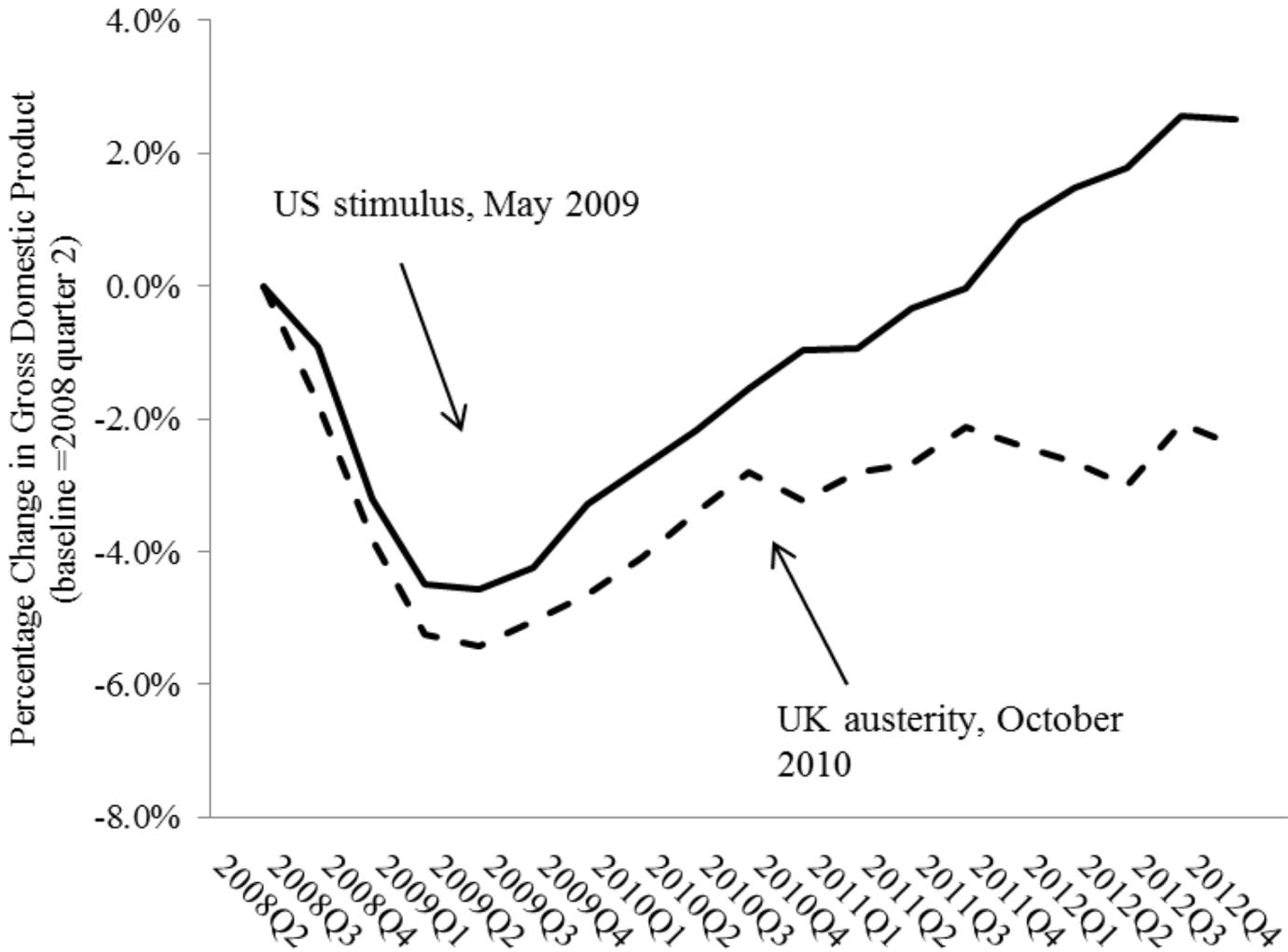


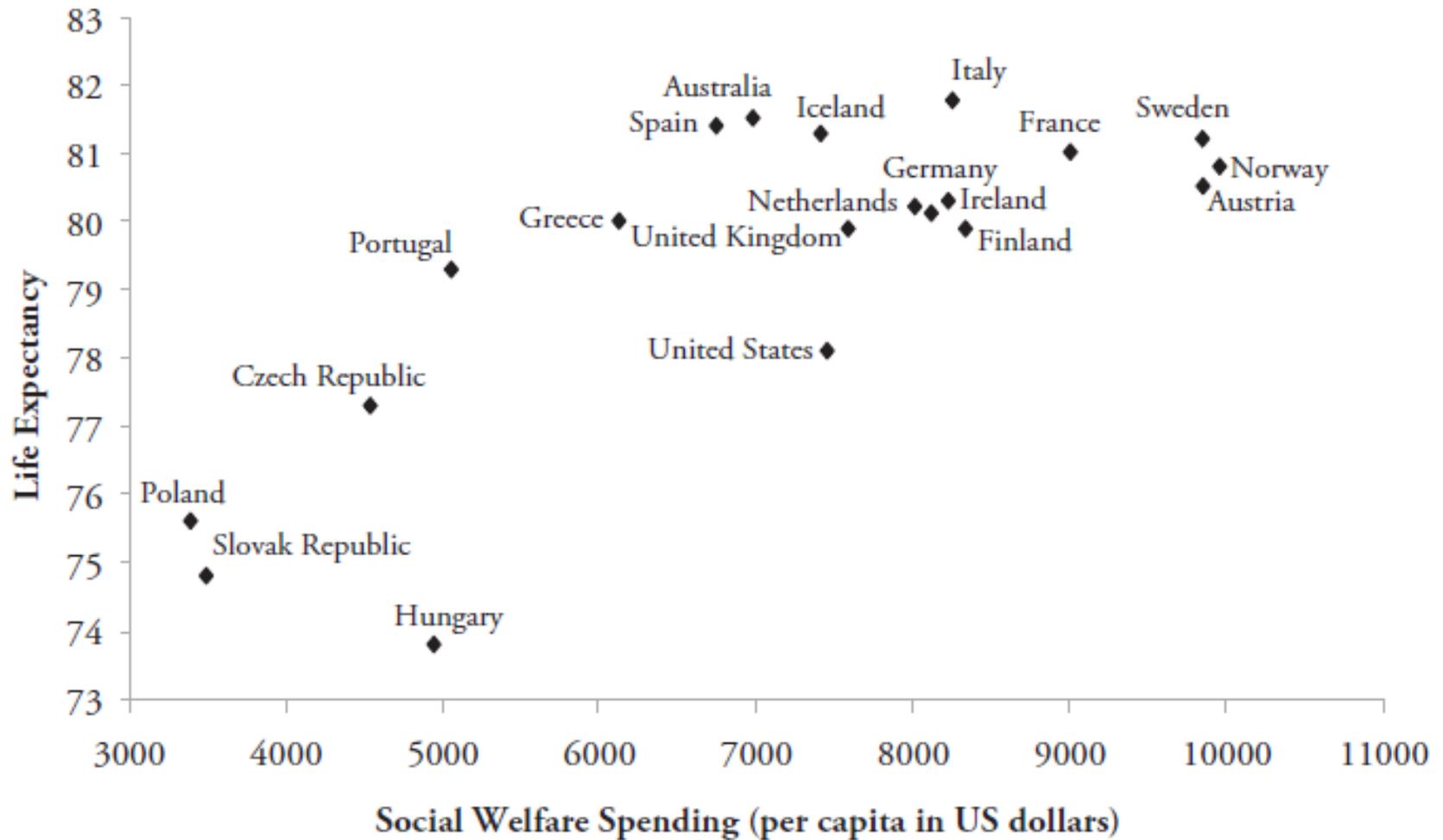


Stimulus versus austerity



Source: EuroStat

Social welfare and health

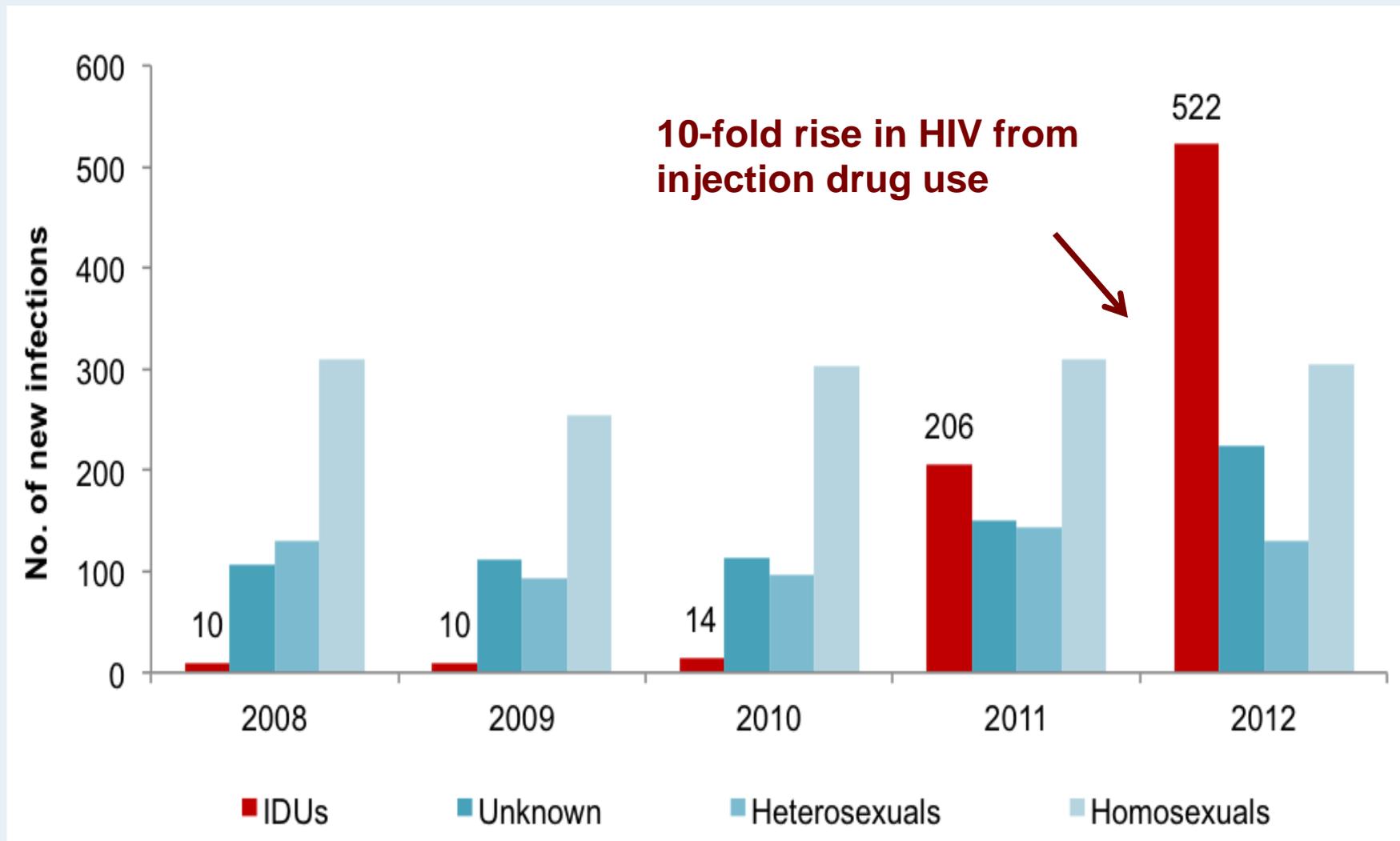


Greek Austerity

Journalist: You asked hospital administrators to present you their 2011 budgets reduced by 40%. Is this possible?

