



ISSOP Position Statement on the impact of austerity on child health and well being

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1. Introduction

The economic crisis began in 2008 and resulted from massive unsecured debts accumulated during the boom by under-regulated banks and financial institutions in the US and other rich nations. The crisis precipitated the most severe global recession since the 1930s. To prevent financial meltdown, governments were forced to bail out banks to the tune of over £7 trillion (8.8 trn. Euros/\$11 trn.) [IMF estimate]. The bank bailout plus the effect of recession on tax revenues put huge pressure on public finances threatening essential public services. Governments responded in different ways to the crisis [1]; some set out to protect essential services and vulnerable population groups such as children while others instituted austerity policies designed to reduce public spending.

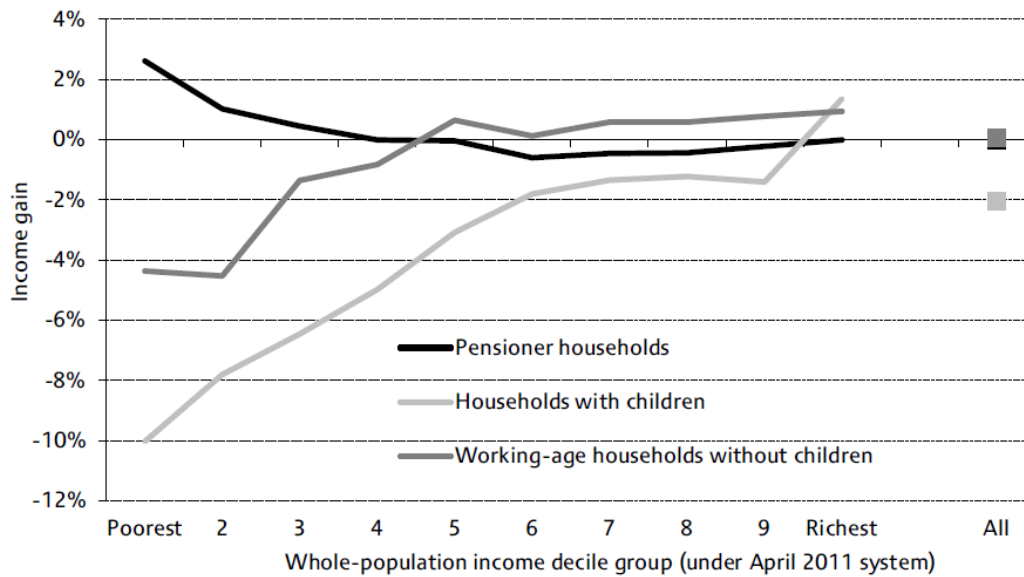
The UNICEF report [1], which relates to relatively rich EU and Organisation of Economic Cooperation and Development (OECD) countries, identifies 3 groups of countries based on their exposure to the crisis: most affected, moderately affected, and least affected. The majority of the most affected countries, such as Greece, Spain, Portugal and Ireland, instituted, or had imposed on them, austerity measures designed to reduce public sector debt. The UK, although in the moderately affected group, also instituted austerity.

The UNICEF report shows that the impact of austerity has been greatest for the poorest children in many countries. It states:

The poorest and most vulnerable children have suffered disproportionately. Inequality has increased in some countries where overall child poverty has decreased, suggesting that tax changes and social transfers intended to help the poorest children have been relatively ineffective (p.3).

Taking the UK as an example, Figure 1 shows that the poorest families with children in the UK have been the hardest hit. There has clearly been a regressive impact of tax and benefit changes resulting from the austerity policies imposed by the UK government on different groups of households by income decile.

