EuroHealthNet
European platform for Action on Health and Social Equity

POLICY PRÉCIS

Making the link: ***Health, wellbeing and the economic and financial crisis in Europe***

The European Platform on Health and Social Equity (PHASE) is an advocacy and action oriented body for EuroHealthNet participants and a wider range of partners from relevant fields in public, private and voluntary sectors willing and able to work on addressing the wider determinants of health. PHASE aims to directly support and actively contribute to the EU policy framework for social investment and innovation by bringing new ideas to bear on areas of specific added value with regards to tackling social inequalities in health.

Our *Policy Précis* provide an easy-to-read analysis of a key policy area, outlining where progress can be made to address social and health inequities in Europe. The aim is to inform and help to improve international, national and local policies and practices within and beyond health systems, in order to promote better health and well-being for all.

This series of summaries is updated and expanded with full references online at **www.eurohealthnet.eu**

The impact on health and wellbeing of the economic and financial crisis in Europe

Why making this link matters

Economic and financial crises are not new in Europe. Neither is the connection of economic cycles to factors determining population health and wellbeing. Adherents of the teachings of Rudolph Carl Virchow, for example, can quote his work in the mid-19th century which laid the foundation for public health in Germany and coined a well-known aphorism: *"Medicine is a social science, and politics is nothing else but medicine on a large scale"*.

The 1986 Ottawa Charter defining health promotion states: *Good health is a major resource for social, economic and personal development and an important dimension of quality of life. Political, economic, social, cultural, environmental, behavioural and biological factors can all favour health or be harmful to it.*[1] Clearly the reports of the (WHO) global Commission on Social Determinants of Health, plus its regional and national successors in Europe, identify the relevant factors, policy and practice options and consequences of actions or inaction.[2] For example, the effects of increased youth unemployment have been called a ''public health emergency'' by the chair of those bodies, Professor Sir Michael Marmot.

It remains too early to measure the full social and health consequences of the financial and economic crises from 2008 to date, which still evolve in many countries and communities. However, as this period has been widely described as the worst peacetime crisis for nearly a hundred years, it is important to identify trends, share lessons, encourage resilience and promote prevention of recurrence. This applies to specific health systems consequences, but also to wider factors impacting on wellbeing.

After an initial period when successive WHO reviews noted concerns, but also that some impacts were being ''cushioned'' by public policy or budget measures,[3] there is much information and analysis becoming available, notably in a major report by the WHO European Observatory[4], which has set up a web platform to monitor the crisis at www.hfcm.eu. This includes not only the health systems impacts widely studied within WHO Europe[5] and EU contexts[6], but also sections on population health and policy impacts. At the end of 2014 a report on 6 European states most affected was published.[7] Most recently, an OSE Research Paper[8] on Southern Europe (SE) similarly examines trends and concludes that *''The current economic and fiscal crisis has brought the Southern Europe welfare model to a political and economic crossroads''* although ''the jury is still out'' on the full impacts of austerity.'

That growing evidence shows that impacts are not homogenous across Europe and some impacts are not fully monitored or reported. While some impacts have been cushioned by policy measures and improved prevention is urged at political levels, mental wellbeing is worsening and some physical risk factors are being exacerbated. Vulnerable people are being more negatively affected than general populations. But there are also positive examples where impacts have been offset or newer approaches introduced. This Policy Précis introduces links to those developments.

1 http://www.who.int/healthpromotion/conferences/previous/ottawa/en/
2 http://www.euro.who.int/en/health-topics/health-determinants/social-determinants/policy/policy-goals-and-recommendations-of-the-commission-of-social-determinants-of-health-csdh
3 http://www.who.int/mediacentre/events/meetings/2009_financial_crisis_report_en_.pdf?ua=1
4 http://www.euro.who.int/__data/assets/pdf_file/0008/257579/Economic-crisis,-health-systems-and-health-in-Europe-impact-and-implications-for-policy.pdf?ua=1
5 http://www.euro.who.int/en/media-centre/events/events/2013/04/oslo-conference-on-health-systems-and-the-economic-crisis
6 http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/143283.pdf
7 http://www.euro.who.int/en/about-us/partners/observatory/news/news/2014/12/health,-health-systems-and-the-crisis-in-six-countries
8 http://www.ose.be/EN/publications/ose_paper_series.htm

