

Social and economic environment

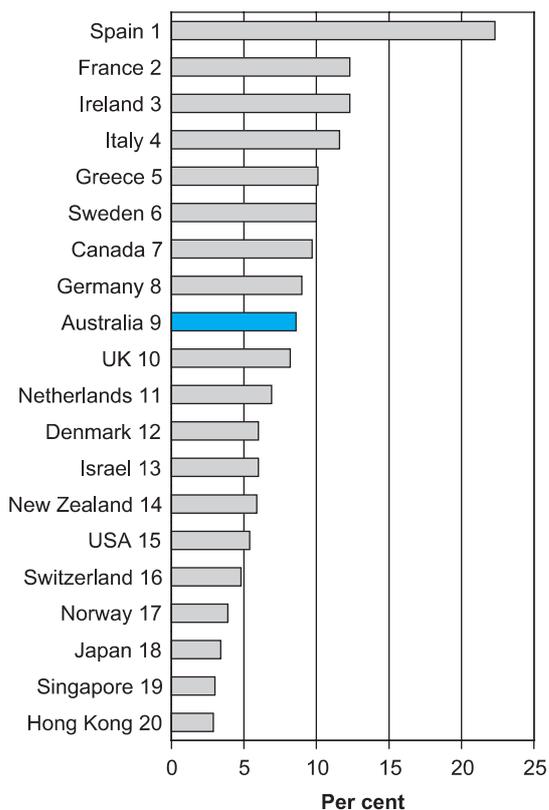


Figure 1: Proportion of labour force unemployed, 1996

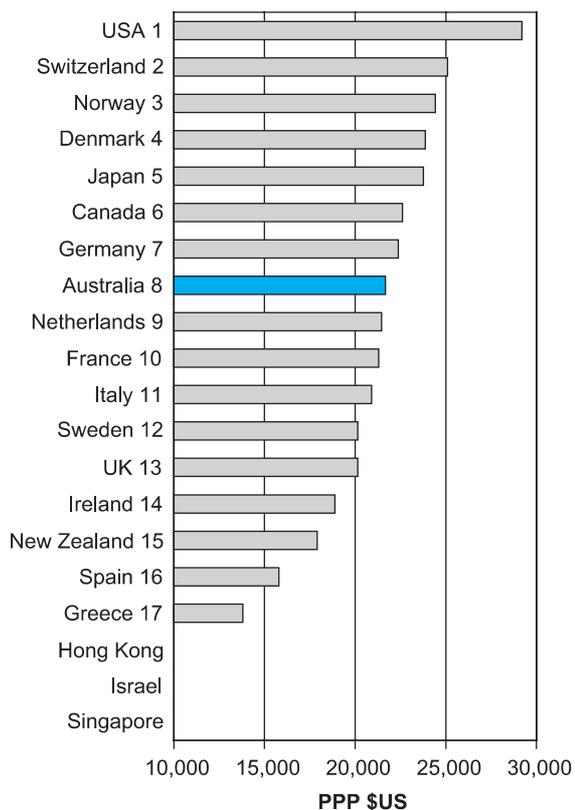


Figure 2: GDP per capita, 1997

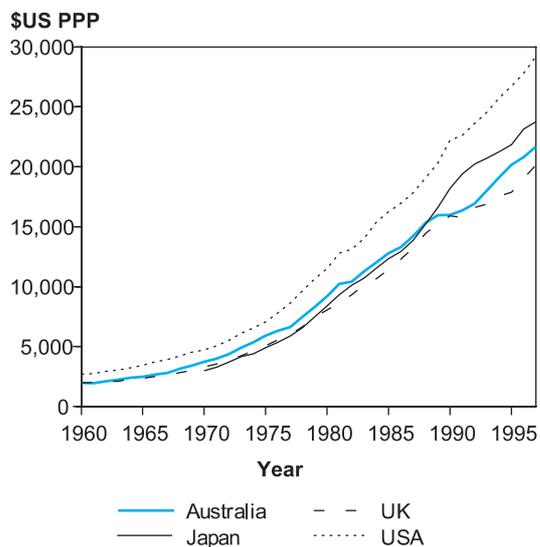


Figure 3: Trends in GDP per capita, 1960 to 1997

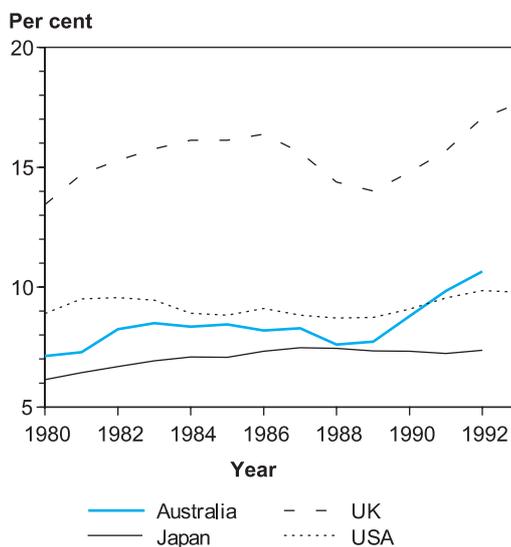


Figure 4: Trends in social expenditure as a proportion of GDP, 1980 to 1993

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Unemployment, inflation, GDP per capita and social expenditure as a proportion of GDP

Country	Unemployed labour force, 1996 (per cent)	Inflation rate (per cent) ^(a)		GDP per capita, 1997 (US\$ PPP) ^(b)	Social expenditure, 1993 (per cent GDP) ^(c)
Australia	8.6	1994–95	2.5	21,671	10.7
Canada	9.7	1994–95	1.7	22,606	12.6
Denmark	6.0	1994–95	1.8	23,874	25.4
France	12.3	1993–94	1.4	21,290	21.5
Germany	9.0	1994–95	2.2	22,385	21.8
Greece	10.1	1993–94	11.0	13,805	13.7
Hong Kong	2.9	—	—	—	—
Ireland	12.3	1993–94	1.2	18,875	14.9
Israel	6.0	—	—	—	—
Italy	11.6	1993–94	3.6	20,914	18.7
Japan	3.4	1992–93	0.6	23,765	7.4
Netherlands	6.9	1993–94	2.3	21,450	23.4
New Zealand	5.9	1993–94	1.8	17,903	16.7
Norway	3.9	1993–94	0.3	24,423	22.5
Singapore	3.0	—	—	—	—
Spain	22.3	1994–95	4.8	15,800	16.8
Sweden	10.0	1993–94	3.0	20,150	31.8
Switzerland	4.8	1994–95	1.5	25,088	14.9
UK	8.2	1993–94	2.2	20,139	17.7
USA	5.4	1993–94	2.0	29,195	9.8

(a) Measured as the change in GDP deflators.

(b) Purchasing power parities (PPP) show the rate at which a given amount of one currency can be converted into the other in order to purchase the same quantity of a particular item in both countries (OECD 1998).

(c) Includes cash benefits and services for the elderly, the disabled and families, as well as occupational injury and disease, sickness benefits, survivors (e.g. widows), labour market programmes, unemployment, housing benefits and other. Does not include public expenditure on health.

Sources: United Nations 1995b; OECD 1996b, 1996c, 1998.

- There is increasing evidence that social and economic factors such as poverty, unemployment, illiteracy, poor housing and social isolation impact upon health status. These determinants are characteristic features of certain segments of the population in developed countries.
