Stimulus versus austerity

Source: EuroStat

US stimulus, May 2009

UK austerity, October 2010

Percentage Change in Gross Domestic Product (baseline = 2008 quarter 2)
Social welfare and health

The diagram shows a scatter plot correlating life expectancy with social welfare spending per capita in US dollars for various countries. The y-axis represents life expectancy, ranging from 73 to 83 years, while the x-axis represents social welfare spending, ranging from 3000 to 11000 US dollars. Countries such as Sweden, Austria, and France appear at the top end of the graph, indicating higher life expectancy and social welfare spending. Countries like Hungary and the Slovak Republic are at the lower end. The United States falls in the middle, showing a moderate level of both factors.
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

10-fold rise in HIV from injection drug use

Source: Kentikelenis et al 2012, The Lancet
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

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 resold by middlemen because prices are higher in other European
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 Grimmsson, 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
US Great Depression, 1930s

Source: Stuckler et al 2011 Banking crisis and mortality during the Great Depression. *JECH*
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

[Graph showing trends in infectious diseases from 1985 to 2009, with a peak in 1997 labeled as "East Asian Financial Crisis begins, 1997".]
IMF admits error

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

Fiscal multiplier assumed: 0.5

Actual multiplier: 1.7
Estimated Fiscal Multipliers

Source: Reeves et al 2013
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
Twitter: @davidstuckler

Email: david.stuckler@chch.ox.ac.uk