Minister: It is, to the extent that our 2011 policies are implemented. These, like all other government policies, need a surgical scalpel and very sensitive hands. Difficult. Because the Greek public administration does not have sensitive hands: it cannot use a scalpel, it uses butcher's knives...

Greece HIV outbreak

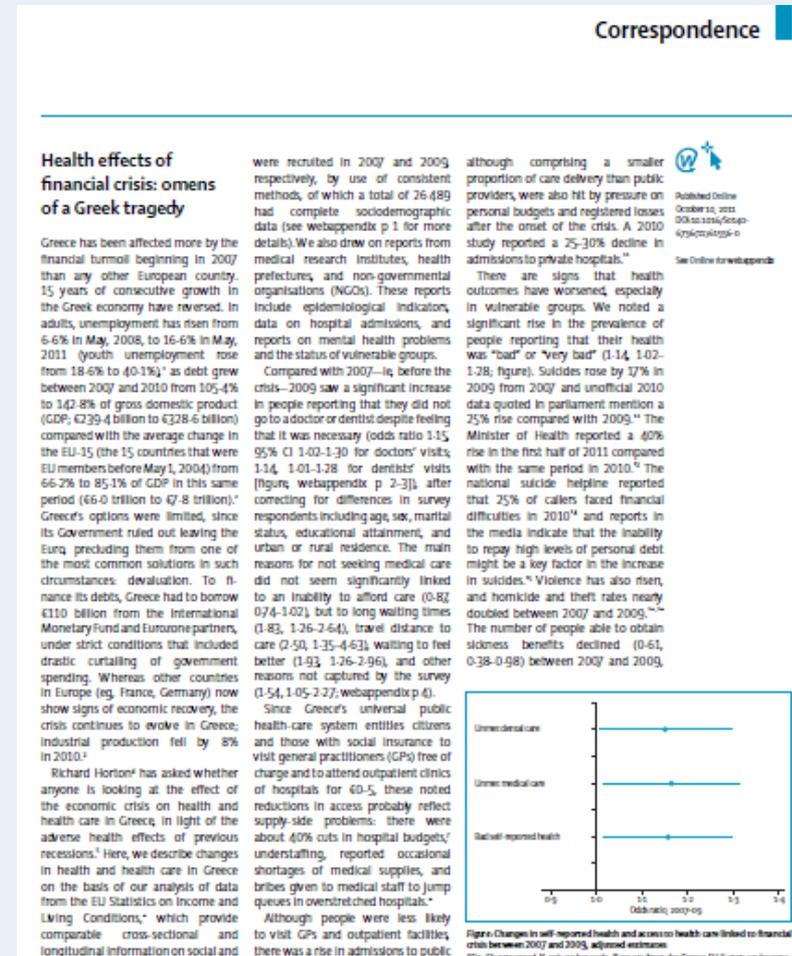


Greek Tragedy

- >200% rise in HIV infections
- 50% rise in people unable to access medical care despite feeling it was necessary
- 39% less likely to access to sickness benefits
- 20% rise in heroin use
- ~100% rise in homicides and theft rates
- 40% increase in infant mortality
- ~60% reported increase in suicides

Source: Kentikelenis A, Karanikolos M, Papanicolas I, Basu S, McKee M, Stuckler D.

