Comparative Study on Expenditures on Health and Military Spent by Governments of Various Countries from People’s Point of View

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1. Introduction

Today, people can choose services from many service providers except public services provided by governments. However, people can at least compare various governments which provide public services to the people. This paper compares governments from the viewpoint of their expenditures on health and on military. The basic thought is the recognition that the health expenditure is an indicator on how much importance each country places on the well-being of its people, while the military expenditure is an indicator on how much importance the current government of each country places on the support of its current regime.¹ In a democratic country, the current regime is theoretically supported by its people, but in some countries, the current regime is not necessarily representing its people, and the military power is often used to suppress its own people to protect the current regime. Hence, it can be said that health expenditure is spent for the well-being of the people, while military expenditure is spent for the well-being of the current regime.

In the past, various experts on health and those on military have studied health expenditures and military expenditures separately. To the author’s knowledge, this is the first paper which covers both and compares them.

The countries chosen in this paper are from the following four groups, reflecting the current interest of the author.

1) Developed countries which have respective forms of universal healthcare system²: Germany, France, UK, Sweden, Denmark, Canada, Japan, Korea and Singapore

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¹ The word, regime here is used as a political system, such as democratic system or autocracy system, while the government is used as the current administration in power. cf. regime in Oxford Dictionary: system or ordered way of doing things.

² Universal healthcare system is defined as a health system, in which residents in a country have a right to access healthcare services either free of charge or at an affordable price. For various forms of universal healthcare system, see, for example, Kano Sadahiko ‘Comparative Study of World’s Healthcare Systems’, Journal of Asia-Pacific Studies, No. 17. 2011, pages 171–191, and T. R. Reid, ‘The Healing of America’, Penguin Books, 2010.
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2) Developed country which does not have an universal healthcare system: USA
3) Developing country which has as an universal healthcare system: Cuba
4) Developing countries which do not have an universal health care system: China, Philippines, Thailand, Indonesia, Malaysia, Vietnam and Cambodia

2. Health expenditures
2.1 Health expenditure as % of GDP

Figure 1 shows the total expenditure on health as % of GDP in these countries in 2008. The USA spends most (15.2%), followed by, interestingly, Cuba which spends as high as 12.0%. Then developed countries follow, which have respective forms of universal healthcare system, spending between 11.2% (France) and 6.5% (Korea). Developing countries without universal healthcare system spend between 7.2% (Vietnam) and 2.3% (Indonesia).

2.2 Government expenditure on health as percent of the total expenditure on health

Figure 2 shows the government expenditure on health as % of the total expenditure on health in 2008. This indicates how much collective healthcare provided by the governments have a weight on healthcare of their people over their own personal spending on health.

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3 In USA, governments of the Democratic Party such as Clinton Administration in 1994 and Obama Administration in 2010 tried to implement an universal healthcare system, but was opposed mostly from Republicans who put more importance on the freedom and responsibility of individuals.

4 Chinese government has started a healthcare reform in 2009 with an objective of implementing a universal healthcare to its 1.3 billion people by 2020. But this paper is comparing situations in 2008, thus China is classified in this group.

5 The US health system is said to have an overhead of some 20%, which was not spent on directly the healthcare itself, but spent on such aspects as private health insurance companies expenditure on hiring doctors to check if the treatments given to patients by doctors who took care of the patients were absolute minimum required, etc. Other healthcare systems which have universal healthcare systems, the overhead ranges between 3–5% of the total expenditure. See, T. R. Reid, "The Healing of America", Penguin Books, 2010.
Cuban government spent 95.5% of the total expenditure on health in Cuba in 2008, meaning that in Cuba, people spent only 4.5% on health out of their own pockets. On the other hand, USA government spent 47.8% of the total health expenditure in USA, meaning that USA people spent the remaining 52.2%, which is more than half of their total healthcare expenditure, out of their own pockets, because of the lack of universal healthcare system in USA. Governments of developed countries with various forms of universal healthcare systems spent between 82.6% (UK) and 53.9% (Korea), while governments of developing countries spent 74.3% (Thailand) and 23.8% (Cambodia).

These data indicate that, for example, in USA, health is still a matter of individual responsibility, not a matter of collective responsibility of a government and individual freedom of choosing a private health insurance company should be respected, including the freedom not to subscribe to a health insurance at all. Figure 2 also shows that governments with universal healthcare system from Cuba (95.5%) to Korea (53.9%) spent more than governments without universal healthcare system, including USA (47.8%).