Figure 1: Impact of direct tax and benefit reforms introduced or planned between April 2012 and April 2015 by the UK government



[Source: Cribb et al 2013 [2]]

Child poverty is associated with a range of negative health outcomes in childhood and across the life course. [3][4][5] The APA taskforce document [5] sums up the effect of poverty in childhood as follows:

The effects of poverty on children’s health and well-being are well documented. Poor children have increased infant mortality, higher rates of low birth weight and subsequent health and developmental problems, increased frequency and severity of chronic diseases such as asthma, greater food insecurity with poorer nutrition and growth, poorer access to quality health care, increased unintentional injury and mortality, poorer oral health, lower immunization rates, and increased rates of obesity and its complications. There is also increasing evidence that poverty in childhood creates a significant health burden in adulthood that is independent of adult-level risk factors and is associated with low birth weight and increased exposure to toxic stress (causing structural alterations in the brain, long-term epigenetic changes, and increased inflammatory markers)(p.1).

Austerity is pushing increasing numbers of children into poverty. Paediatricians and their national and international associations wishing to promote the health and well-being of children need to be fully aware of its impact on the children they care for and on the whole child population.

ISSOP presents this position statement to call for paediatricians and paediatric societies to:

- monitor the impact of austerity on the child health and well-being
- advocate for the protection of children from the adverse effects of austerity.

2. Statement of the problem

2.1 What is austerity?

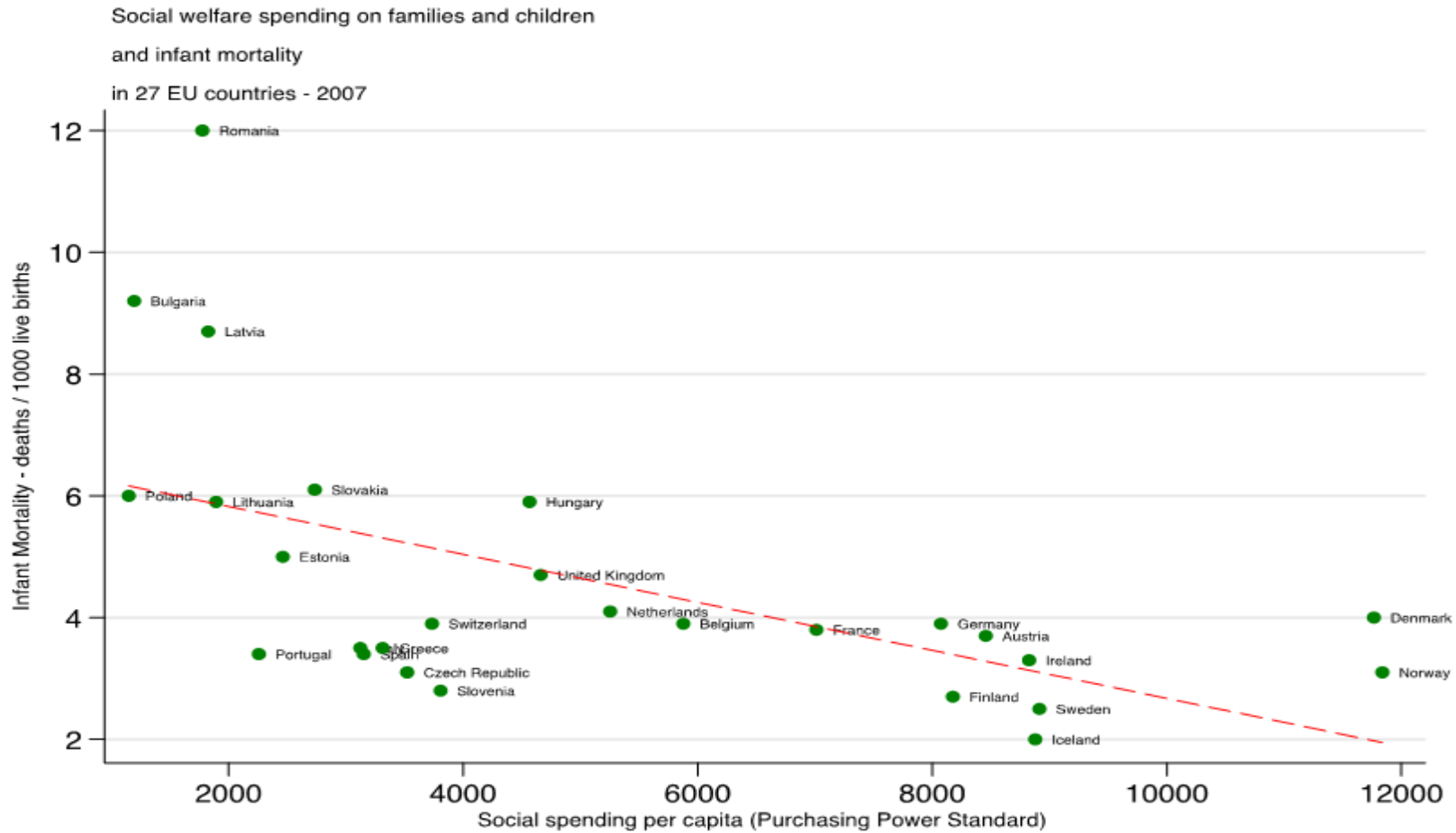
Austerity describes policies used by, or imposed on, governments to reduce budget deficits during adverse economic conditions. These policies may include spending cuts, tax increases, or a mixture of the two. In the poorer Eurozone countries of the European Union (EU) – Greece, Spain, Ireland and Portugal - and in the UK, austerity has been characterised primarily by severe reductions in government spending on welfare and social protection.