Health effects of financial crisis: omens of a Greek tragedy. Lancet 2011



Panic in Greek pharmacies as hundreds of medicines run short

Pharmaceutical companies accused of cutting supplies because of low profits and unpaid bills

Elizabeth Sukkar and [Helena Smith](#) in Athens
The Guardian, Wednesday 27 February 2013 16.54 GMT
[Jump to comments \(736\)](#)



A woman gestures at the state health fund office in Athens. Chemists say patients have been going from pharmacy to pharmacy in search of prescription drugs.
Photograph: John Kolesidis/Reuters

Greece is facing a serious shortage of medicines amid claims that pharmaceutical multinationals have halted shipments to the country because of the economic crisis and concerns that the drugs will be hoarded by middlemen because prices are higher in other European

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[Qatari emir buys six Greek islands for a song](#)

Hamad bin Khalifa Al Thani pays €8.5m for Ionian retreats for

Soc

God Bless Iceland





Iceland's Loud 'No'

- Health minister resigned in protest
- First referendum since 1944
- Total debt stood at >800% of GDP
- 93% voted no to paying back IceSave
- Rejected austerity

“We were wise enough not to follow the traditional prevailing orthodoxies of the Western financial world in the last 30 years. We introduced currency controls, we let the banks fail, we provided support for the poor, and we didn't introduce austerity measures like you're seeing here in Europe.”

- Olafur Grimmson, President

Health improved

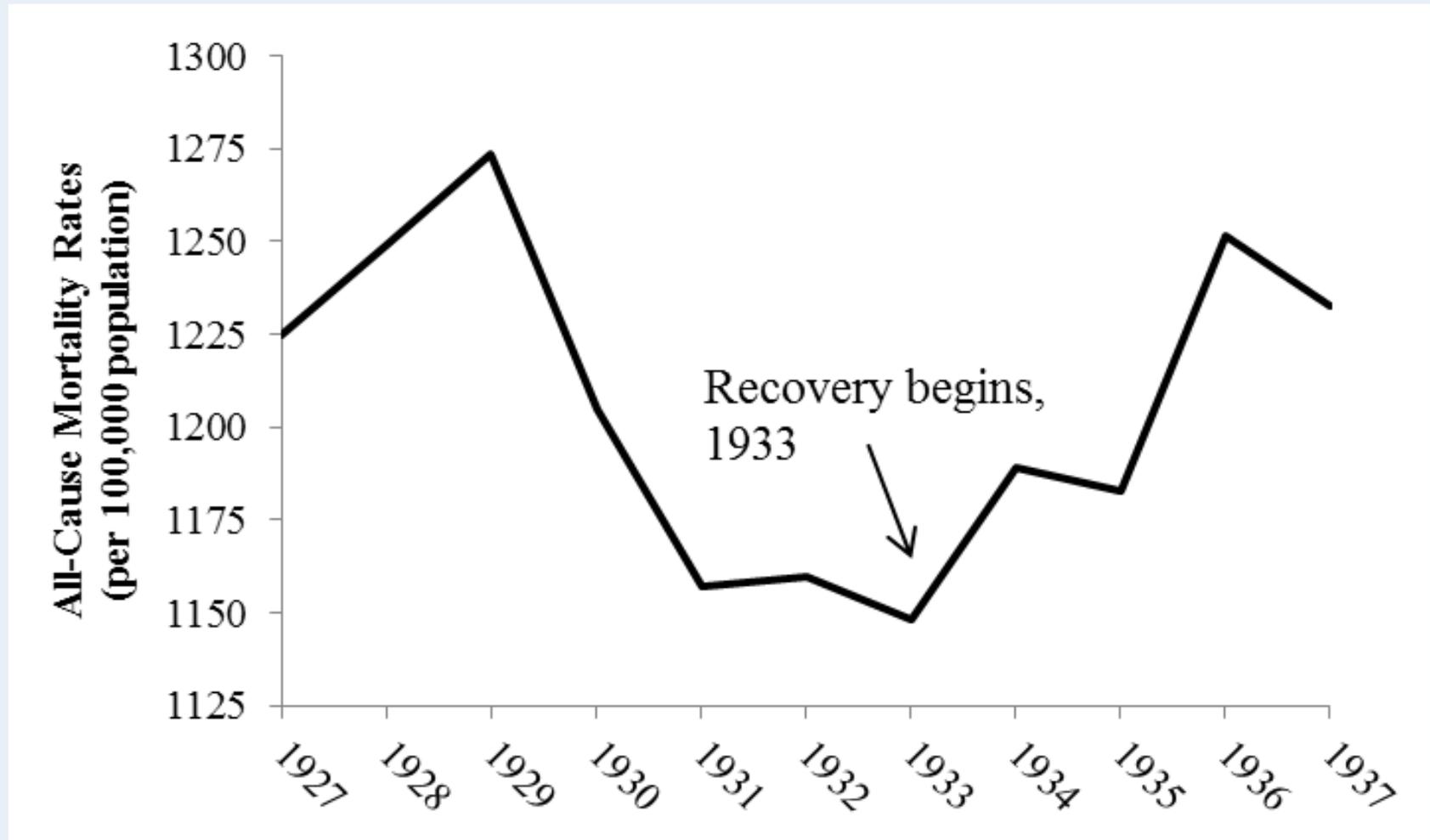
- Social welfare increased
- No loss of healthcare access (apart from dental care)
- Decrease in fast-food
- Increase in fish consumption
- Increase in sleeping

