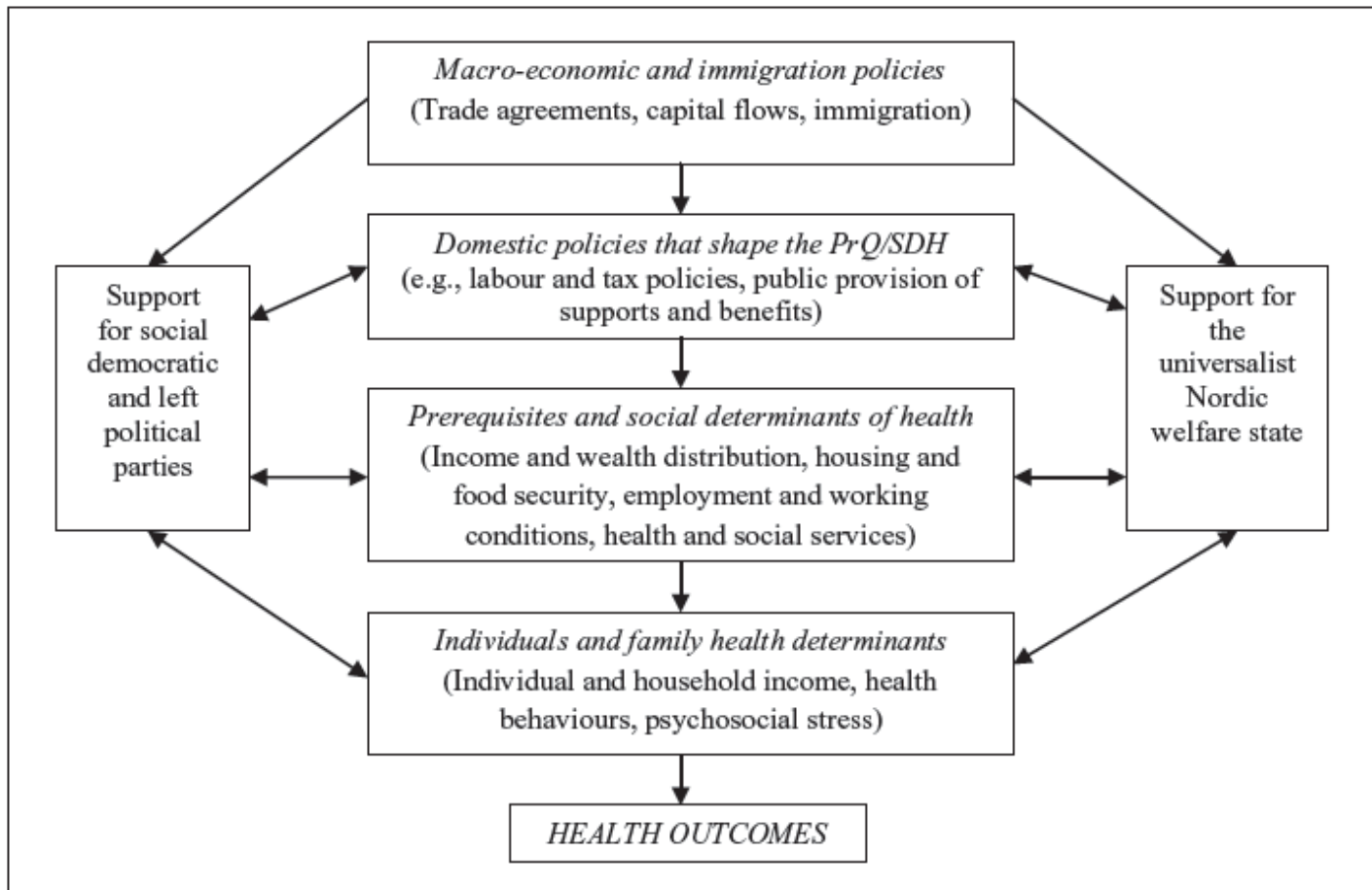


Figure 1. Depiction of pathways by which economic globalization and immigration policy act to produce declining support for social democratic parties and the universalist Nordic welfare state (Welfare State Fatigue) thereby weakening the PrQ/SDH and threatening health (adapted from Labonte and Schrecker [27; p. 5]).

