Wealthier, but not necessarily healthier

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One of the most famous and influential mantras of Barack Obama's chief economic adviser - that wealthier nations are also healthier - has been called into question by a new study.

The research, by a University of Cambridge-led team of social scientists, examined data from 22 countries to test the widely-accepted principle that stimulating economic growth will automatically improve public health levels, particularly in the developing world.

The "wealthier is healthier" theory has been a guiding formula for both individual health ministries and many of the global financial bodies that support international development for almost 15 years.

It was first coined in a highly influential 1996 paper co-authored by Lawrence Summers, now Director of the US National Economic Council and a key Presidential adviser. This drew convincing parallels between the poor health of people in the developing world and their countries' economic performance.

Writing in the July issue of the journal *Social Science and Medicine*, however, the new report's authors argue that the principle over-simplifies the question of how to improve living standards in developing nations.

Drawing on almost 50 years' worth of data, they identified cases where the health of a population had worsened, even as a country's national income was on the rise. These anomalies occurred, the study suggests, because underlying issues of poverty and inequality had been left unresolved by policy-makers more concerned with overall economic growth.

"The 'wealthier is healthier' argument is the idea that if you have economic growth, you are acquiring the resources that will help society's health to improve as a whole," Dr. Larry King, from the University of Cambridge's Department of Sociology and one of the report's lead authors, said.

"Our study found that wealth is not enough. If policy-makers want to improve health, they need to look more closely at the impact that they are having on individual living standards as well."

"The current economic crisis has led to great concern among politicians, central banks and international financial organisations for restoring high rates of growth. According to these results, focusing on growth rather than poverty reduction and reducing inequality may lead to substantial loss of life."

The paper suggests that the more subtle relationship between poverty, inequality and health has been written out of the policies of many leading financial organisations in favour of the "wealthier is healthier" principle.

Summers' original thesis has, indeed, been backed up by a body of subsequent research which agrees that health will automatically improve as a by-product of economic growth.

Researchers claim that this is not just because wealthier countries have more to spend on public health services and other social programmes; but because people living there can afford a healthier lifestyle and better medical care.

While the theory has been hugely popular, Dr. King and colleagues could find no prior research examining whether the wealth-to-health cause and effect pattern changes in cases where there is serious social inequality or a widening rich-poor divide. Tellingly, they also found that most previous work had focused on developed countries over relatively short periods of time.

The Cambridge-led study was unique in this regard, examining the effects of poverty and inequality in 22 Latin American countries from 1960 to 2007.

It tested three standard measures of public health - life expectancy, infant mortality rates and tuberculosis mortality rates - against GDP per capita as a measure of economic growth. In addition, however, the researchers also fed information about poverty rates and income inequality into a series of statistical models to test their impact on the "wealthier is healthier" pattern.

The initial results appeared to vindicate the traditional theory. Consistent

with previous studies, the team found that income per capita has a profound effect on health. Each 1% rise in GDP was associated with a 1.17% reduction in infant mortality and an overall increase in life expectancy of about 22 days.

When that relationship between wealth and health was tested across the entire time period, however, a subtly different pattern emerged. During periods when inequality widened, for example, the study found that a 1% rise in GDP led to a much lower decrease in infant mortality rates of just 0.92% and had no effect at all on tuberculosis mortality rates or life expectancy.

At times when inequality in the same countries was narrowing, a rise in wealth had a much more profound effect. During those periods, a 1% increase in GDP was associable with a 1.51% fall in child mortality and a 1.79% drop in TB mortality, while average life expectancy improved by 51 days.

Similarly, where the sample countries experienced a rise both in GDP and poverty levels, economic growth had no effect on life expectancy or TB mortality and only a modest impact on infant deaths. All sets of data improved dramatically, however, during periods of falling poverty.

"Does wealthier mean healthier? Our view is it very much depends," Dr. King added. "The implication here is that health depends on how rising income is distributed. Many of the poorest people in society would agree - perhaps it is time that those making the policies which affect their lives listened."

Provided by University of Cambridge

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