WORLD HAPPINESS REPORT

Edited by John Helliwell, Richard Layard and Jeffrey Sachs



US Great Depression, 1930s



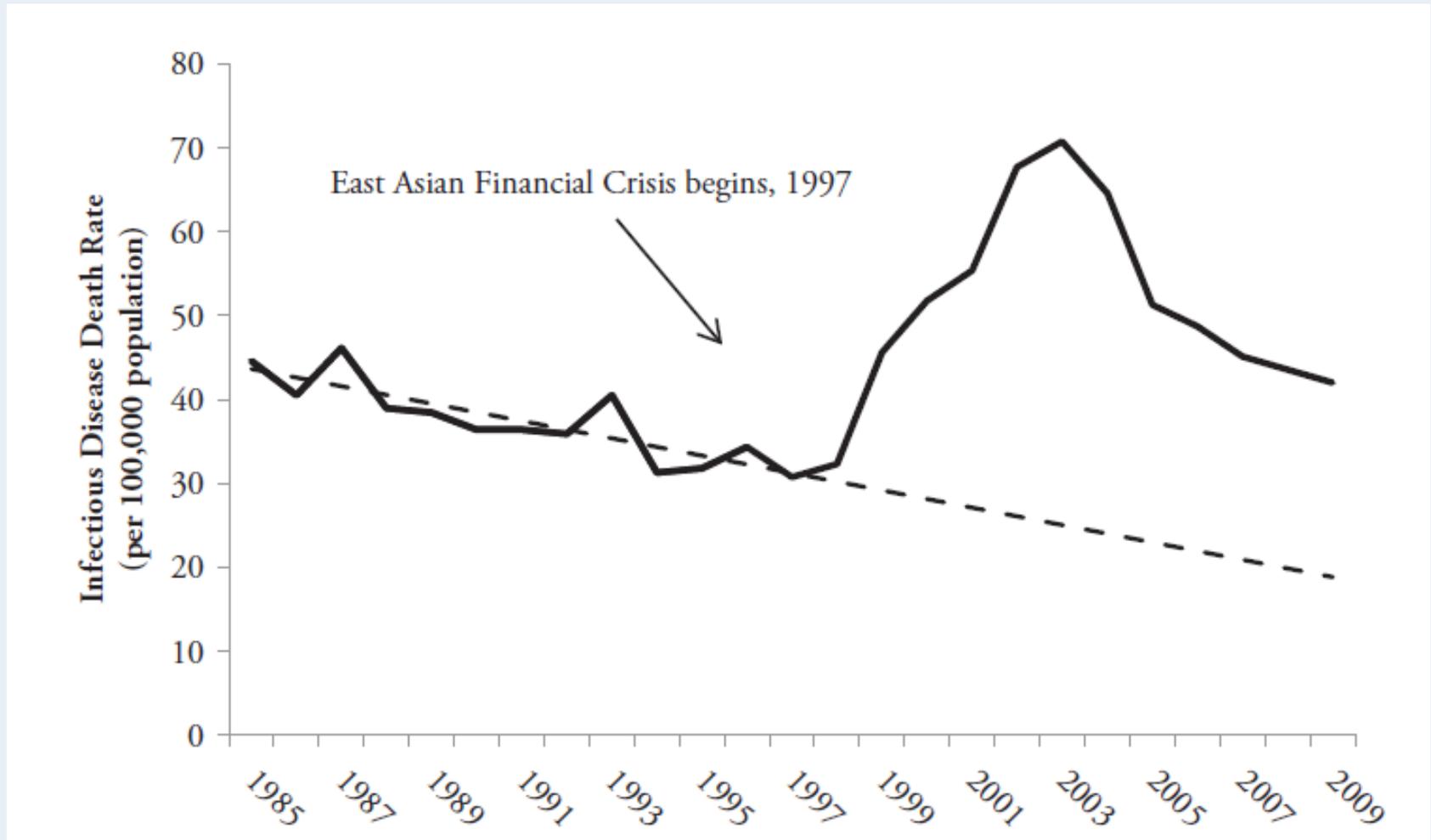
New Deal and Public Health



- More New Deal spending where governor a democrat
- Each \$100 (70 pounds) per capita New Deal spending led to about per 100,000 population:
 - 4 fewer suicides,
 - 18 fewer pneumonias,
 - 20 fewer infant deaths,