The Situation

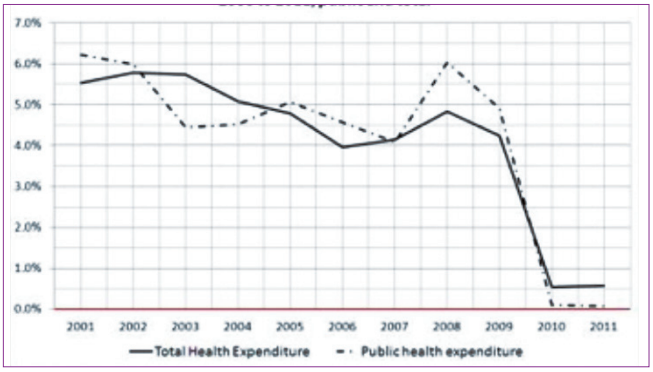
Latest updates from the EC and OECD[9] show that *''between 2009 and 2012, health spending in real terms (adjusted for inflation) decreased by 0.6% per year on average. This was due to cuts in health workforce and salaries, reductions in fees paid to health providers, lower pharmaceutical prices, and increased patient co-payments.''*
Thus some consequences such as cheaper products may be beneficial, but overall cuts to direct health systems and services or increased charges are already impacting on population health and inequalities. So overall: *''Life expectancy continues to increase in the EU, reaching 79.2 years on average in 2012 (82.2 years for women and 76.1 for men) – an increase of 5.1 years since 1990. However, inequalities persist with a gap of 8.4 years between the highest and lowest Member State.''*
These inequalities are persistent within as well as between states, regions and municipalities. As Eurostat explains:[10] *''Health outcomes across the EU are strikingly different according to where people live, their ethnicity, sex and socioeconomic status. ''*

The OECD has shown that : *''after falling sharply in 2010, health spending remained flat across OECD countries in 2011 as the economic crisis continued to have an impact, particularly in those European countries hardest hit by the crisis. Health spending grew on average by close to 5% year-on-year from 2000 to 2009. The drop has been primarily driven by a collapse in the growth of government health spending since 2009.*

In Greece, overall health spending dropped by 11% both in 2010 and 2011; Ireland, Iceland and Spain also experienced two consecutive years of negative growth in health spending. Some countries, such as Estonia and the Czech Republic, saw severe falls in spending in 2010 followed by a modest rebound in 2011. Other countries, including Portugal and Italy, may have delayed cuts in 2010, but then reduced public health spending in 2011. In Portugal, public spending dropped by 8% in 2011 after remaining stable between 2009 and 2010. ''

Below those headlines we see particularly steep cuts for public health:

Average OECD health expenditure growth rates in real terms, 2000 to 2011, public and total



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Such disproportionate reductions happen despite ministerial commitments to *''Continue improving further access for all to high quality healthcare services paying particular attention to the most vulnerable groups''* and *''strengthen further health promotion and disease prevention policies and strategies aiming at improving people's health thereby reducing the need for curative care.''*[12]

But the truth is that in many states health promotion and disease prevention has stalled or been harmed. Policy makers have choices, even in austerity (*3 ibid*). Those choices of course extend beyond health systems, but also impact upon them. As the OSE and WHO Observatory Reports plus analysis by Stuckler and Basu[13] indicate, changes to policy and resources for (inter alia) pensions, housing, social protection, childcare and employment have increasingly shown negative impacts on health and wellbeing. They show *''Overall the different responses… made clear that the danger to health isn't recession alone but the policy measures that are adopted''*. So what can be done? *''Countries which prevent health disasters during recessions are those that have strong safety nets and social protection, including health systems''*. (*13 ibid*) The remainder of this publication cites some positive approaches at various levels.

9 http://ec.europa.eu/health/reports/european/health_glance_2014_en.htm
10 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/healthcare_statistics#Healthcare_expenditure_by_function
11 http://www.oecd.org/newsroom/health-spending-continues-to-stagnate-says-oecd.htm
12 http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/143283.pdf
13 in *''The Body Economic - Why austerity Kills, (Allen Lane 2013).*

Pathways to progress

The EU promotes the coordination of national healthcare policies through an open method of coordination which places particular emphasis on the access to, and the quality and sustainability of healthcare – now more vital than ever. Some of the main objectives include, *inter alia*: universal insurance coverage; affordable care; effective prevention programmes and strengthening health promotion and disease prevention: just what ministers seek. A 2014 Report *''Adequate social protection for long-term care needs in an ageing society''* jointly prepared by the Social Protection Committee and the European Commission is of particular importance in this context.[14]

Access to healthcare, the introduction of technological progress and greater patient choice is increasingly being considered against a background of financial sustainability. Many challenges facing governments were outlined in the EC White paper *'Together for health'* [15] before the economic crisis impacted.

In 2013, the Commission adopted a far-reaching Communication titled *'Towards social investment for growth and cohesion'*.[16] The main axis of that includes ensuring that social protection systems respond to people's needs at critical moments throughout their lives; simplified and better targeted social policies, adequate and sustainable social protection systems; and upgrading active inclusion strategies in the Member States. This is known as the *Social Investment Package* (SIP): if implemented it could become a nascent EU ''social pillar''.