The reasons for Thai government spending the highest percentage (74.3%), while Korean government spending the lowest (53.9%) in each respective group cannot be explained at this moment, and are an interesting topic for further study.

2.3 Growth of government expenditure on health as % of total expenditure on health from 2000 to 2008.

Figure 3 shows the growth of government expenditure on health as % of total expenditure on health from 2000 to 2008. If governments put higher priority on health in their policy deliberations, their expenditure on health would increase relative to the total expenditure on health in each country.

Governments which have increased their expenditure on health as percentage of total health

Cuban government has a tradition of taking good care of peoples’ health, because one of the Cuban Revolution leaders, Che Guevara, who was a medical doctor, instituted a universal health system in Cuba after the Revolution succeeded in 1959.
Military expenditure, more than 1.2 times in 2008 as compared in 2000 are Thailand (1.43), Vietnam (1.41), Indonesia (1.38), Cuba (1.30), Korea (1.27), Singapore (1.26), Denmark (1.21) and Germany (1.21). On the other hand, governments which have decreased their expenditure on health as percentage of total health expenditure in 2008 as compared in 2000 are China (0.93) and Philippines (0.87).

3. Military expenditures

3.1 Military expenditures as % of GDP and in absolute values

Figure 4 shows the military expenditures as % of GDP in 2008. USA spent the most (4.3% of its GDP) on military, followed by Singapore (3.9%), Korea (2.8%) and UK (2.5%) among the 18 countries listed in Section 1. On the other hand, the least spenders on military were Philippines (0.8%), Japan (0.9%), Indonesia (1.0%), Cambodia (1.1%), Sweden (1.2%), Canada (1.3%) and
Figure 5  Military expenditure in US billion dollars ($) in 2008
Source: SIPRI, ‘Military Expenditure Database 2011’

Figure 6  Per capita military expenditure in 2008 (US$/person)
Source: Military expenditure—SIPRI, ‘Military Expenditure Database 2011’

Denmark (1.4%).

Figure 5 shows the military expenditure in terms of absolute value in 2008. USA spent the most (619 billion US$), followed by China (93 billion US$, 15% of USA), France (63 billion US$, 10% of USA), UK (55 billion US$, 8.9%) and Japan (50 billion US$, 8.1% of USA). Developing countries spent miniscule amount when compared with that of USA, the highest being Indonesia (4.9 billion US$, 0.8% of USA) and other developing countries spending less than Indonesia.

Figure 6 shows the per capita military expenditures in 2008. In this case also, USA spent the most (US$ 2033/person) in 2008, followed by Singapore (US$ 1519, 75% of USA), France (US$1010, 50% of USA), UK (US$902, 44% of USA) and so on. The least per capita spenders were Cambodia (US$8, 0.4% of USA), Philippines (US$15, 0.7% of USA) and so on. Japan spent (US$393, 19% of USA).
Figure 7 Military expenditure growth ratio as % of GDP from 2000 to 2008
Source: SIPRI, ‘Military Expenditure Database’

Figure 8 Military expenditure growth ratio in absolute value from 2000 to 2008
Source: SIPRI, ‘Military Expenditure Database’

3.2 Growth of military expenditures

Figure 7 shows the military expenditure growth ratio as % of GDP from 2000 to 2008. Indonesia grew most (1.67 times) from 2000 to 2008, followed by USA (1.43 times) and Malaysia (1.25 times). While the following countries actually decreased military expenditure as % of GDP from 2000 to 2008: Cambodia, Sweden, Philippines, Singapore, Germany, Japan, France and Denmark. In absolute terms, countries which decreased military expenditure from 2000 to 2008 were only Sweden (0.77), Germany (0.93) and Japan (0.97) as shown in Figure 8. Countries that increased their military expenditures most from 2000 to 2008 were China (2.89 times), followed by Indonesia (2.42 times), Malaysia (2.08 times) and USA (1.65 times).

Figure 8 shows the military expenditure growth ratio in absolute terms from 2000 to 2008. It was China who increased its military expenditure 2.89 times from 2000 to 2008, followed by Indonesia (2.42 times), Malaysia (2.08 times) and USA (1.65 times). Countries which decreased their military
4. Health expenditure vs. military expenditure

Let us compare how much GDP was spent on health vs. military in these 18 countries.

