"Healthconomic Crises": Public Health and Neoliberal Economic Crises

Rapid adjustment to free-market systems, which often takes place during economic crises, poses serious problems for public health outcomes. At a time of economic crisis, it is particularly important to understand the relationship between economic circumstances and public health outcomes. As more countries are forced to adopt free-market models of economic austerity, a number of threats to public health prospects emerge. Therefore we suggest that we are not only in an economic crisis, but also in a health crisis—a "healthconomic crisis." Further exploration of these issues is needed if we are to recommend more sustainable global public health solutions during the coming years.

NEOLIBERAL ADJUSTMENT AS A "SOLUTION"

Across the world, many countries currently face a problematic level of public indebtedness. Consequently, many are being encouraged to pursue neoliberal economic adjustment plans.

Neoliberalism can be defined as a social and economic system in which the role of free markets is particularly accentuated.[1] Governments are less willing to interfere with the free operation of market forces. However, the implementation of neoliberalism often requires extensive government intervention. Such intervention creates the conditions under which free markets are supposed to operate efficiently. Thus, Margaret Thatcher's successful attempts to weaken British trade unionism during the 1980s could be seen as an archetypal neoliberal policy. Some argued that trade unions distorted labor markets and that weakening the trade unions' power would promote economic efficiency. However, to weaken the trade unions, the Thatcher government had to implement a series of government policies, culminating in the heavy-handed police response to the 1984 miners' strike. Neoliberal markets, therefore, should not be seen as "free" markets, but rather as "freed" or even "forced" markets.

As a response to the European debt crisis, a number of countries are being forced to adopt neoliberal adjustment plans. National governments are ceding political power to supranational organizations, with the European troika (the International Monetary Fund [IMF], the European Commission, and the European Central Bank) becoming increasingly powerful. Such organizations have lobbied for the replacement of democratically elected governments with undemocratic technocratic administrations (e.g., Greece and Italy) to steer their countries through the crisis. Governments are expected to foster free markets in their country, thereby leading to greater economic efficiency and productivity. These recent developments have reinforced the notion that political power does not reside solely in the nation-state; rather, it is thoroughly globalized.[2]

Neoliberal adjustment may prove problematic for advancing sustainable solutions in global public health. What we refer to as the "biomarket" suggests that

> power over life is exerted primarily by the market, at both the individual and population level. . . [It is] a system driven by profit rather than welfare; and one that has been encouraged by state actors including governments and transnational organisations.[3]

Current developments across the world are predominantly viewed as an economic crisis. However, this perspective is far too narrow. An era of forced global neoliberal adjustment is resulting in significant public health challenges—in particular, as a consequence of the declining capabilities of public health care systems. We label this phenomenon a "healthconomic crisis." Further exploration of these issues is needed if we are to advance more sustainable global public health solutions during the coming years.

PUBLIC HEALTH DURING NEOLIBERAL TRANSITIONS

Since the 1970s, many countries have been forced through a neoliberal transition. For many poorer countries, such transitions have been particularly pronounced. For example, during the 1980s, most of Latin America was subject to Structural Adjustment Programs, led by the IMF and the World Bank, which tried to liberalize the economies of the continent (again in response to a debt crisis). In the 1990s, the former Soviet Union underwent a similar restructuring program.

As health care systems were deregulated across the world, private companies were encouraged to provide health care instead of the government. Government attention, by contrast, focused on the provision of only basic services to the poorest.

There is little evidence to suggest that the growth of private companies in the provision of public health has been positive.[4] Many countries that underwent a neoliberal adjustment during an economic crisis could better be described as suffering a healthconomic crisis. For example, as Chile liberalized

rapidly during the 1980s, declines in public funding to health care encouraged richer groups to migrate to private insurers. Lower income groups were left in the public scheme, which suffered further because of the drop in contributions from higher income groups.[5] In the former Soviet Union, the attenuation of centrally run health care systems was a contributor to the upsurge in tuberculosis during the 1990s.[6] Broadly speaking, history suggests that the streamlining of public health care systems has led to negative public health consequences.