2.2 Social protection and children

Well developed social protection systems result in better outcomes for children and protect them against shocks such as economic crises. Those countries in Europe that do have more adequate social protection do experience better child health outcomes (Figure 2).

Social protection policies, such as child benefit payments and paid parental leave, are particularly important for households with children as they assist families in coping with the additional costs of caring for children. These policies take on additional importance in an economic recession, such as that following the 2008 global financial crisis, as unemployment increases imposing additional financial pressure on households with children. Most high income countries had some form of social protection for children prior to the crisis although there was considerable variation in quality and quantity of benefits.[6] With a few exceptions, such as Conditional Cash Transfers in Mexico, no social protection for children was available in low and middle income countries.[7] Children in countries with no or minimal prior social protection [7] and those already in poverty [2] are most vulnerable to the impact of the economic crisis and austerity.

Figure 2: Social welfare spending on families and children and infant mortality rates in 27 EU countries - 2007



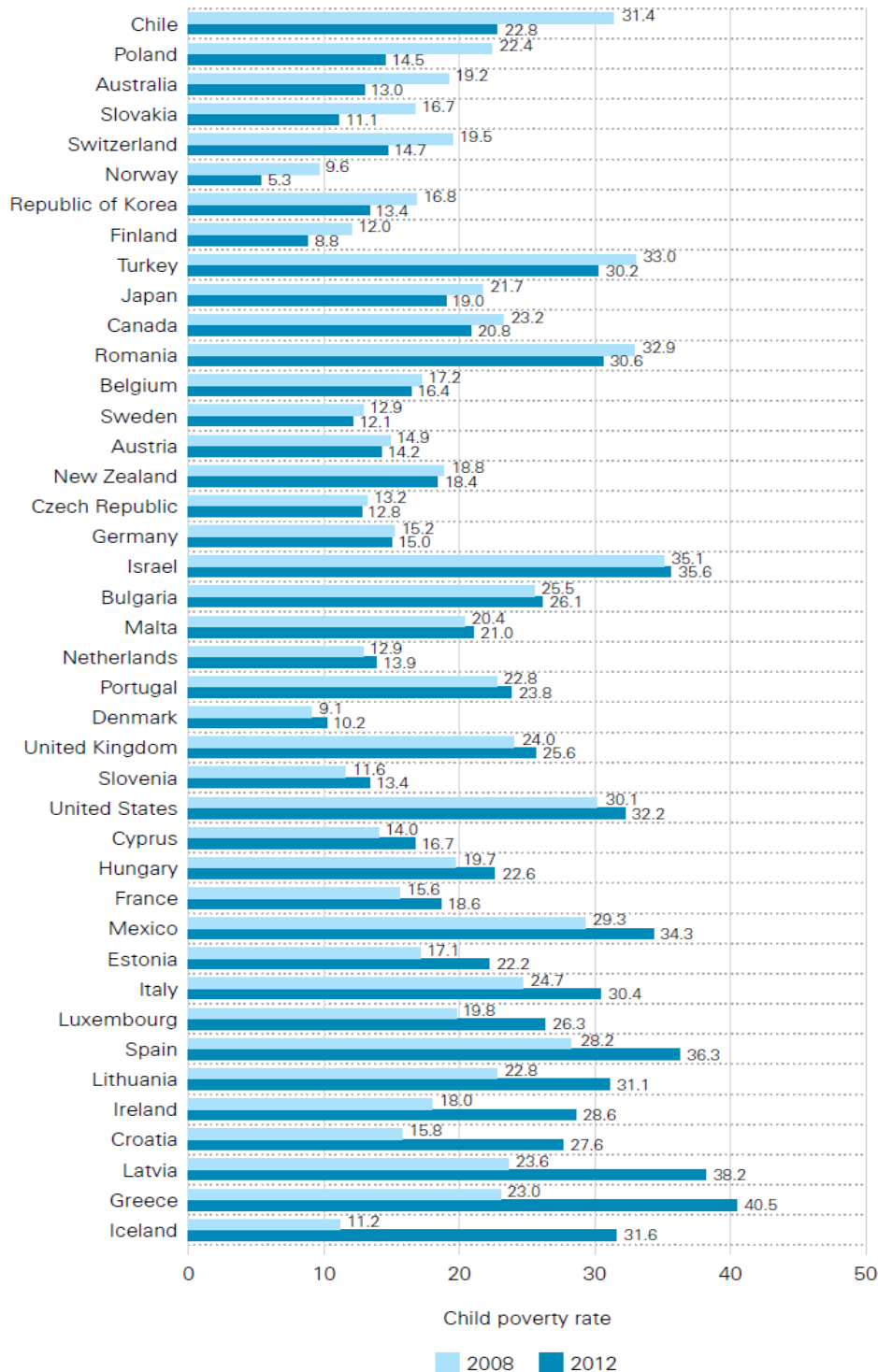
Source: EUROSTAT

Source: Taylor-Robinson 2013 <http://www.bmj.com/content/suppl/2013/12/18/bmj.f7540.DC1>

2.3 Impact on child poverty

In 23 of the 41 high income countries analysed by Unicef [1], child poverty rates have increased and 6.6 million children have entered into poverty compared with 4 million who have been able to escape it since 2008. Figure 3 shows changes in child poverty rates between 2008 and 2012.

Figure 3: Changes in child poverty rates in 41 high income countries between 2008 and 2012 listed in descending order from reducing to increasing child poverty rates (Source [1])



An increase in child poverty in a period of economic crisis is not inevitable as is clear from Figure 3. Governments can protect children from the worst effects of economic recession; however, in those countries which have instituted severe austerity measures, such as Greece, Spain and Ireland, there have been major increases in child poverty rates. The marked increase in child poverty in Iceland is noteworthy. It is partially a result of extremely high value of the national currency at the height of an economic boom and high GDP, both collapsing in October 2008. Anchoring data from Statistics Iceland to the year 2005, rather than 2008, the increase in child poverty is 5-percentage points compared to 20 in the Unicef Report (Gunnlaugsson, personal communication). Similar calculation for Greece, a Eurozone country, does not show similar difference.