Figure 9 shows health expenditure as % of GDP over military expenditure as % of GDP in 2008. Japan spent 9.2 times more on health over military expenditures, followed by Germany (8.1 times more), Sweden (7.8 times more), Canada (7.4 times more) and Denmark (7.1 times). On the other hand, Singapore spent least on health (0.8 times), followed by Malaysia and China (both 2.2 times), Indonesia and Korea (2.3 times).

Figure 9  Ratio of the total health expenditure as % of GDP over the military expenditure as % of GDP (2008)
Source: Health expenditure—WHO, World Health Statistics 2011
Military expenditure—SIPRI, "Military Expenditure Database 2011"

expenditures from 2000 to 2008 were Sweden (0.77 times), Germany (0.93 times) and Japan (0.97 times).

Since the military expenditure data on Cuba are not shown in the SIPRI data, the health expenditure vs. military expenditure on Cuba was not possible to calculate.
Figure 10 shows how much each government spent on health over military in 2008. The WHO’s World Health Statistics data only show total health expenditure on health as % of GDP (A) and government expenditure on health as % of total health expenditure (B), the government expenditure on health as % of GDP can be calculated by multiplying (A) and (B). On the other hand, military expenditures were spent only by government. Hence, Figure 10 is obtained, which shows how much importance each government is placing on health over military.

As shown in Figure 10, Japanese government comes as top spender on health over military (7.4 times), followed by Sweden (6.1 times), Germany (6.0 times), Denmark (5.6 times) and Canada (5.2 times). On the other hand, governments which spent more on military over health were Thailand (0.19 times), Singapore (0.28 times) and Malaysia (0.95). Chinese government spent equally on health and government in 2008.\(^8\)

5. Conclusion

As the author stated in the Introduction of this paper, he considers that health expenditure is spent for the well-being of the people, while military expenditure is spent for the well-being of the current regime. Hence Figures 9 and 10 can be considered as indicating how much importance is placed on the well-being of people over the well-being of the current regime by each country as a whole (Figure 9) and by each government (Figure 10). From these two Figures, it can be concluded that, in 2008, countries such as Japan, Germany, Sweden, Canada and Denmark were placing more emphasis on the well-being of their people, while countries such as Singapore, Malaysia, China and Indonesia were placing less emphasis on the well-being of their people when compared with the well-being of the current regime. Government wise, people oriented countries were the same, but Thailand is added to the list of governments which placed less emphasis on the well-being of their people.

A survey conducted by the BBC World Service (UK) in cooperation with the Program for International Policy Attitudes (PIPA) (USA) in 2007 reported, as shown in Figure 11, that Canada and Japan were rated as the most loved countries in the world with 54% of people regarding them mainly positive view by some 28,000 people living in 27 countries.\(^9\) The BBC World Service report quotes the PIPA Director Steve Kulla as saying, "Countries that relate to the world primarily through soft power, like Japan, France, and the EU in general, tend to be viewed more positively." I would like to add that the “soft power” would include the countries’ interest in the health of their people, as illustrated by their expenditures on health. The report also quotes the PIPA Director as saying, "It appears that peo-

\(^8\) As already stated in footnote 4 in Section 1, the Chinese government started its healthcare reform in 2009 and announced a massive investment to overhaul its healthcare system. This paper is written on the basis of data in 2008. It is expected and hoped that this ratio of government health expenditure over military expenditure will increase dramatically in 2010 and afterwards.

\(^9\) BBC World Service in cooperation with the Program for International Policy Attitudes (PIPA), ’Least and Most Loved Countries in the World’, March 7, 2007
ple around the world tend to look negatively on countries whose profile is marked by the use or pursuit of military power. The intention of the use or pursuit of military power is most vividly known by the expenditure on military.

One last point I would like to add is about the mainly negative views of 24% of people surveyed on Japan, which puts Japan second to Canada on which 14% of people surveyed had negative views. I think that one of the reasons for giving rise to the negative views on Japan is the lack of letting the world know about Japan, in particular, the peace loving nature of the Japanese people as stipulated in the Constitution of Japan. I would like to make efforts to let the world know about Japan’s current status on health and on people’s thinking on peace by writing in English, such as I have done on health in this paper.

Figure 11  Least and Most Loved Countries in the World
Source: BBC World Service in cooperation with the Program for International Policy