Has austerity brought Europe to the brink of a health disaster?

As evidence of rising health problems emerges from countries hit by drastic cuts, **Sophie Arie** asks whether the debt crisis could have been handled better

Nurses on an anti-austerity protest in Thessaloniki, Greece, in April. The banner reads, "no to the storm of cutbacks"

In April this year, the suicide of a couple of Italian pensioners hit by austerity measures and struggling with bills and debts caused a national outburst of grief and anger. Romeo Dionisi, a 63 year old former builder, lost his job when the company he worked for shut down and then could not start drawing his pension because the retirement age was raised by five years. When his wife's 78 year old brother heard of their deaths, he too committed suicide. Many condemned the country's leaders for what they saw as a clear case of "death by state."

The case in Italy is just one in a soaring number of suicides across the countries in Europe that have had the worst economic problems and been forced to implement the most drastic austerity measures. In Greece, Spain, Italy, Portugal, and Ireland suicides have doubled and mental health problems have increased, as have alcohol and drug misuse.[1] Malaria has reappeared in Greece for the first time since the 1970s after mosquito spraying programmes were cut. Infant mortality has been rising since 2008 after a long term fall, and there was a 32% increase between 2008 and 2010 in the number of stillbirths—thought to be related to more women being unemployed and not having health insurance.[2]

Concern is growing that austerity measures, not recession itself, are causing a European health disaster. Southern European countries, which did the most overspending before 2008 and now have the most crippling debts, have been forced to make drastic cuts over short periods in return for bailout funds from the "troika" (the European Commission, the International Monetary Fund, and the European Central Bank). Under such pressure, Greece made cuts to its health budget that now seem shortsighted. As the Greek health minister reportedly put it: "These aren't cuts with a scalpel, they're cuts with a butcher's knife."[3]

Austerity measures have generally led to a rise in unemployment and a rise in the health problems that go with being out of work.

"Had austerity been run like a drug trial, it would have been discontinued, given evidence of its deadly side effects," says political economist David Stuckler, coauthor with Dr Sanjay Basu of a new book that examines links between the financial crisis and public health, *The Body Economic: Why Austerity Kills*.[4]

"Europe's leaders have been in denial of the evidence that austerity is costing lives," he said at the launch of the book in May.

Health trends take time to identify and data are often hard to find or slow to emerge. So although health ministers and experts have been warning of the dangers of policies that will affect health, it is only now that enough independent evidence is starting to force a debate.

Alarming figures

In Greece and Spain, where unemployment reached 24% and 25% respectively in 2012 and youth unemployment is over 50%, suicide rates, which used to be the lowest in Europe, have risen sharply. In Spain, they rose by 46% from 2005 to a peak in 2009, according to official figures and dropped slightly in 2010. Figures are not yet available for subsequent years. In Greece, suicides rose by 27.6% between 2007 and 2009 according to a report in the *American Journal of Public Health*.[5] In Italy, Stuckler and colleagues' examination of official figures for 2000-10 found that the suicide rate was rising at 10.2% a year before the crisis and then began to rise by over 56% each year.[6]

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Greece cut its health budget by 23.7% between 2009 and 2011[4] and Spain by almost 14% in 2012. Spain plans to cut health spending by a further €3.1bn (£2.7bn; $4.1bn) in 2013. Ireland has cut its health budget by €3bn, around 20%, in the past five years.[7] Portugal's health spending fell for the first time in 2011 and Italy's health spending is expected to fall this year for the first time. According to the Italian newspaper *La Repubblica* in 2012 there was a fall of up to 10% in demand for specialist services such as ultrasonography because of the rising cost that must be covered by patients (€65 for an ultrasound scan).

Although most countries have attempted to make savings by switching to generic drugs, policies introduced to shift costs from the state to the patient still mean that more people now cannot afford the medicines or procedures they need.

"The failure to consider the health consequences of austerity policies is preventing people from receiving essential medicines. Medicines are growing less affordable and increasingly hard to access for many," said Monika Kosińska, secretary general of the European Public Health Alliance, at a meeting of members of the European parliament in May.[8]

"Lifesaving medicines should have never made it into any cut list. Healthcare systems should be at the very bottom of the austerity list, not as a default option," said MEP Alejandro Cercas.

