

The Health and Wealth of the Nation: A Critique of the Welfare State

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For more than 150 years Liberal and Socialist reformers have striven to eradicate what they regarded as an unacceptable facet of capitalism; namely the misery and suffering inflicted on the poor through inadequate nutrition, disease and injury. Largely through their efforts, Britain embarked upon the long journey towards the welfare democracy that it is today. An extra-ordinarily complex system of taxation of wages and of profits (or interest as classical economists call it) has evolved along the way, put together by successive governments to support an expanding social programme aimed at redistribution of wealth to improve the lot of those that capitalism had left relatively deprived. This redistribution has been partly in cash terms and partly in kind in the forms of health care, education and housing. It has come as a considerable shock, therefore, to realise that this effort has largely failed in one of its primary and, what many would claim to be, most important objectives. While as part of the general accumulation of wealth there has been a remarkable improvement in health and life-span through the 20th century, relative inequalities in health between the affluent and the deprived are as entrenched as ever.¹ A very similar situation exists in the USA.^{2,3}