- Unemployed persons are more likely to report poor health, use medical services, have a greater prevalence of disability and handicap, and have higher rates of ill-health and mortality (Mathers 1994; Dooley et al. 1996). Poverty is also known to impact upon life expectancy although the effect is more marked at very low levels of income (World Bank 1993).
- A relatively large proportion of the Australian labour force is unemployed (8.6% in 1996) compared to other OECD countries (Figure 1). Long-term effects of unemployment on health status or specific health conditions have not been fully established, but it is now generally accepted that unemployment is causally related to ill-health (Mathers 1994).
- Increased income allows people to buy more food, better housing and health care, although by international standards variation in income levels is generally low among OECD countries. In 1997, Australia was ranked eighth among 17 OECD countries for gross domestic product (GDP) per capita (Figure 2). The United States, Switzerland, Norway and Denmark have comparatively high GDP per capita. Since the mid-1970s, Japan's GDP per capita has increased rapidly (Figure 3).
- Australia spends only a moderate proportion of its GDP on social expenditure compared to other developed countries. The proportion has increased since the late 1980s (Figure 4), but is still low among OECD countries. Welfare spending in Scandinavian countries is especially high.
- Like many other countries, Australia's stable and low rate of inflation affords the opportunity to improve the health status of those who are currently disadvantaged. However, unless addressed, long-term unemployment in conjunction with other social and economic factors may produce harmful health effects in the coming decades.

For more information, see:

Dooley D, Fielding J, Levi L 1996. Health and unemployment. *Annu Rev Public Health* 17: 449–66.

Australian Institute of Health and Welfare 1997. *Australia's welfare 1997: services and assistance*. Canberra: AIHW.