

The COVID-19 response: the health impacts of austerity measures

TO THE EDITOR: The coronavirus disease 2019 (COVID-19) pandemic has raised multiple health challenges for Australian society. In addition to the direct impacts of infection, there will be broader health impacts caused by physical and social distancing and the collapse in economic activity leading to the loss of employment and income. Interventions by the federal government, including JobKeeper, increased JobSeeker payments, the introduction of telehealth, and increased mental health spending, have made an important initial contribution to addressing the health impacts for individuals, families, and communities.^{1,2} A by-product of these interventions, however, has been a rapid increase in government debt.³

We are now seeing increased calls to enact austerity policies. Such policies prioritise rapid reductions in government debt usually through cuts to health and social services. These calls should cause concern. Economic crises can damage mental health, increase the misuse of alcohol and other drugs, and increase

suicidal behaviour.⁴ Austerity policies are likely to worsen these effects.⁴ Such concerns are illustrated by the effects of austerity policies in Europe and the United Kingdom made in response to the global financial crisis, which had serious health-related consequences.⁵ For example, a study on the impact of austerity measures on health reported that austerity policies were implicated in worsening mental health, increased suicide rates, heightened mortality in older age groups, and greater unmet health care needs.⁶ Indeed, despite relatively progressive government interventions during the global financial crisis in Australia, we still had a rise in suicide rates among employed and unemployed Australians.⁷ If enacted in Australia, austerity policies have the potential to lead to health-damaging effects.

It is important not to compound the health impacts of the pandemic with austerity programs focused on short term reductions in government debt. Health and social services are critical buffers against economic shocks,⁸ and austerity is likely to undermine these buffers. Policies that prioritise economic and social supports as well as increasing access to care are likely to reduce the

health impacts of economic crises.⁴ In particular, European countries that invested most in social protections during the global financial crisis suffered the least harms to their populations' wellbeing.^{5,6}

It is also crucial to recognise that austerity policies are a choice. There are alternatives for managing high levels of government debt to cutting public spending on services,⁶ and austerity policies are not widely endorsed by economists.⁹ Government spending on health, education, and social supports has the potential to increase economic growth.¹⁰ Taking a longer term view and avoiding austerity measures will better serve the health of Australia's population, and indeed the health of the nation.

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