Source: Raphael, D. (2014b).

# 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

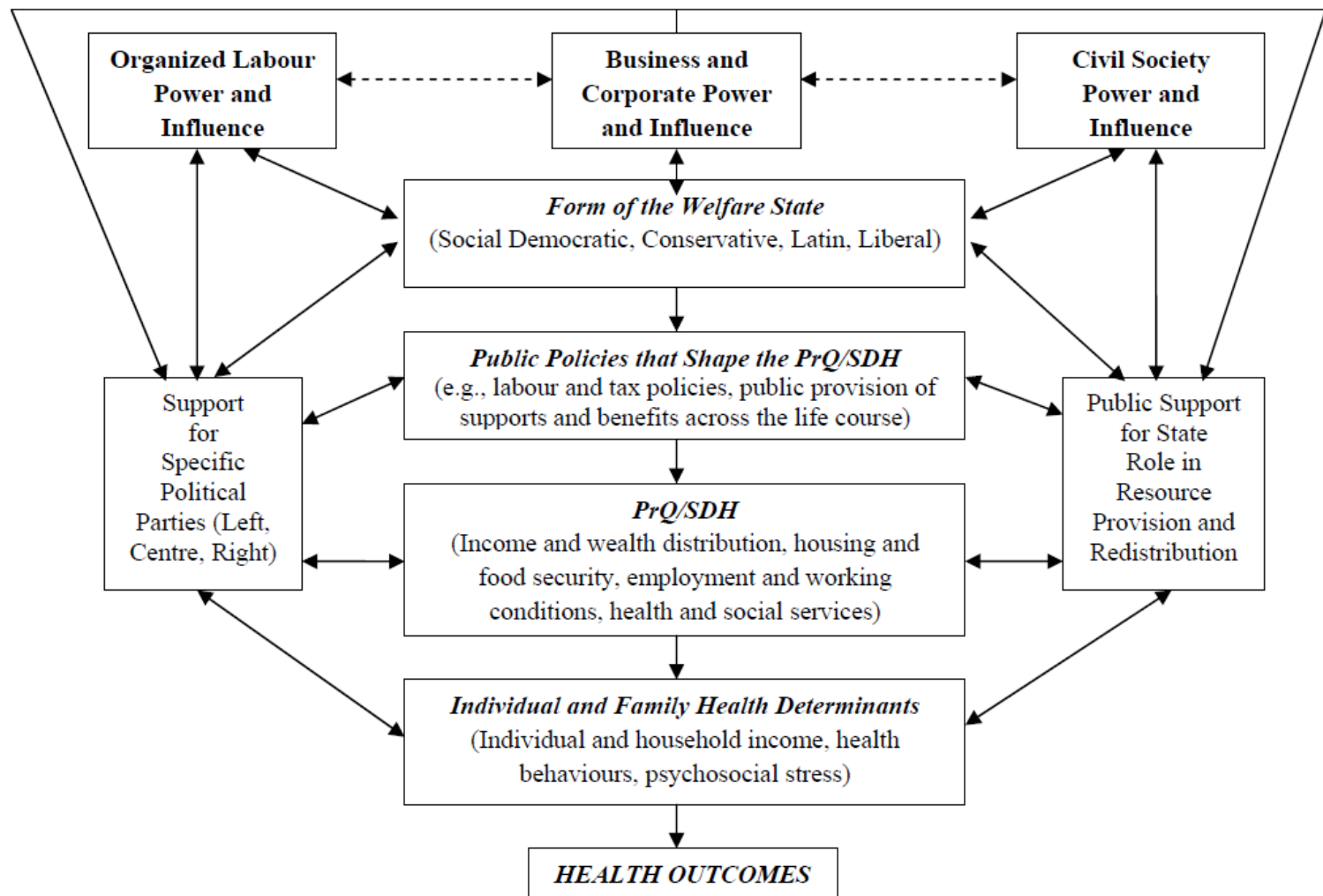
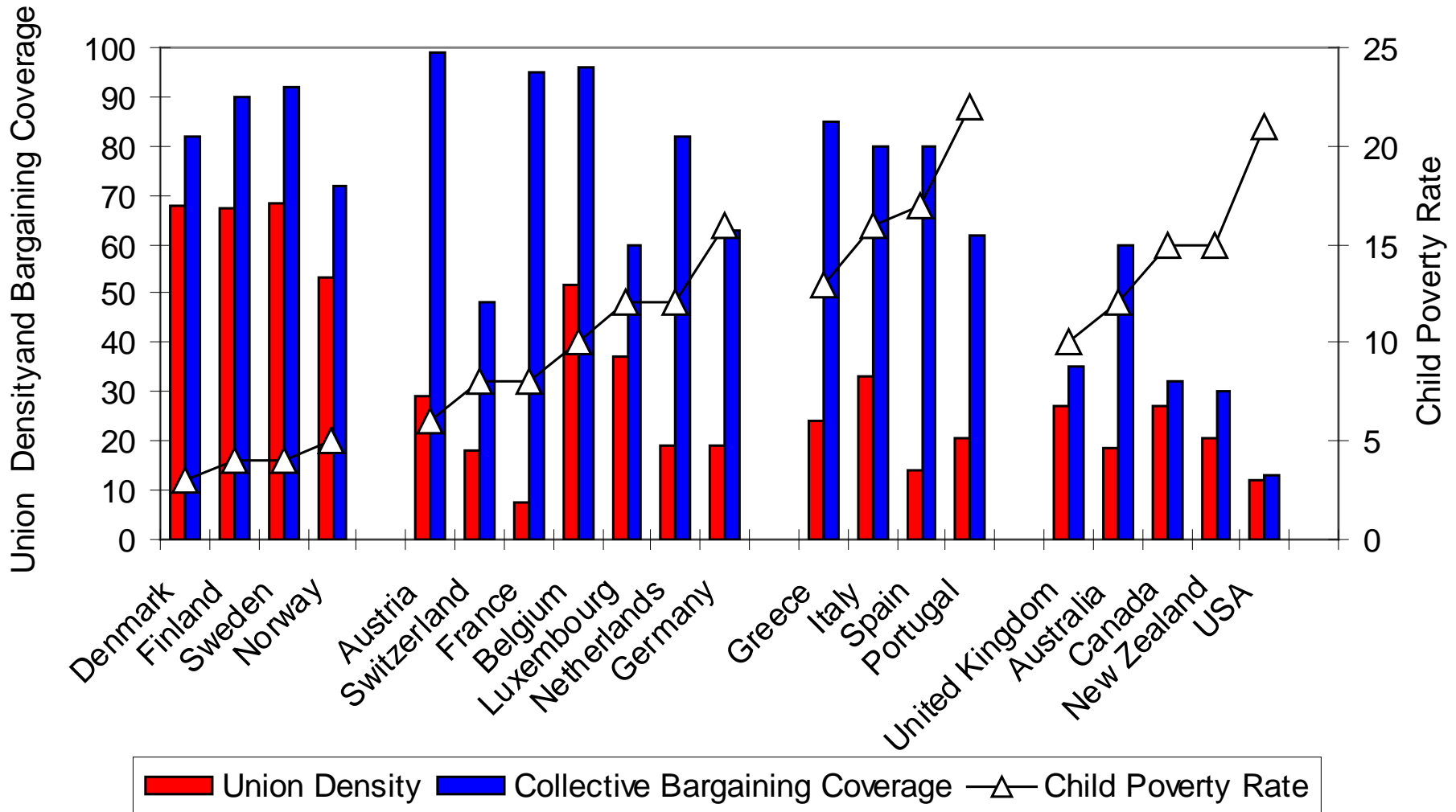


