Health spending and financing

Total health spending accounted for 7.3% of GDP in Ireland in 2002, more than one percentage point lower than the latest available average of 8.6% in OECD countries. The United States is, by far, the country that spends the most on health as a share of its economy, with 15% of its GDP allocated to health in 2003. Switzerland and Germany followed with, respectively, 11.5% and 11.1% of their GDP spent on health. Norway and France spent over 10% on health in 2003.

In terms of health spending per capita, Ireland ranks just above the OECD average, with spending of 2386 USD in 2002 (adjusted for purchasing power parity) compared with an OECD average of about 2300 USD. The United States again topped the OECD ranking of health spending per capita, with 5635 USD per capita in 2003.

Health spending per capita in Ireland grew, in real terms, by an average of 11.4% per year between 1998-2002, the fastest growth rate of all OECD countries and more than double the OECD average of 4.5% per year. However, the strong growth in the Irish economy over the same period (the highest annual growth rate in per capita GDP in the OECD) has meant that the proportion of GDP devoted to health has increased only slightly (by one percentage point) over the period.

The public sector continues to be the main source of health funding in all OECD countries, except the United States, Mexico and Korea. In Ireland, 75% of health spending was funded by government revenues in 2002, slightly above the OECD average of 72%. The Irish government’s commitment to increase public health expenditure has seen the public share increase from 71.5% in the mid 90s. The share of public spending on health ranges from a low of 44% in the US to over 83% in parts of Scandinavia (Denmark, Sweden, Norway) and the United Kingdom.

Resources in the health sector (human, physical, technological)

Despite increasing numbers of doctors in recent years, Ireland continues to see a lower physician density per capita than in many other OECD countries. In 2002, Ireland reported 2.6 physicians per 1,000 population. This figure is higher than in countries such as the United States, Canada, the United Kingdom and Australia, but falls short of the OECD average of 2.9 and well behind other European countries such as Germany and France, who both record 3.4 physicians per 1,000 population.

On the other hand, Ireland records the highest density of practising nurses with over 15 nurses per 1,000 population in 2002, far above the average of 8.2 across OECD countries.

The number of acute care hospital beds in Ireland in 2002 was 3.0 per 1,000 population, below the OECD average of 4.1 beds per 1,000 population. In most OECD countries including Ireland, the number of hospital beds per capita has fallen over recent decades.

Health status and risk factors

Most OECD countries have enjoyed large gains in life expectancy over the past 40 years. In 2002, life expectancy in Ireland stood at 77.8 years, the average in OECD countries. For comparison, Japan, Switzerland, Spain, Iceland, Sweden and Australia all register life expectancies of over 80 years.
As in other OECD countries, infant mortality rates in Ireland have fallen dramatically over the past few decades. The rate stood at 5.1 deaths per 1 000 live births in 2003, lower than the OECD average of 6.1. Infant mortality is the lowest in Japan and in the Nordic countries (Iceland, Sweden, Finland and Norway).

The proportion of daily smokers among the adult population has shown a marked decline over recent decades across most OECD countries. Much of this decline can be attributed to policies aimed at reducing tobacco consumption through public awareness campaigns, advertising bans and increased taxation. Ireland has seen the proportion of smokers among adults fall from 43% in the early 70s to 27% by 2002, which is around the current average in OECD countries. The lowest rates among all OECD countries are in Canada, Sweden and the United States, with fewer than 18% of adults reporting to be daily smokers.

At the same time, obesity rates have increased in recent decades in all OECD countries for which trend data is available. There remain however notable differences in obesity rates across countries. In 2003 (or the most recent year available), the prevalence of obesity among adults varied from a low of 3.2% in Japan and in Korea to a high of 30.6% in the United States. Countries like the United Kingdom, Australia and Mexico also report relatively high obesity rates among adults (over 20%)\(^1\). In Ireland, the obesity rate among adults stood at 13% in 2002, up from 10% in 1998. The time lag between the onset of obesity and increases in related chronic diseases (such as diabetes and asthma) suggest that the rise in obesity that has occurred in most OECD countries, including Ireland, will have substantial implications for future incidence of health problems and related spending.

More information on OECD Health Data 2005 is available at www.oecd.org/health/healthdata.

For more information on OECD’s work on Ireland, please visit www.oecd.org/ireland.

\(^1\) It should be noted however that the data for the United States, the United Kingdom and Australia are more accurate than those from other countries since they are based on actual measures of people’s height and weight, while estimates for other countries are based on self-reported data, which generally under-estimate the real prevalence of obesity.