2.4 Short, medium and long-term impact on child health and well-being

A recent systematic review of the impact of the 2008 economic crisis on child health [8] concluded that the evidence for a short-term impact is weak and does not allow causal inferences to be made; however, the literature suggests adverse effects on infant mortality in sub-Saharan Africa, nutrition among low income families worldwide and health-related quality of life in some countries. Children in poor families are likely to be most vulnerable to these adverse effects. The increase in the use of food banks in the UK [9] is a marker of increasing food poverty among low income families with children.

Medium and long-term impacts on child health and well-being cannot be measured as yet and there may be a significant time lag before they emerge. There is, however, a wealth of empirical evidence demonstrating the impact of poverty on the health and well-being of children [3] and it is reasonable to postulate that the increased rates of child poverty in many countries and the additional privations for those children already in poverty will adversely affect health outcomes.

2.5 Impact on social protection and public services

Reducing expenditure on social protection and public services is a key objective of austerity and the impact is unequally distributed in the population so that low income families and heavy service users, such as those with disabilities, carry the greatest burden of service reductions. In the UK, for example, reduced expenditure included average annual reductions of £22 per person in sickness and disability benefits, £28 per person in family support (including early childhood development programmes), and approximately £18 per person in unemployment benefits.[10] A third of UK families with disabled children report that they are going without specialist equipment, adaptations or therapies and are worse off as a result of benefit changes. [11]

The austerity programme imposed on Greece requires a reduction in public health expenditure from 9.8% of GDP pre-crisis to 6% resulting in increases in out-of-pocket expenditure for the poor and chronically sick as well as severe reductions in services and staffing. [12] In Spain, the health and social services budget was reduced by 13.65% in 2012 resulting in increased co-payments for drugs and a 45% reduction in public health and quality programmes. [13]

Early in the crisis, low income countries were left with a \$65bn fiscal hole, and that deficit has forced cuts in health and education spending.[14] A survey of 19 African countries showed that many were forced to reduce health spending as a result of the crisis and to increase the price of medicines and basic food stuffs. [15]

Families with children are disproportionately affected by these cuts; in the UK, reductions in welfare support and early childhood education have affected young children and those with disabilities [16]; in Spain, spending on public education has been cut particularly affecting pre-school education [17]; most low income countries are cutting Millennium Development Goals' spending, especially on education and social protection, as a direct result of the economic crisis. [18]

