



Health Costs Of Sacrificing Livelihoods

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The COVID-19 myth that's done the most harm is that 'it's about lives versus the economy'. This ignores the connection between unemployment and reduced life expectancy.

Of all the myths of COVID-19 such as “we’re all in this together” and “lockdowns are a last resort”, the myth that’s done the most harm is [“it’s about lives versus the economy”](#). When put like that, it’s no surprise “lives” won.

“Life” is one of the most evocative and meaningful of all words, and we all have but one life. The “economy”, on the other hand, is a concept that’s vague, completely impersonal, and not something that a life should be given up to save. Even changing the terminology to “lives versus livelihoods” doesn’t quite rebalance the equation because to many people – and, it seems, to many Australian politicians – a person’s “livelihood”, destroyed when the government has shut down their business, can be more than adequately replaced by a welfare payment funded by



borrowing from future generations.

Yet there is a cost to sacrificing “the economy” to save lives, and it can be measured. The relationship between unemployment and reduced life expectancy is well known and much studied. The strength of that relationship is debated, but that there is connection between the economy and the health of the population is not questioned.

Given that country’s experience and memory of mass unemployment, it’s a relationship most thoroughly studied in the United States. The largest increase in recorded suicide rates in America occurred during the Great Depression.

Ten years ago, the Royal Australasian College of Physicians declared in a landmark report that “unemployment has a significant negative impact on physical health and mental health and results in increased mortality rates”. Cardiovascular disease and suicide are the two main ways in which joblessness affects a person’s health.

It is private sector employees who have paid the cost of the way Australian governments have attempted to manage COVID-19.

If the findings of American research into the effects of unemployment on life expectancy are applied to what’s happened in Australia, the fallacy of “lives versus the economy” is soon revealed.

In March and April last year, approximately 1.62 million Australians – about 13 per cent of the Australian workforce – lost their jobs or were stood down because of [COVID-19 lockdowns](#).

Effects on unemployment on life expectancy

By applying the methodology employed by three leading studies in the US, the Institute of Public Affairs calculated that each of those Australians who either became unemployed or were stood down will on average suffer a 14-month reduction in life expectancy.

What’s significant is that, according to the American findings, those aged 30 to 39 experience on average the greatest loss of life expectancy –approximately 25 months. For someone aged 25 to 29 who becomes unemployed or is stood down, the average reduction in life expectancy is 16 months.

Even if the scale of the reduction in the life expectancy because of unemployment is overestimated, and even if it is acknowledged it’s a reduction on average, it remains true that unemployment is not without consequences for people’s lives.

This reduction in life expectancy is permanent and occurs regardless of whether someone who



loses their job is subsequently re-employed.

It is the experience of unemployment itself that affects a person's health, not necessarily their material condition, as those who became unemployed or were stood down still gained a form of income through welfare payments.

Ironically, Australians were perhaps also more susceptible to succumbing to the “lives versus the economy” myth because the country's economy had been so strong for so long. More than a quarter of a century had passed since Australia's unemployment rate was more than 10 per cent.

A community that had experienced the consequences of high unemployment might have been less likely to embrace the decision to close vast swaths of the private sector.

That is the point. It's not public sector workers who have lost their jobs because of COVID-19 – indeed many have received pay increases and their numbers have increased. It is private sector employees who have paid the cost of the way Australian governments have attempted to manage COVID-19.

In truth, the “lives versus the economy” equation was never even an equation, because “lives” were assumed to count for everything and “the economy” for not much.

Unfortunately, to even whisper there should be a cost-benefit analysis of governments' COVID-19 policies risked public opprobrium, accusations of callous indifference to human life, and worse.

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