Many countries have slashed doctors' salaries and as a consequence their medical professionals are demoralised or leaving the country. A locum general practitioner in Portugal, for example, could earn €25 per hour previously and now


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earns only €16.50. At the same time income tax has gone up (21.5% to 25%) and social security contributions have doubled, so the general practitioner now takes home about 50% of pre-crisis earnings. Incomes of Spanish health workers have fallen by about 25%, and in Ireland a hospital consultant appointed now earns 30-40% of the salary of his or her predecessor.[9]

"We are seeing a south-north migration of health workers now, not east to west any more," says Helmut Brand, president of the European Health Forum Gastein. The loss of medical expertise from southern Europe is one of the many long term problems that analysts like Stuckler say will cost these countries much more in the long term than the savings they have made in recent years.

Health problems are not inevitable

By contrast, countries like Iceland, Finland, and Germany, which have ringfenced their health budgets and protected social security systems from budget cuts, have not seen similar health problems.

Stuckler and Basu's book, based on a broad range of scientific publications, media reports, official figures, and their own research, argues that financial crises do not need to harm public health. Sweden and Finland endured massive financial crashes in the early 1990s, but both countries preserved their social safety nets. Neither country saw a significant rise in suicide rates despite a jump in unemployment. In Finland, life expectancy hit an all time high.

Opinions differ, however, about how much austerity measures themselves, rather than the previous overspending and ensuing financial crisis, have contributed to these problems and whether the troika could have done more, when bailing out Europe's most troubled nations, to encourage them to protect public health.

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How austerity kills

Stuckler argues that the UK, despite not having the same extent of problems as some European countries, is a clear example of how austerity kills. Suicides were falling in the UK before the recession, as elsewhere in Europe. Then they spiked in 2008 and 2009 at the same time as a sudden rise in unemployment. As unemployment fell again in 2009 and 2010, so too did suicides. In the past few years, as austerity measures have begun to take effect, suicides have risen again.

Research has shown that unemployment levels and suicide rates are linked.[10] Michael Marmot, professor of epidemiology and public health at University College London, explains that policies which have pushed unemployment higher can only have increased the health problems.

"If you were considering health alone, you would reduce unemployment and spend on social protection," he says. "If you do neither of these, you are contributing to the ill effects of unemployment."

Sarah Thomson, a senior research fellow at the London School of Economics and coauthor of a WHO report on the effects of the economic crisis on health in Europe to be published in September, says that because countries were given three years to substantially reduce debt, they "picked the low hanging fruit"—finding savings through cheaper drug prices, slashing salaries, and transferring costs to the patient.

"If the troika had given those countries more time they could have avoided some cuts and had a better chance to make cuts that could make their systems more efficient," she says.

Necessary reform?

Some measures have ended unnecessary waste, such as the €409m Spain estimates it was losing each year by prescribing standard volumes of medicines rather than the precise quantities required for a patient's course of treatment. But much deeper efficiency reforms could have been identified with more time.

Ironically, the troika has just extended the deadlines for meeting fiscal targets.

Elias Mossialos, a doctor and economist at the London School of Economics and former Greek politician, warns, however, of the danger of blaming austerity for the health problems that are emerging in his country and others. He points out that although Greece's suicide rate has risen, it remains low compared with that in northern European countries. And the legacy of the country's years of excess means that it still has more doctors per capita than any European country, more magnetic resonance imaging scanners, consumes more antibiotics, and carries out more caesarean sections. Despite making cuts on drug spending Greece is still spending more than any other European countries (drug spending increased from €1bn in 2000 to €5.1bn in 2009).

"Of course, austerity has an impact on health. But that could be used as an argument to induce and increase spending again without considering reducing spending where it is unnecessary," Mossialos says.

"We don't want to go back to 2009. The EU should be asking for countries to make their health services more efficient."

Until now, health has barely been discussed within debates over the financial crisis and austerity measures. Health officials have been sounding alarm bells for some time. A year ago, John Dalli, European commissioner for health and consumer policy, warned Europe could be "sleep walking into a catastrophe" as budget cuts hit healthcare services. He warned that Europe was heading towards a humanitarian crisis and warned of the risks of neglecting public health in times of austerity.[11] But, says Marmot, policy makers on all sides of the political spectrum have chosen to ignore inconvenient truths about health until now.

"At the beginning decisions were taken very much at a macroeconomic level, and policy makers had to balance various policy areas against each other. Difficult choices had to be made," says the European Commission director for health systems and products, Andrzej Rys. "We are now more involved in debate about structural reforms and finding the best way of doing things."

Under the Maastricht treaty, the EU is responsible for protecting health, although individual states are in charge of their own healthcare provision. EU officials and health experts are now looking at ways to strengthen that mandate. "Those changes should include a further strengthening of the European parliament's role in public health issues," said Brand. "One problem is that there is no strong face in Europe for public health. Countries involved in making the biggest cuts didn't have health on their radar. That has got to change."

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