Asian Financial Crisis, late 1990s

Thailand's HIV, TB, and infectious disease trends



IMF admits error

WP/13/1



IMF Working Paper

Growth Forecast Errors and
Fiscal Multipliers

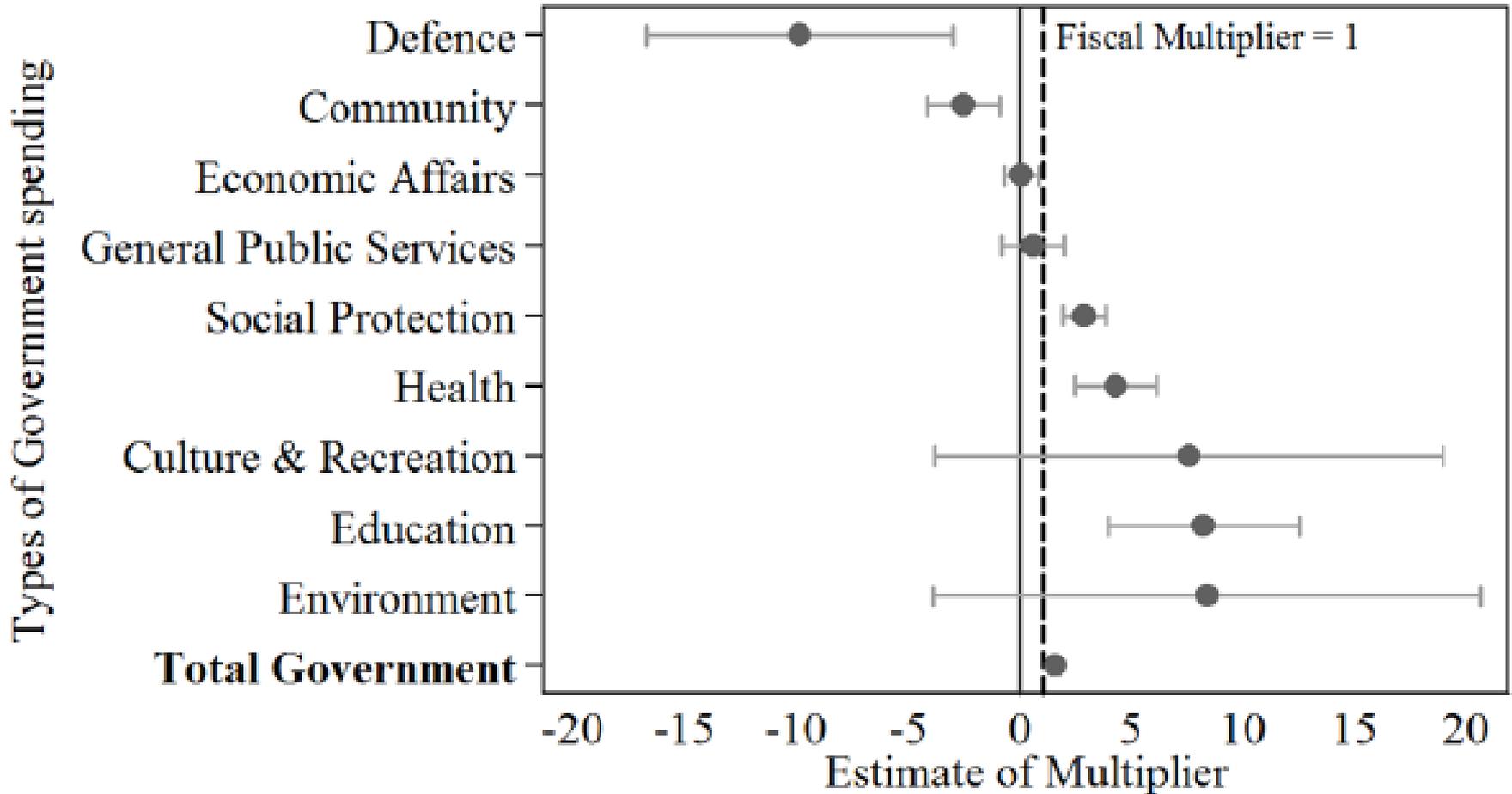
Olivier Blanchard and Daniel Leigh

“We underestimated the negative effect of austerity on employment and spending power”