Concerning health, the Communication notes the differences in the accessibility to and quality of healthcare between Member States, as well as underlining the need for reforms of healthcare systems to ensure access to high quality healthcare and to use public resources more efficiently. In the context of social investment throughout an individual's lifetime, the Communication notes that investing in health, starting from an early age, allows people to remain active longer and in better health, raises the productivity of the workforce and lowers the financial pressures on healthcare systems.[17]

In 2014 the Commission adopted a further relevant Communication[18] *''On effective, accessible and resilient health systems''*. European Ministers in the EU Health Council (EPSCO) of June 2014 adopted Conclusions on the economic crisis and health care'' (*9 ibid*). The growing practical impact, but also opportunity for change, is via the EU Semester process incorporating the SIP approach.[19]

EuroHealthNet is working with partners, in most states where relevant recommendations have been made, to identify how improving health and tackling inequities can contribute to solutions. This is being achieved with the support of the EU Programme for Employment & Social Investment (EaSI) plus other EU and national funding sources. We are also contributing to priority initiatives concerning health systems performance assessments and indicators, healthy ageing, tackling chronic diseases and research into social determinants of health through the life-course.

In 2015 the EU Institutions are reviewing overall strategies within the *EU2020* process. EuroHealthNet has contributed a written submission urging a new focus on Wellbeing, Equity and Sustainable Development. Details are at: http://eurohealthnet.eu/media/eurohealthnet-suggests-how-health-should-be-part-solution-eu-2020-problems.

Meanwhile, EuroHealthNet is also supporting the WHO Europe policy for health and wellbeing Health 2020[20], in particular its Public Health Action Plan implementation, via components developing health promotion, communications and health for all policies. In each case using evidence of cost-effectiveness and equity is crucial towards sustainable wellbeing.

14 http://ec.europa.eu/social/main.jsp?catId=758&langId=en&moreDocuments=yes
15 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52007DC0630
16 http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013DC0083
17 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/healthcare_statistics#Healthcare_expenditure_by_function
18 http://ec.europa.eu/health/healthcare/docs/com2014_215_final_en.pdf
19 http://ec.europa.eu/economy_finance/economic_governance/the_european_semester/index_en.htm
20 http://www.euro.who.int/en/health-topics/health-policy/health-2020-the-european-policy-for-health-and-well-being

Setting an example

Early in the crisis an article by Stuckler et al in the European Journal of Public Health[21] anticipated variable consequences for certain states. Subsequent responses across Europe have indeed been diverse depending on ideologies, cultures and circumstances. Some states, such as Sweden or Poland, have made significant social and health changes without economic crises as the key factor. Others have protected health budgets, such as UK countries and France, despite significant reductions in other public sectors which impact health determinants. Among examples of wider interest:

Iceland

Iceland was among the states hit hardest but recovered fastest. So what did Iceland do? It expanded its social safety net and supported those with lower earnings: the un-employment rate fell and debts were repaid. Throughout the whole crisis Icelandic people were at the lowest risk of social exclusion. With this approach Iceland also avoided a public health disaster, no one lost access to healthcare or medication and there was no rise in suicides. Iceland's people repeatedly regard themselves as one of the happiest nations according to surveys. (*13 ibid*)

Greece

The particular economic circumstances and impacts in Greece are well documented. WHO/Europe signed an agreement with the Ministry of Health of Greece to implement the health reform support programme for 2013–2015 in the framework of the Ministry's health in action initiative. The project's goal is to ensure better health and well-being for the people of Greece through comprehensive health-system reform, including primary care and public health.[22] With the election of a new government from 2015 developments will be of great importance across Europe.

Ireland

Healthy Ireland takes a whole-of-Government and whole-of-society approach to improving health and wellbeing and the quality of people's lives. It has been launched by the Prime Minister and all cabinet colleagues.[23]

Estonia

The National Population Health Strategy has five thematic sections and an innovative approach to adopting new technologies:

- Social inclusion and equal opportunities;
- Secure development of youth and children;
- Healthy life-, work- and study environment;
- Healthy lifestyle;
- Development of healthcare system.[24]

Contacts

Please visit our website eurohealthnet.eu/policy/publications for an electronic version of this Policy Précis including sources, further links and additional Policy Précis in this series.

21 http://jpubhealth.oxfordjournals.org/content/32/3/298.long
22 http://www.euro.who.int/en/countries/greece
23 http://health.gov.ie/healthy-ireland/
24 http://hpm.org/en/Surveys/PRAXIS_-_Estonia/12/National_Population_Health_Strategy_%28Cure_for_All%29.html

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