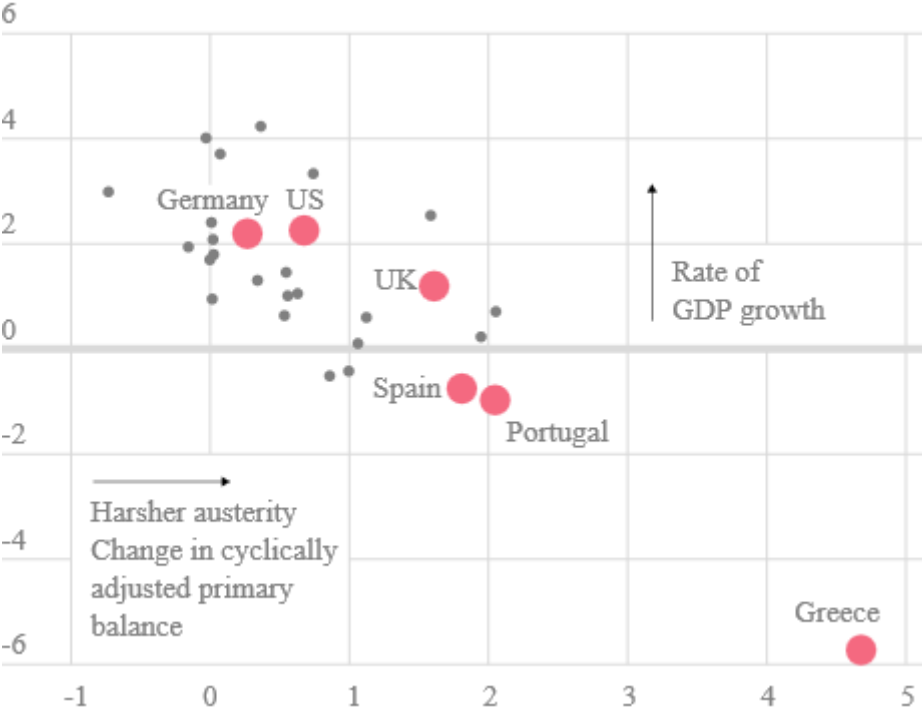
3. Policy background

3.1 Is austerity necessary and does it work?

Advocates of austerity assert that there is no alternative if the financial consequences of the crisis are to be overcome; however, many eminent economists and others have challenged this assertion on the grounds that it is punitive to those most vulnerable and does NOT work as a means of bringing economies out of recession (see figure 4).

The most striking example of the failure of austerity is Greece. A policy designed to resolve the economic problems of Greece consequent upon the crisis has resulted in a 25% drop in Greece's Gross Domestic Product (GDP) with a huge increase in unemployment and impoverishment of the large sections of the population. Instead of reducing Greece's debt, austerity has led to a debt increase from 109% of GDP to 170% of GDP. [12] A UNICEF estimate of the impact of the crisis on the median income of households with children suggests that, between 2008 and 2012, Greek families lost the equivalent of 14 years of progress; Ireland, Luxembourg and Spain lost a full decade; and four other nations lost almost as much. The Great Recession has brought suffering and life-long risks to an extra 619,000 children in Italy, 444,000 in France and 2 million in Mexico. [1]

Figure 4: Austerity & Growth 2009-013



Horizontal axis shows a widely used measure of austerity – the average annual change in the cyclically adjusted primary surplus, an estimate of what the difference between taxes and non-interest spending would be if the economy were at full employment. Vertical axis is percentage change in GDP growth 2009-2013

Source: [19]

Figure 2, based on IMF data and published in the UK Guardian newspaper, demonstrates that harsher austerity is associated with lower growth - the exact opposite of the effect claimed by its exponents.

3.2 Alternative policy approaches which protect children

Many governments adopted policies in response to the global economic downturn which sought to stimulate their economies by increasing rather than reducing expenditure. The US government instituted a stimulus package worth \$831 billion resulting in more rapid economic recovery than those countries adopting austerity. [10] In Iceland, the governmental response to the collapse was to protect the fundamental and comprehensive structure of the welfare and social security system already in place [20]. Faced with unavoidable cost reductions, including welfare costs, the government gave prominence to redistribution, through taxes and the social protection system, and debt relief measures aimed at middle and low income groups. A large interdisciplinary consultative body for the government was set up in February 2009 that continuously gave attention to the needs of those most vulnerable, e.g., children and families, unemployed, on social security, and the elderly (<http://bit.ly/1xjg6Zy>).

According to the UNICEF report [1], governments that bolstered existing public institutions and programmes helped to buffer countless children from the crisis. 18 out of 41 rich nations included in the UNICEF report [1] protected children from its worst effects and reduced levels of child poverty.

4. What we are calling for

Children are often not in a position to speak out for themselves and for this reason are offered special protection under the UN charter on the rights of the child. The arguments are not just about the evidence, but also that investing in and protecting children is morally and legally right thing to do. The benefits of investing in the early years are well demonstrated, and large numbers of children stand to benefit. Investing in the early years and protecting children from the adverse impacts of austerity is a policy imperative. This will lead to overall benefits for population health, a reduction in health inequalities and clear net economic benefits. *We can pay now or we will pay more later for society's failure to protect child health and promote healthy development in children.*