Figure 1: Depiction of Pathways by which the Relative Strengths of the Business, Labour, and Civil Society Sectors act in concert with Form of the Welfare State and Voter Political Activity and Public Opinion to produce Public Policy that shapes the Quality and Distribution of the PrQ/SDH

Adapted from Raphael, 2013.

# Labour Power and Redistribution

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.*

# Public Education



## Upstream

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# 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***

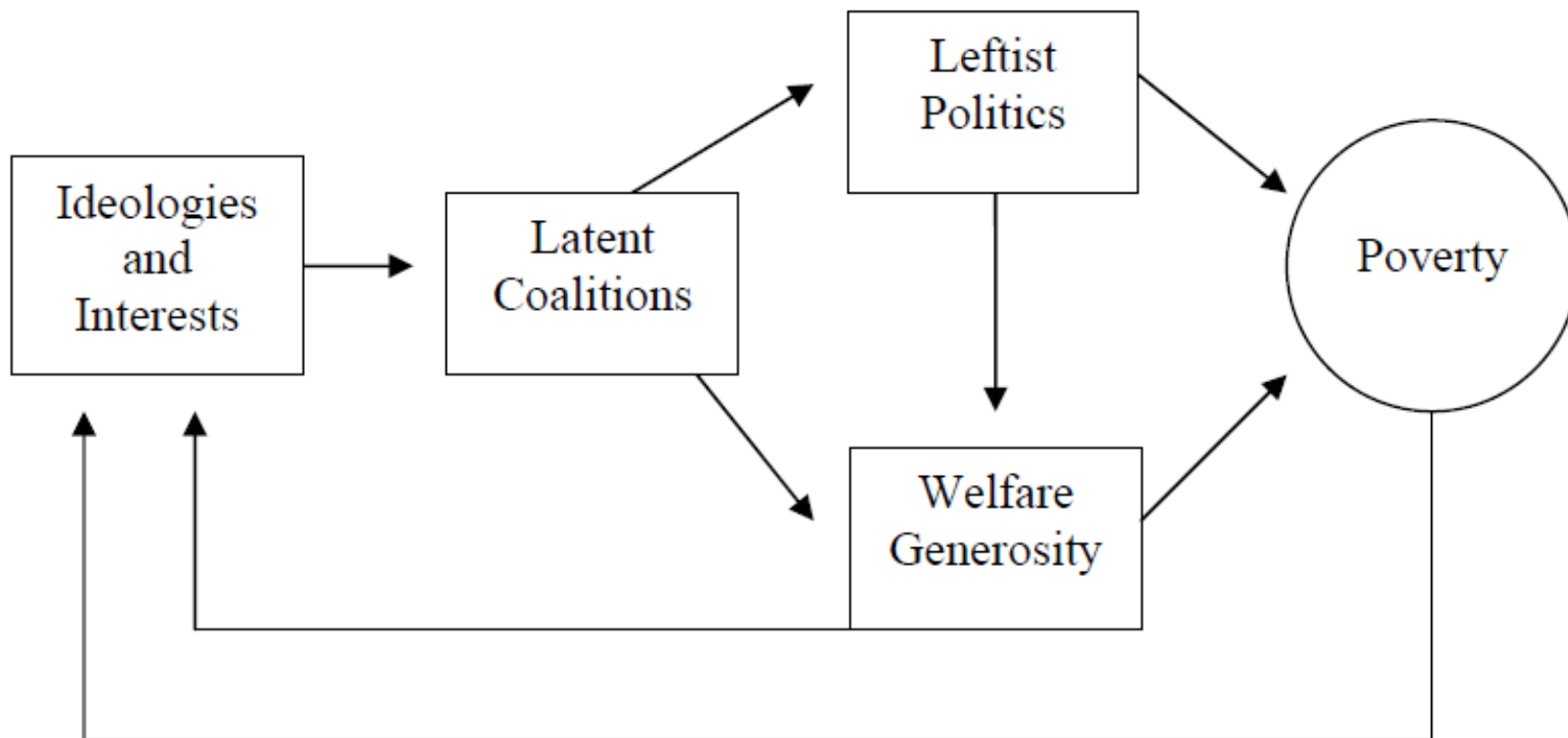
by Niels Veldhuis and Amela Karabegović

**O**ver 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



Source: Brady, D, (2009). *Rich Democracies, Poor People: How Politics Explain Poverty*, Figure 1.2, p. 14. New York: Oxford University Press.

## 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.

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



STEVE RUSSELL/TORONTO STAR

Campaign staff of NDP candidate Paul Ferreira 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. Ferreira ended up beating Liberal Laura Albanese by a slim margin. Tory candidate Pina Martino was a distant third.

