

Soaring social inequality makes too many people sick



PEDRO MOLINA/NEWSART

Ronald Labonté is a Canada research chair in globalization and health equity at the Institute of Population Health, University of Ottawa. He chaired the globalization knowledge network for the WHO Commission on Social Determinants of Health.

WHO study confirms health closely linked to unfair distribution of material resources

Aug 31, 2008 04:30 AM

RONALD LABONTÉ

"Poor social policies, unfair economics and bad politics are killing people on a grand scale."

This is the stark conclusion of a three-year study from the World Health Organization's blue-ribbon panel last week. The report by the Commission on Social Determinants of Health shows how the inequitable distribution of resources, social exclusion and a simple lack of biological necessities explain why some people enjoy long and healthy lives and others do not.

There is no inherent reason why a girl born in Lesotho will likely live 42 years less than one born in Japan; or that a young man growing up in downtown Montreal is likely to die 14 years earlier than one growing up in upscale West Island.

Despite some global successes at reducing extreme poverty, the past 30 years have seen income inequalities skyrocket throughout much of the world.

Most of the economic gains under globalization's more open markets have been captured by richer groups living mainly in richer countries. Not only is this bad for health, it creates political and economic instability. It also makes any further poverty reduction extremely difficult. The amount of growth required to "make poverty history" under economic-business-as-usual far exceeds the planet's carrying capacity. Global wealth redistribution is no longer a matter of political preference; it is one of human survival.

What many of world's wealthier countries give in aid with one hand, they take away in skewed trade deals with the other. The report calls on trade and international investment agreements to incorporate health equity assessments. This is possible, even if politically challenging.

So, too, is closing the low-tax "haven" countries where the wealthy have parked huge sums of money. If taxed fairly, the revenue raised would be enough to help close the health gap in a generation, and to mitigate the health-damaging effects of climate change – effects that will be felt worst by the world's poor who contributed least to their making.

At home, we Canadians take pride in a country that is a reasonably healthy and fair place to live. And compared to our southern neighbour, it is; but compared to the larger club of high-income nations (the OECD group), Canada shows poorly.

We're generous with health, one reason why we're good at reducing poverty among the elderly. Out-of-pocket payments for increasingly privatized health care around the world are forcing 100 million people into deep poverty each year. Health care may not be the most important health determinant but it does matter, especially how it is financed.

But we have a tawdry record on fighting child poverty, which has improved little from when we first committed to end it 20 years ago. Our social assistance and minimum wage levels are so low we've been criticized by the UN for failing on our human rights obligations.

Social spending to reduce poverty is not only the "right thing to do," it saves much more future money in lower health and social costs. A few Canadian provinces (Quebec, Newfoundland/Labrador, Ontario) are beginning to take poverty reduction seriously, but where's the federal government? Raising the federal child benefit by \$2,000 per family would cut the child poverty rate by almost 40 per cent at a cost of around \$5 billion a year. That's a fraction of the tax cuts governments have made since the mid-1990s that now total more than \$50 billion a year, of which the federal portion alone is close to \$30 billion.

These tax cuts have helped the incomes of Canada's top 10 per cent to 20 per cent to rise rapidly while everyone else's have stagnated or declined. They've helped double the number of families reliant on food banks. We're told repeatedly that Canadians already pay too much in taxes. It's simply not true. We rank well down the high-income country pack, collecting almost 50 per cent less tax from our GDP than countries like Denmark and Norway. We can afford much more.

These are just a few of the Canadian implications that can be drawn from the report's policy treasury. These policies challenge the past 30 years of economic practice that have put free markets and global competition ahead of public regulation, social redistribution and citizens' rights.

The evidence is clear and irrefutable: Societies that spend generously on universal social programs, reduce income inequalities and regulate important health determinants such as food, housing and labour markets are healthier. Their economies do not suffer for it. And this holds for rich and poor countries alike.

In all but the world's poorest countries these policies are easily affordable. Where they are not affordable, there are international commitments that oblige the wealthier and healthier to transfer more resources to the poorer. Who knows? With fairer Canadian taxes, we might even live up to our long-standing promise to raise foreign aid to the 0.7 per cent of GDP level. We're now at barely 0.3 per cent, with our global reputation sliding downward along with our international stinginess.

In the end, it comes down to a simple truism: We need to share more. Not just with the family and friends we know, but with the strangers we don't – at home and abroad.

That's why government policy and programs are important. Relying on markets to lift the poor and marginalized into healthier lives won't do it.

We need to reclaim the moral imperative of "welfare," a term badly abused by 30 years of neo-conservative commentary. Consider the word's roots: "well" and "fair" – two values repeatedly stated by Canadian and international polls as among the most important to people.

We know what most of the policies are that can close the poverty gap in a generation. The commission's report decisively puts to rest that the barrier to action is lack of evidence. It is not. The only barrier is lack of political leadership and moral courage.

There is increasing talk of a fall federal election. Are our political leaders listening? Will the Canadian public make them?

Ronald Labonté is Canada research chair in globalization and health equity at the Institute of Population Health, University of Ottawa. He chaired the globalization knowledge network for the WHO Commission on Social Determinants of Health. www.globalhealthequity.ca

From the **Toronto Star**