



## Introduction

# Ten years after the financial crisis: The long reach of austerity and its global impacts on health




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Austerity  
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 Safety net  
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The global financial crisis starting in 2007 prompted national governments around the world, and notably many within the European Union, to implement austerity measures. Similar to structural adjustment programs (SAPs) implemented throughout the developing world since the 1980s, much of the pressure to adopt and enforce austerity measures has been levied by global financial institutions such as the IMF. Despite original claims that these measures were intended as ostensibly “short-term” solutions, slow economic recovery or worsening economic conditions in many of the countries impacted by financial crisis has led to an increased number and stringency of measures.

Although purporting to cut unnecessary bureaucratic spending through austerity, government officials tend to exact large cuts on public sector programs and systems – including education and health – that provide social services and oversee social welfare. These reductions in spending crosscut all segments of society but unquestionably render the most detrimental consequences for the poor, whose well-being and basic survival is tethered to the support they receive through public systems and safety nets. Austerity measures deny people these essential forms of social support while also eliminating the very programs that people need during economic crisis (McDaid and Knapp, 2010; McDaid et al., 2013; Pfeiffer and Chapman, 2010; Weaver and Munro, 2013).

The human costs of austerity should not be underestimated. Health decline has been a ubiquitous outcome of austerity measures in recent years (Arie, 2013a, 2013b; Ayuso-Mateos et al., 2013; Brand et al., 2013; McKee et al., 2012; Pearce, 2013; Porter, 2013; Stuckler and Basu, 2013). This relates both to direct cuts on health services and to cuts in other public sectors (Borisch, 2014), including housing, transportation, education, and retirement and pensions. Many European governments for instance, have defunded immigration integration programs that were explicitly focused on removing barriers to social inclusion by helping refugees, asylum seekers, and other migratory groups to connect with

housing, employment, education, and healthcare (Collett, 2011). Since the flood of austerity measures in the EU, there have been significant increases in physical and mental health problems including sharp increases in the number of diagnoses of infectious diseases and suicides (Caraher, 2013; De Vogli, 2013; Fountoulakis et al., 2013). These data suggest that not only are people having to cope with fewer resources in overseeing wellbeing, but that the anxieties associated with doing so have profound negative effects for people’s outlook on the world and overall psychological disposition.

Our tendency to focus on conditions of acute crisis belies the historical tenacity of austerity as lived experience: both the longevity of austerity policies and their health impacts, and the grueling repetition with which austerity has been imposed throughout much of the world. While attention has been most intensely focused on specific sites of austerity in Europe since 2008, it has been a prominent feature of public policy and budgeting across most regions of the world for decades (Pfeiffer and Chapman, 2010).

Thus, our objective in this special section of Social Science and Medicine was to expand knowledge about austerity and health in three simultaneous directions. First, we wished to give attention to the intricate textures of austerity’s impacts on health, paying attention to how austerity takes shape and root in specific locales, while also attending to the development of empirical and conceptual models which might amalgamate more specific data. Readers will note the wide array of methodologies and disciplinary moorings evident in these papers: while many deploy an ethnographic lens to enable a more fine-grained analysis, others use history, policy analysis, and conceptual reviews to document the linkages between austerity and health. Second, we aimed to attend to historical legacies and the historicity of the present, looking at how generations of austerity policies and experiences have shaped people’s health over time. Finally, we prioritized not just geographic range, but an understanding of geographic linkages, examining how austerity traveled amidst and between the global North and the global South, between former colonies and former colonizers, and even alongside migrants as they crossed through these domains. Geography is important, too, in thinking about austerity as both a global phenomenon, and a set of policies with distinct local contours, mediated by politics, cultures, constraints, and opportunities.

This special section represents the culmination of efforts undertaken by the Critical Anthropology of Global Health’s (CAGH) Takes a Stand on Austerity Initiative since 2013. The Takes A Stand (TAS) Initiative is one of the public policy-oriented mechanisms overseen by the Society for Medical Anthropology (SMA) that is intended to

disseminate knowledge and resources to social scientists and the broader public on important and emerging policy concerns as they relate to health and society ([Society for Medical Anthropology, n.d.](#)). Several members of CAGH formed a committee (chaired by Megan Carney) through which they drafted a policy statement and working bibliography of scholarly resources that circulated online among members of SMA. The committee also solicited feedback and encouraged dialogue around the policy statement through SMA's listserv and website. In 2015, committee members organized a conference panel around the theme of "Health in the Time of 'Belt Tightening': An Anthropology of Austerity in Europe and Africa" for the annual meeting of the American Anthropological Association hosted in Denver, CO. Carolyn Sargent (one of the contributors of this special issue) served as a discussant for the panel which included papers from a number of authors featured in this issue.