Email story

## 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

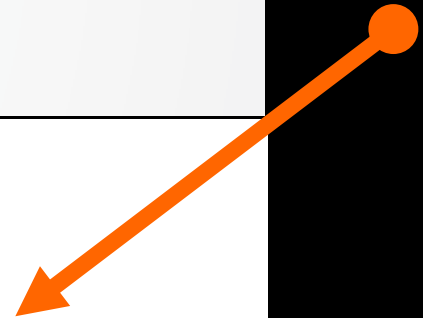
## Prevention is better than cure

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



# 59% live paycheque to paycheque: poll

Last Updated: Monday, September 13, 2010 | 8:46 PM ET

CBC News



*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.

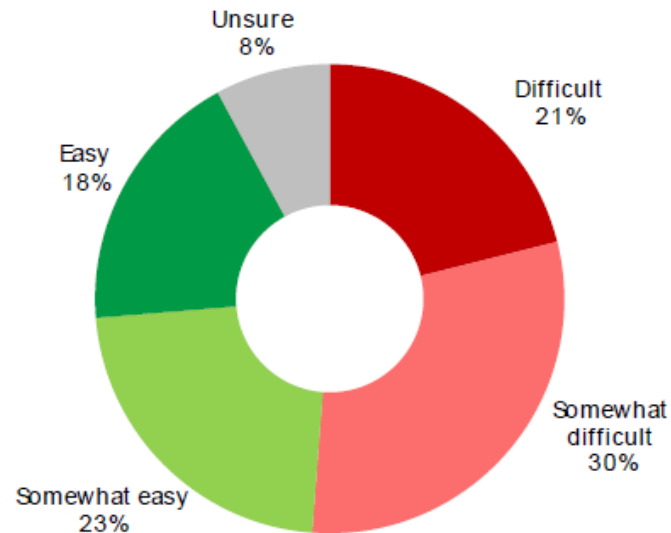
# One in two Canadians would have difficulty paying bills if paycheque late

## 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 13<sup>th</sup> and 14<sup>th</sup>, 2012 and reflects the views of the Canadian populace.

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

**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?



Source: Nanos Research (Oct. 18, 2012). Financial Security. Available at [www.nanosresearch.com/library/polls/POLNAT-W12-T558E.pdf](http://www.nanosresearch.com/library/polls/POLNAT-W12-T558E.pdf).

Table 1. Varying Discourses on HPP and the Distribution of the PrH/SDH	
PRH/SDH Discourse	Key Concept
1. PRH/SDH as identifying those in need of health and social services.	Health and social services should be responsive to peoples' material living circumstances. HPP aims to improve access and quality of these services.
2. PRH/SDH as identifying those with modifiable medical and behavioural risk factors.	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.
3. PRH/SDH as indicating the material living conditions that shape health.	Material living conditions operating through various pathways – including biological -- shape health. Implicit assumption that policymakers will respond to evidence with appropriate HPP.
4. PRH/SDH as indicating material living circumstances that differ as a function of group membership.	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.
5. PRH/SDH and their distribution as results of public policy decisions made by governments and other societal institutions.	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.
6. PRH/SDH and their distribution result from economic and political structures and justifying ideologies.	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.
7. PRH/SDH and their distribution result from the power and influence of those who create and benefit from health and social inequalities.	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.

Source: Raphael, D. (2014). Beyond policy analysis: The raw politics behind opposition to healthy public policy. *Health Promotion International*.