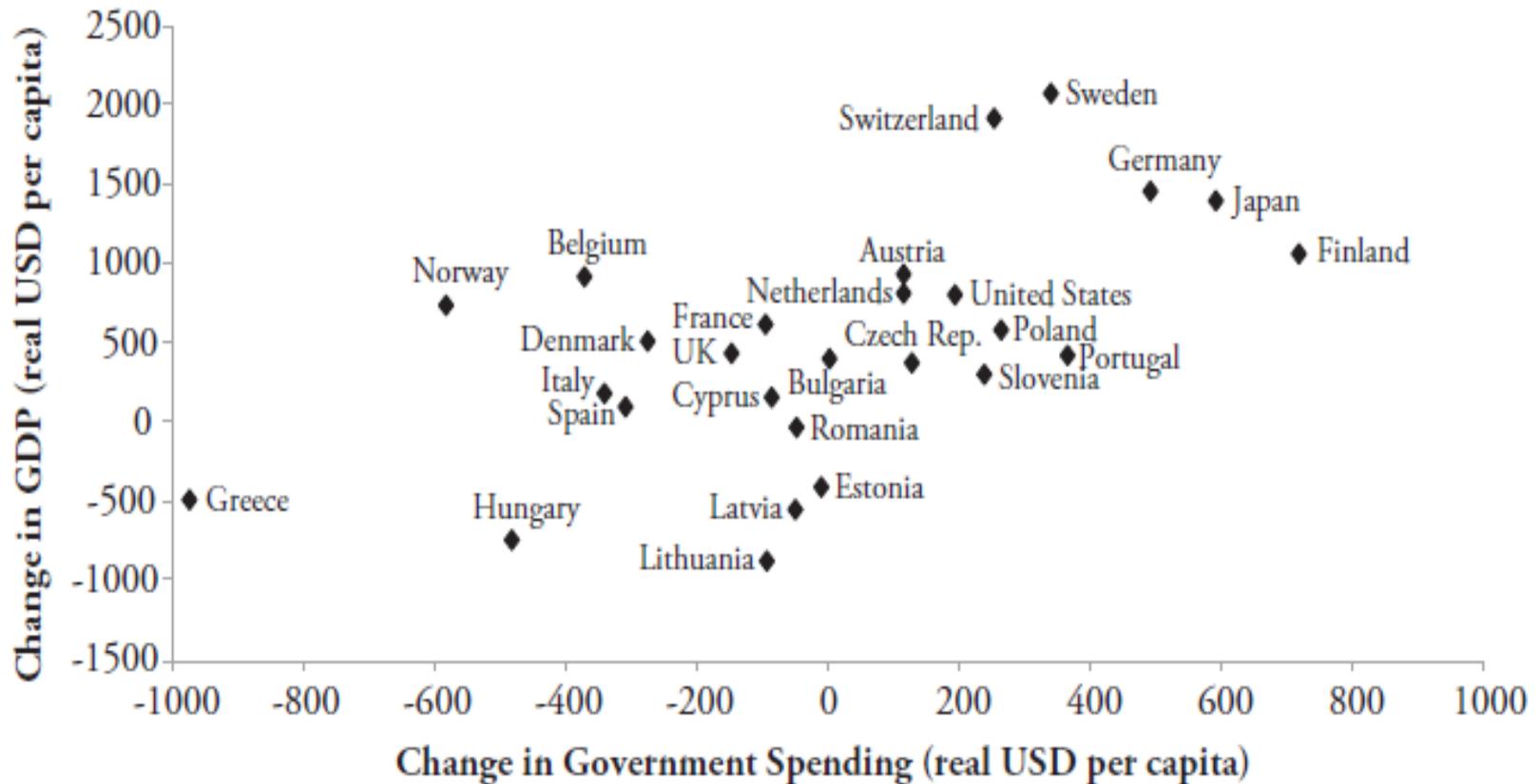
Fiscal multiplier
assumed: 0.5

Actual multiplier: 1.7

Estimated Fiscal Multipliers



Greater public spending, faster economic recovery



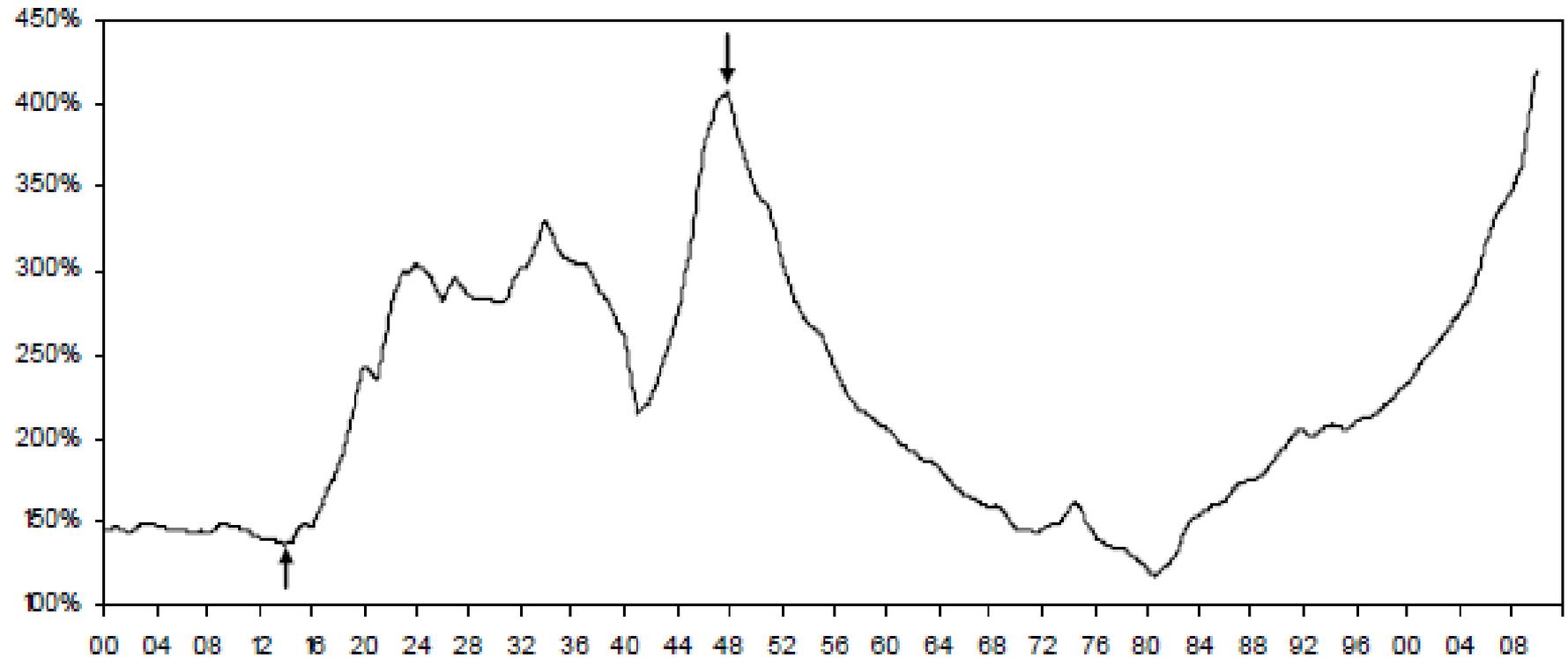
“Despite our financial and economic anxieties, we are still able to do the most civilized thing in the world – put the welfare of the sick in front of every other consideration”

Aneurin Bevan, 1948

Total Debt in the UK

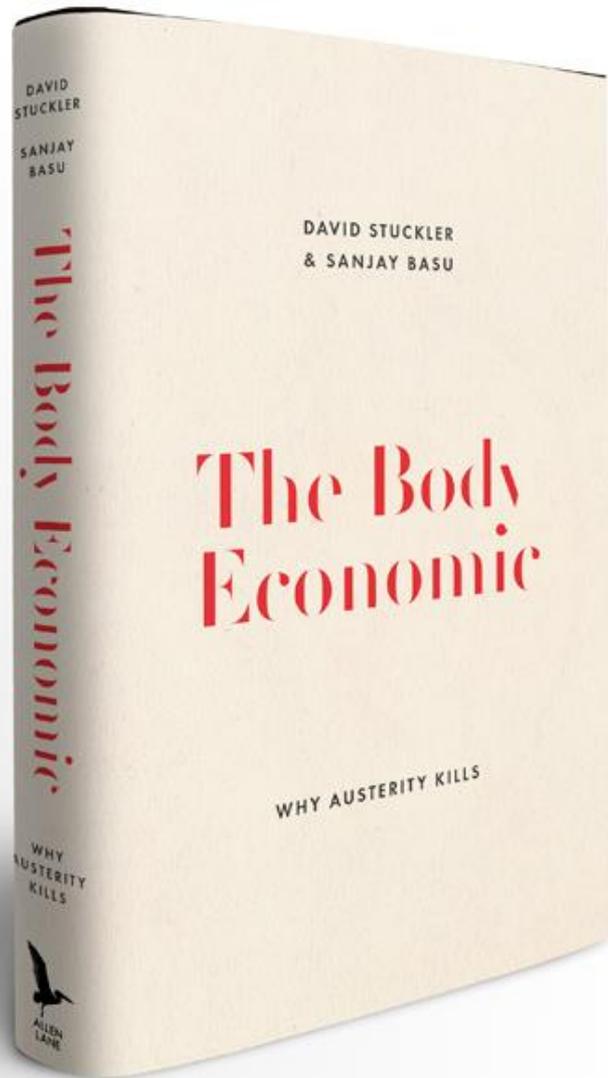
% of GDP

NHS founded, 1948



New New Deal

1. 'First do no harm'
2. Help people return to work
3. Invest in public health



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