4.1 Advocacy

Paediatricians and child health professionals, individually and through their organisations, should use their influence to advocate for social policies which protect children from the effects of the economic recession. The British Academy of Childhood Disability (BACD) and the British Association of Community Child Health (BACCH) has published a survey of paediatricians caring for disabled children which highlights the impact of service cuts and benefit changes resulting from austerity and calls for an end to the service cuts. [21] The Spanish Society of Public Health (SESPAS, (www.sespas.es)) has published a statement on child poverty and health, advocating the need to change the policy of child protection. [22] These efforts would be strengthened by collaboration with colleagues working in other areas of child health and wellbeing. Inter-sectoral collaboration between individual paediatricians, paediatric professional organisations, public health experts, and social and child welfare services should be developed in order to bring evidence and collective expertise to voice at the national and international political levels.

4.2 Monitoring

Effective advocacy depends on robust data. Paediatricians and their organisations can contribute to data collection on the impact of austerity on child health and well-being both in their individual practice [21] and nationally through their organisations. The effects of austerity are likely to be most evident in the medium to long term so monitoring needs to be an on-going process. Facility-level auditing of health problems, practices, and outcomes is commonly undertaken by paediatricians and trainees across Europe. Interdisciplinary collaboration between clinicians and public health experts should be initiated to examine the changing interactions of children and families with health services, reasons for presentation, and health patterns. Population/community surveys are also needed especially in non-free healthcare systems in which the poorest may not access services. The knowledge from such studies will enhance our understanding the ways and degrees to which austerity affects child health. Gathering evidence will improve our ability to advocate for the protection of child health during austerity.

4. Recommendations

5.1 We recommend that governments:

1. Continue with or urgently enact policies designed to protect children from the effects of austerity in line with the recommendations of the UNICEF Report [1]
2. In countries in which austerity policies have resulted in reduced social protection for children, these policies need to be urgently reversed in order to reduce the impact on child health and well-being
3. Child poverty is detrimental to health and well-being across the life course and governments must act to reverse trends to increased child poverty rates resulting from austerity
4. Austerity has resulted in reductions in services and financial benefits to children and their families who were already living in poverty and to families caring for children with disabilities, in most countries disproportionately compared to other population groups. Governments must ensure that these vulnerable groups are not further disadvantaged by austerity policies; rather, these groups should be specifically aimed at with relevant social policies which should have high priority.
5. In line with their statutory obligations under the UN Conventions on the Rights of the Child and on the Rights of Persons with Disabilities, states must ensure that the rights of children with and without disabilities to social protection are fully protected
6. Austerity policies should be specifically avoided in the critical services and interventions related to child health. On the contrary more support is necessary for these areas in order to decrease the health expenses which may be one of the causes of economic crisis. Examples of these are: Public health expenditures; Promotion, protection and support of breastfeeding; Immunization; Well Child or Healthy Child Programmes; School Health Programmes and especially school food distribution; Early Childhood Education; Health education and promotion in the community.

5.2 Paediatricians should:

1. Be aware of the impact of austerity on the health and well-being of children
2. Interdisciplinary and inter-sectoral collaboration to monitor the effect of austerity on services for all children and for vulnerable groups such as children in low income families, minority ethnic groups and those with disabilities
3. Build advocacy skills and be prepared to advocate for children and families using their services who are adversely affected by austerity policies. This should include collaboration with other sectors, particularly social services, child and family welfare, and public health.
4. Contribute to relevant data collection at local, regional and national level on the impact of austerity on child health and well-being

5.3 We recommend that National and International Paediatric Associations:

1. Ensure their members and constituent bodies are made aware of the impact of austerity on the health and well-being of children
2. Publish policy statements relevant to their country or regional setting highlighting the impact of the economic crisis and social policy responses on child health and well-being
3. Advocate for social protection of children with policy makers at times of economic crisis at national, regional or global level using a child rights perspective

4. Promote and institute data collection to monitor the impact of the economic crisis and the social policy responses on child health and well-being

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