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Health Care/Caring for Health

health care

The buzz on the next federal Budget is that it will focus on health care. And so it should.

The federal government bled billions out of provincial social programs when it introduced the Canada Health and Social Transfer (CHST). In 1995-96, Ottawa's total cash transfer to the provinces for health, welfare, social services and postsecondary education under previous financing arrangements came to \$16.3 billion. In 1996-97, the first fiscal year of the CHST, federal cash to the provinces totalled \$12.6 billion in constant dollars, or 23 per cent less in real terms.

The loss of funds is devastating for two reasons. First, provinces must make up the shortfall by imposing fees or cutting the level and quality of various human services, including health care.

Some of the cuts likely would have been made anyway by provinces ideologically opposed to social spending. While the CHST is not entirely responsible for all the cuts, it certainly has hastened and exacerbated the damage.

The second problem arises from the fact that fiscal clout is the primary (some would argue the only) way to enforce the conditions of the Canada Health

Act. Its five conditions – universality, comprehensiveness, accessibility, portability and public administration – are enforced through the lever of federal cash transfers. Less cash, less clout.

The bottom line has become all too clear. Canadians' confidence in medicare – our most beloved social program – has been seriously shaken by long waits for certain services, crowded hospitals and fees for some services formerly covered under medicare. Restoring the fiscal health of health care is a political imperative that Ottawa cannot ignore.

But caring for health is an equally important concern. Yet it is an area that increasingly has been neglected.

caring for health

The development of a healthy society is guided by several principles. These include environmental sustainability and economic justice [Korten 1995].

Environmental sustainability means that a nation's use of renewable resources does not exceed the rate at which the ecosystem is able to regenerate them. Consumption does not surpass the pace at which renewable substitutes are developed and phased into use. The level of pollution emissions does not

exceed the ecosystem's natural capacity to absorb them [Korten 1995].

The federal government appears to have beaten a retreat from many of its environmental commitments. The federal 'commitment' on global warming, for example, easily could turn into hot air.¹ In recent years, Ottawa has slashed the budgets of several federal departments responsible for environmental issues. International trade agreements have weakened Canada's ability to set standards for environmental protection.

Healthy societies also are guided by the principle of economic justice. They ensure that all members have access to the basic food, clothing and shelter required for a healthy and secure life. This is not the case in Canada.

Our poverty rate not only is high – a national average of 17.9 percent at last count – but also has been rising over the past few years [Battle 1997]. The rise comes despite a drop in unemployment and a growing GDP. The insecure labour market – with its spate of part-time, casual and low-paid jobs – is the prime culprit.

Poverty has a devastating impact. It represents a serious disinvestment because of its potentially profoundly negative impacts on physical and mental health, educational attainment and social well-being. Children are hit especially hard [Steinhauer 1995].

Poverty reduction is one of the most effective investments in health. Governments can make this investment through financing for local economic activity, further investment in the National Child Benefit and effective redistribution through strong income programs and a progressive income tax system.

Over the years, income taxes and transfers from government have reduced the gap in labour market earnings between the rich and poor. But for the first time ever, governments' ability to narrow this widening wedge has faltered. Recent cuts to programs such as Employment Insurance and welfare (especially the drastic 21.6 percent slashing of welfare benefits in Ontario in October 1995) are now taking their toll [Battle 1997].

If Ottawa is serious about a health Budget, it not only will begin to restore transfers to health care. It also will renew its commitments to the environment and to poverty reduction – both key to ensuring health.

Sherri Torjman

Endnote

1. Canada is a signatory to the Kyoto agreement reached on December 10, 1997. It is formally known as the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Protocol commits Canada to reducing greenhouse gas emissions by six percent below their 1990 level by 2012 – within 15 years. But because the emission of three of the six gases covered under the Protocol – carbon dioxide, methane and nitrous oxide – already has gone up by an estimated 13 percent since 1990 (the beginning of the recession), the Kyoto target effectively requires closer to a 19-20 percent reduction to meet our international commitment. The burning of fossil fuels is primarily responsible for the production of greenhouse gases.

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