**Social Determinants of Health**  
**THE CANADIAN FACTS**



**Juha Mikkonen**  
**Dennis Raphael**

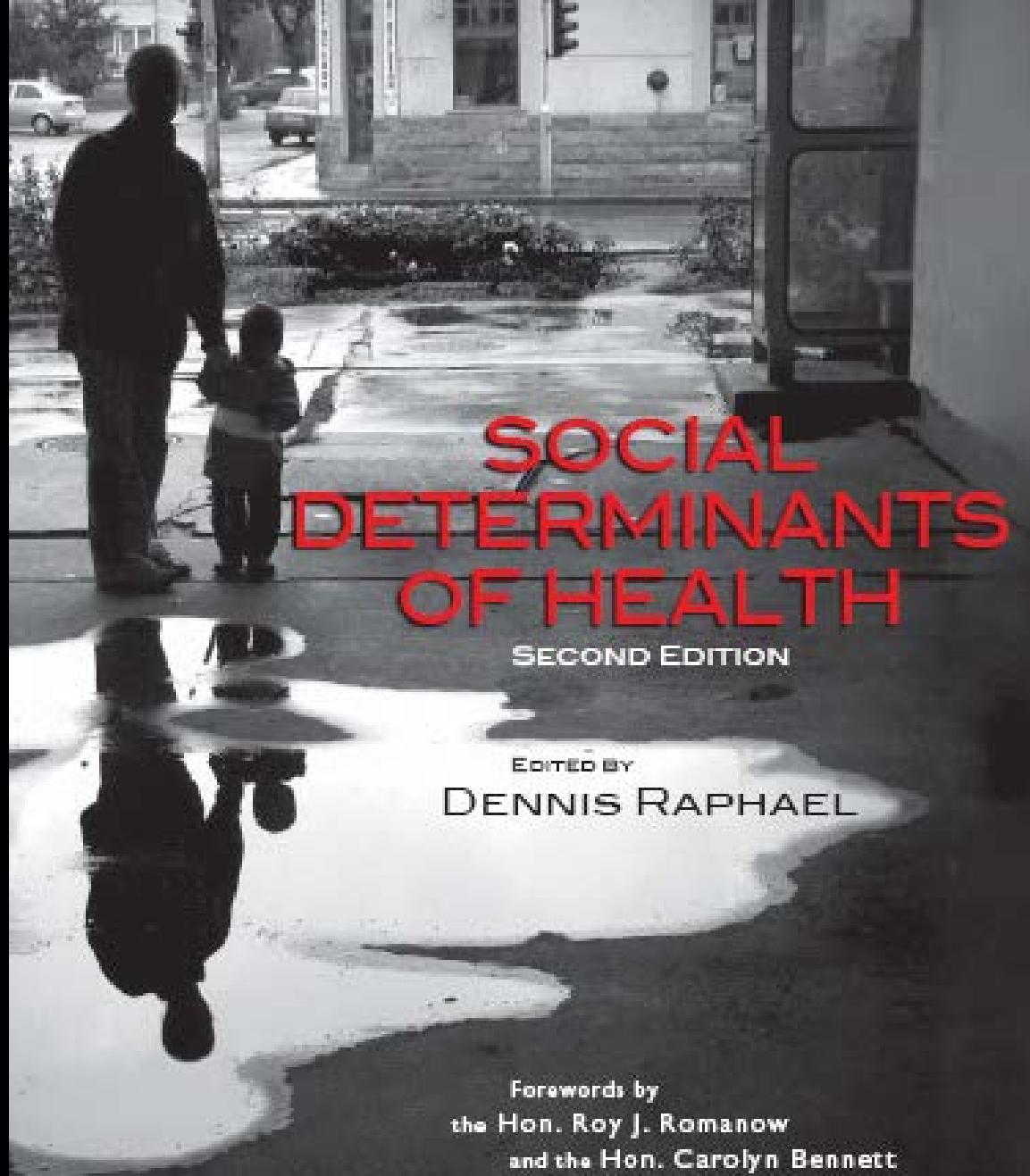
[thecanadianfacts.org](http://thecanadianfacts.org)



ABOUT  
CANADA

HEALTH AND ILLNESS

Dennis Raphael



# SOCIAL DETERMINANTS OF HEALTH

SECOND EDITION

EDITED BY  
DENNIS RAPHAEL

Forewords by  
the Hon. Roy J. Romanow  
and the Hon. Carolyn Bennett



POVERTY IN  
**CANADA**

SECOND EDITION

IMPLICATIONS FOR HEALTH  
AND QUALITY OF LIFE

**DENNIS RAPHAEL**

FOREWORD BY ROB RAINER



# TACKLING HEALTH INEQUALITIES

Lessons from International Experiences



Edited by  
Dennis Raphael

Foreword by  
Alex Scott-Samuel



Thank you!

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