Today, countries that are undertaking programs of economic austerity are experiencing similar problems. To lower its budget deficit and government debt, Greece is undergoing economic restructuring under guidance from the IMF. The IMF has singled out public health care as one of the primary contributors to Greece's indebtedness:

> The massive deterioration in the underlying fiscal position over the last decade can be largely attributed to an expansion of social spending (particularly health and pension expenditure).[7]

Greece's health care budget has therefore seen large cuts, such that the country's health care budget has been halved since 2007.[8] The IMF has implemented a plan that aims to remove 25% of doctors, as well as 50% of administrative staff, from the Greek health care system, and strict rules now determine the maximum amount that private companies may charge for patented drugs.[9]

The results of Greece's public health reform have not hitherto been heartening. Five-hundred commonly used drugs are in short supply, given that pharmacy companies are not receiving payment from the cash-strapped government.[10] The Danish drug company Novo Nordisk recently withdrew its pen-injection insulin supply from Greece—calling a government decision to lower some prices by 25% unacceptable—only for it to be reintroduced once the company received a higher price.[11]

With health care restructuring, Greece's public health has suffered. The country was declared malaria-free in 1974, yet it reported 40 cases of *Plasmodium vivax* infection in persons without a travel history to a malaria-endemic country between May and December 2011.[12] During the first seven months of 2011, there was a tenfold increase in newly diagnosed HIV-1 infections among injecting drug users. [13] Nile fever has also reappeared, including in regions that had never reported human cases before.[14]

Other European countries are experiencing a series of public health problems. The Portuguese health care budget, in nominal terms, saw an 8.2% cut from 2011 to 2012.[15] The consequences of these cuts have been felt in the provision of primary care. For example, from December 2011, fees charged in Portugal for appointments in primary care rose from €2.25 to €5.00, while emergency visits in primary health care centers rose from €3.80 to €10.00. Even though these increases seem small, research has suggested that they are often the difference between people choosing a medical service or not.[16]

Changes to the Portuguese health care system have coincided with problematic public health outcomes. For example, the General Directorate of Health reported that 11 600 people died in February 2012, 1600 more than in the same month in previous years.[17] Most of the extra victims were older than 75 years. Ana Filgueiras, head of Cidadãos do Mundo, a nongovernmental organization, argued that "seriously reduced incomes this year meant [that elderly people in particular] could not heat their homes to a minimally acceptable level."

One cannot simply assert that health care restructuring has caused these public health problems. The Secretary General of the Greek Ministry of Health and Social Solidarity argues that "no hard evidence has proven that [Greek's austerity program] has become a health hazard or even more so a 'disaster'."[18] Rechel et al. emphasize that "the effects of the current global economic crisis on the spread and control of communicable diseases remains uncertain."[19] Yet much research does suggest that "in an effort to finance debts, ordinary people are paying the ultimate price."[20] More research is needed into the links between economic crisis and public health outcomes.

POTENTIAL FUTURES

One should not argue that healthconomic crises are inevitable. Certain projects exist today which tackle the problematic processes outlined above. India, for example, has asserted its national sovereignty and formulated policies that shield the poor from external economic fluctuations and crises. In 2001, the Indian Supreme Court ruled that all primary school children would receive a cooked midday meal free-of-charge. Amartya Sen notes that "the delivery of cooked midday meals in schools [represents] some of the real progress that has happened in recent years in India."[21] In addition, some countries have refused to subscribe to the neoliberal consensus on public health. Costa Rica, for example, has placed far less emphasis on private health insurance than most other Latin American countries, and studies suggest that this decision has led to greater take-up of health care services across the country.[22] These examples illustrate that a critique of neoliberalism is not always applicable and that projects are being implemented which will improve global public health outcomes in the future.

Structural changes could also be made to prioritize public health outcomes. Despite their shortcomings, purely economic measures of well-being (such as the gross domestic product) still dominate academia and the media. Different measures, such as the Human Development Index, seek to provide a more rounded measure of well-being, including life expectancy and standards of living. Such measures—instead of a simplistic focus on economic fundamentals—should surely become more widely used and discussed.

There is reason to be optimistic that these progressive policies could become more common over the coming years. Jim Kim's recent appointment as president of the World Bank is certainly encouraging, given his background in medical anthropology and global health. Moreover, the election of François Hollande as France's president could result in the tempering of the severe austerity programs that Germany champions so forcefully.

CONCLUSIONS

Here we have argued that we must move beyond the term "economic crisis" to instead take

a broader approach which considers the effect that neoliberal economic adjustment can have on public health outcomes. Thus, we labeled this crisis a "healthconomic crisis." The (underreported) problems in Greece illustrate the negative public health consequences of rapid economic reform. However, it is important not to be totalizing in the analysis. Alternatives to the programs of economic austerity are being implemented across the world, and countries may implement policies that seek to mitigate the effects of healthconomic crises. More research into the specific processes of healthconomic crises is needed if we are to provide more sustainable public health solutions. ■

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