

## EDITORIALS

## Austerity policies in Europe—bad for health

Health protection within the EU mandate is more relevant than ever

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Austerity measures introduced in many European countries as a consequence of the 2008-09 economic crisis have had many adverse effects on social determinants of health. These include falling incomes, high rates of unemployment, reduced funding for education, and higher taxation. Many people (particularly young ones) are out of work—in Spain and Greece over half of under 25 year olds are unemployed.<sup>1</sup> The combination of long term unemployment, inappropriate skills, and high entry barriers in rigid labour markets has created fears of a “generation jobless.”<sup>2</sup> National austerity packages that have cut health budgets and resulting health policy reforms are additional drivers for adverse health outcomes, especially where health systems were less resilient or weak.

Health effects are accumulating in countries that were severely hit by the crisis, particularly Greece, Portugal, and Spain.<sup>3</sup> In a linked Analysis (doi:10.1136/bmj.f2363), Legido-Quigley and colleagues explore in depth the consequences of Spanish austerity on health policy.<sup>4</sup> They discuss lack of evidence that austerity policies work and the overall illogic of implementing serious health reforms in the current economic circumstances in Spain. Countries burdened by austerity policies have higher rates of poor health, particularly in the unemployed<sup>5</sup>; increased prevalence of mental health problems (such as depression, anxiety) and suicide attempts<sup>3 4</sup>; and increased incidence of infectious diseases, such as HIV.<sup>3</sup> Although not enough data are yet available for a comprehensive assessment of the impact of austerity, further adverse effects can be expected given the known effects of social determinants on health.

Health systems need to become more efficient and “lean,” but governments must carefully consider which policies to implement lest people’s health suffers.<sup>6 7</sup> Reforms to promote generic drug prescription and shift services from the inpatient to the outpatient setting are thought to improve efficiency and reduce costs, and many countries have made such changes.<sup>6 7</sup> However, at the same time, large cuts to hospital services have been made without adequate outpatient capacity in place,<sup>7</sup> user charges have been introduced or increased,<sup>7</sup> and labour costs of the health workforce have been cut.<sup>3 7</sup> Such measures lower the

accessibility, efficiency, productivity, and quality of health systems.<sup>6-8</sup>

The number of operations performed fell by 6% in the first half of 2011 in Catalonia, Spain. At the same time, surgical waiting lists rose by 23%, with almost 17 000 people being affected.<sup>9</sup> In Latvia, massive reductions in hospital infrastructure had negative repercussions on planned hospital care.<sup>8</sup> Moreover, the number of people on waiting lists in Ireland increased by 9% from 2009 to 2010.<sup>6</sup> Wage cuts and dismissals have led to a rising number of health professionals emigrating, as indicated by reports from Ireland, Latvia, and Romania—where an estimated 2500 doctors left the country in 2010.<sup>8</sup> Furthermore, European governments have largely failed to invest in health promotion, remove non-cost effective services from publicly financed benefit packages, or move to integrated care systems.<sup>6-8</sup>

Should politicians be left to allow austerity policies to impinge on current and future health? The member states of the World Health Organization Regional Office for Europe agreed in Tallinn in 2008 on values and criteria for good governance of European health systems. The Tallinn Charter states that health policies should be based on shared values such as solidarity and equity; they should also foster investments in health, promote transparency and accountability, and engage stakeholders in policy development and implementation.<sup>10</sup>

Measures taken in the economic crisis must be weighed against their future implications. Some policies that might save money in the short term could lead to higher long term costs if healthcare needs are unmet. These include policies that cannot easily be reversed, such as privatisation of healthcare systems and introduction of out-of-pocket payments. Health policy decisions need to take into account future demographic changes, such as changes to the structure of the workforce and increasing demands for chronic care services.

Importantly, well functioning social protection systems can buffer the health effects of the financial crisis in the longer term.<sup>7 11</sup> The WHO Health 2020 policy framework and the European Union Council conclusions on modern, responsive, and sustainable health systems offer further strategic guidance.<sup>12 13</sup> The Health 2020 framework provides policymakers

with practical advice based on values and evidence to help reduce health inequality and provide better governance for health. In the EU Council conclusions, EU member states affirmed the common values of universality, access to good quality care, equity, and solidarity of European health systems. Moreover, focus areas for reform (such as effective investment in health systems, hospital management, integrated care models, cost effective use of drugs) are jointly evaluated to support the reorganisation of health systems in light of demographic changes and current budget constraints. However, the emerging evidence suggests that, in times of financial and economic crisis, commitment to these objectives needs to be strengthened to steer health policy making.

Up-to-date and relevant health information is needed to improve governments' stewardship and the design and evaluation of the effects of health policy. There is a need to improve national health information systems and the speed of data availability, the selection of a key set of indicators for timely monitoring, and linkage of health information to social determinants of health. For proper governance of health systems we need to know what we are dealing with and have useful and useable information at our fingertips.

What role should the EU play in protecting the health of European populations? European austerity policies infringe population health and health system organisation at the national level. The EU has linked emergency loans (bail-out packages) to requirements to reduce public expenditure and gained tighter oversight on national budgets in the framework of the European Semester. This has led to detailed demands for health system reforms for some countries by European bodies.<sup>14</sup> With the EU playing a stronger role in member states' health policy reforms, good governance criteria that are relevant at the national level must now also hold true at the EU level. Good governance requires, among other things, that health needs are rigorously assessed and the performance of health systems carefully evaluated when pushing for structural and financial reforms in times of austerity. The expert panel on health investments at EU level is a new source of advice for member states undertaking healthcare reforms.<sup>15</sup> However, the panel will also need comprehensive health information systems to provide information to support the responsiveness, transparency, and accountability of measures taken.

Owing to the growing relevance of EU decisions on national health policies, experts at a conference on the 20th anniversary

of the Maastricht Treaty (and the introduction of a health mandate) emphasised the need for a real commitment to consider health matters across all EU policy areas. The EU mandate to protect the health of the European population becomes more relevant than ever.<sup>16</sup>

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