### 1. Why won't austerity die?

In the years immediately following the 2008 global recession, the term austerity became synonymous with the discussion of Greece. Country ministers in Greece, in collaboration with Goldman Sachs and other banks, had clearly committed fraud in their accounting reports, falsely stating their economic statistics to the European Union and international creditors ([ABC News, 2010](#); [Story et al., 2010](#); [Wills, 2010](#)); internally, the wealthiest Greeks were permitted to continue avoiding tax payments ([Inman, 2012](#)). And when international creditors took notice and the country fell into a state of financial ruin as capital fled the nation, Greeks of little or no means were called upon to be sacrificed—as austerity programs cut their health, social, education, and other public services—so that creditors in other countries could be paid back for their bad investments in Greece ([Stuckler and Basu, 2013](#)). A limited "bail out" of Greece actually resulted in most money being routed through the country and back to the rest of Europe ([Alderman and Ewing, 2012](#)).

The irony of the discussion in Europe at the time was that the United States, long viewed as a conservative contrast to progressive Europe, responded to the same financial crisis with stimulus rather than austerity. Under then-President Barack Obama, the U.S. engaged in a temporary stimulus plan that increased support for unemployment, food assistance, healthcare, and other social supports ([US Congress, 2009](#)). As major economic figures debated stimulus as an alternative to austerity, numerous research articles underscored that stimulus would help with economic recovery by maintaining employment and consumption, and not lead to long-term debt ([Blyth, 2013](#); [Irwin, 2013](#); [Krugman, 2013](#); [Stockman, 2013](#)). The U.S. proceeded to experience an economic recovery, as did some European nations like Iceland who also avoided austerity, while Greece continued to be pummeled by the European Central Bank's demands for austerity despite the program failing to stimulate recovery ([Stuckler and Basu, 2013](#)).

It became clear that the choice of undergoing austerity was not simply due to ignorant faith in the simplistic and incorrect notion that short-term cuts would lead to long-term gains. As explicitly stated by European ministers at the time, austerity was pushed to make a lesson out of Greece ([Spiegel, 2014](#); [Varoufakis, 2016](#)). To limit austerity would be to send the message that average citizens were worthy of long-term sharing in capital, and the assistance and social support that came with it. Hence, the discussion of austerity was not truly a discussion about which economic program would provide the best path for recovery from a recession. Rather, the question was one of worthiness: who was worthy of sharing in capital, and who not?

### 2. The evolution of austerity over the last decade

In the years since the global financial crisis, the U.S. has returned to its more traditional role as a beacon of conservatism when compared to Europe. Under the new Trump administration, at the time of this writing, the economic principle of cutting government spending to promote economic growth has resurfaced despite all research evidence to the contrary ([Rappeport, 2017](#)). Basic facts, let alone peer-reviewed research findings, are being disputed on an unprecedented basis. The fact that job growth is high and unemployment low due to the government stimulus has been ignored, in favor of "alternative facts" suggesting that unemployment statistics or even statistics altogether are simply fraudulent if they dispute presupposed notions ([Nesbit, 2017](#)). The central theme of Trump's presidency is that facts don't matter—that the powerful can do whatever they wish, and say whatever they want, simply because they believe it is true or want others to believe it is true, not because there is evidence to believe it ([Blake, 2017](#)). Hence, austerity again rears its head because it is useful—in this case, to further cut tax payments for wealthy Americans at the expense of those in need of health care and other social services ([Ehrenfreund, 2017](#); [Kodjak, 2017](#)).

Austerity, in this light, is not a new idea produced to promote economic growth, but simply the most recent manifestation of a concept that has permeated earlier struggles over structural adjustment ([Kim et al., 2002](#)), access to HIV medicines ([Basu, 2004](#); [Poku and Whiteside, 2004](#)), and related debates that centered on one theme: are people worthy of shared resources (particularly within systems in which they often produce resources that others take and hoard), or are those who are losing the economic game somehow deserving of their own ruin? As this question is debated worldwide, austerity remains a relevant and persistent theme because it defines the conversation conveniently for the powerful: it focuses on the issue of capital and whether or not it should be distributed or concentrated, rather than focusing on alternative concepts, like decency, rights, understanding, empathy, community, or what we wish our world to look like. Austerity, therefore, is unlikely to die because it serves to persistently frame our conversation in a way that is convenient for those who get to choose such frames. Austerity is the original "alternative fact" — an argument about how to best use capital that constantly returns to ideas about what drives economic growth that have little basis in reality (or research).

### 3. The failures of austerity and health studies

Perhaps because we failed to fully recognize austerity as a politically-convenient concept, rather than as a hypothesis to be tested, we (the public health research community) focused studies of austerity and health on carefully examining the effects of austerity on economic growth and health outcomes, often using natural experiments ([Reeves et al., 2013](#); [2014a](#); [2014b](#); [Suhrccke et al., 2011](#)). We focused on documenting nuanced results, carefully teasing apart pathways and mechanisms of effect, and—with increasing rigor—identifying the optimal strategies to achieve goals like economic and health equity, employment, housing, and food security.

We did not realize—and we include ourselves in this criticism—that evidence would not matter to those using austerity as a weapon, because the goals themselves were not shared. Some in our fields used notions like 'return on investment' to focus back on the capital-centered framing of the debate, as if this would lead to fundamental shifts on the part of those using austerity as a weapon. Those notions, of course, largely failed and simply defined the conversation increasingly towards capital sharing issues, rather than focusing the bigger question of why the real goals of decent

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