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Spanish State /Health

# **Austerity policies are incompatible with health**

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**The Royal Decree on "Urgent Measures for the Protection of the National Health System (SNS) and the Improvement of Quality and Performance" follows the guidelines imposed by the Troika.**

## A change of health model

The booklet prepared by the Ministry of Health and Consumer Affairs to "explain" the measures contained in the Royal Decree mentioned above is riddled with omissions and mystifications concerning the changes and the real restrictions that will result from its application.

First, this booklet justifies the reform by the huge debt of the health system. Secondly it invokes the current economic crisis. In part, this debt, which we can assume comes to Euros15 billion euros, has been contracted in a completely uneven way by each of the Autonomous Communities. Some jurisdictions have accumulated it in a thoroughly fraudulent way, engaging in processes of outsourcing and privatization, together with private entities and for the construction of hospitals. These processes have been implemented with the help of formulas such as concessions to banks and builders, formulas which, as demonstrated by all such experiments, have proven to be much more expensive (between four and seven times, as regards the hospitals in Madrid) than using their own administration for both management and construction.

In any event, it should be noted that public health expenditure in Spain amounts to some 6.5 per cent of GDP, while in the 17 countries of the euro zone, it represents an average of 7.3 per cent, which means that the annual expenditure per capita per year is less than the average of OECD countries. In addition, the rate of growth of these costs has been very modest over the past ten years (2.9 per cent, against 4.3 per cent on average in the OECD). If we add to that the health indicators of the population, we see that the results obtained are better with a lesser quantity, in terms of health, equity, coverage and access, of quality and safety of care, of user satisfaction and of the legitimacy of the system according to the opinion of the population, with the exception of waiting lists (according to the latest report of the European Observatory on Health Systems and Policies).

The budgetary constraints faced by the National Health Service are also at the origin of the debt, as part of a larger-scale strategy implemented over the last decade in order to destroy public services and win the battle of convincing public opinion about the policy of privatization. This has led to a huge financial deficit that has resulted in the allocation of exceptional credit at the end of each year.

The present crisis affecting the country is the second reason given by the government to justify the change in the health system. As can be verified, it is not possible to attribute the responsibility for this crisis to an excessive level of public spending; Spain is one of the EU countries with the lowest levels of social spending. The same goes for the tired old refrain "we have lived beyond our means," that the government is trying to instill in the population in order to make it accept the restrictions. The crisis has liberated the big financial groups and speculators - big capital in its logic of the rate of profit - and deepened and extended the austerity policies implemented by the governments which have submitted to the strategies imposed by the IMF, the ECB and the European Commission (the Troika). However, the way out of this crisis does not lie in the reduction of public spending, nor in lower wages and pensions which reduce social rights to previous levels that were unimaginable not so long ago.

Moreover, the government is taking advantage of the crisis to implement a policy that benefits only the interests of the big banks and of big business (that is, one per cent of the population). This policy is a real fraud. To pretend that this reform is being carried out in order to ensure the economic viability of the National Health System (SNS) is a deception, not only because it is applied with the reductions whose implementation has begun, but also because it was never intended to offer this guarantee.

It is clear that savings could be achieved through a budget that amounted to Euros90 billion euros a year, gaining in efficiency and improving coordination in order to avoid duplication and overspending on pharmacy technology. It follows that the only alternative that has been implemented consists of reductions in staff and human resources, with hospital closures, reduction of the number of beds available, closing down of hospital departments, outpatient and emergency services. The transfer of hospital services, medical imaging centers and laboratories to the private sector so that it can manage the provision of health care, making profits out of public funds, is the most dramatic illustration.

The assertion by the ministry that the goal of all this policy is to "always preserve the right of citizens to protect their health and to guarantee that in Spain, health coverage is universal, public, free and quality" is new and quite simply wrong. It should first of all be noted that the right to health is attacked when it is not provided in conditions of equal and free access, which is exactly what this reform removes. This results in the exclusion of citizens who have not paid social security contributions, which means that it is no longer a universal service, person, and that it has become simply an insurance company, improperly called Social Security, which only protects its contributors.

Health care can no longer be a public service when, for a good part of the population, this care is delivered by private institutions. Moreover, these health benefits are not really free, because the reform has introduced payment for certain services and medications, which prohibits access to part of the population. This provision is confirmed by the announcement of limiting health provision to basic services, the list of which remains to be defined and from which are therefore excluded a certain number of services.

## The social situation

The social situation is dramatic for a large part of the population, and recent data merely confirm this. And furthermore, with the figures that we have at our disposal, we can only glimpse certain aspects. According to Eurostat, Spain is among the last of the 27 EU countries, followed only by Latvia and Lithuania, in the ranking for the Gini coefficient; which determines the degree of inequality in the distribution of household incomes. The rate of poverty and social exclusion comes to 25.5 per cent of the population in Spain, while the average is 21.7 per cent in the EU and 21.6 per cent in the euro zone. The latest figures from the Survey of the Active Population (SAP) in July 2012 show an unemployment rate of 24.63 per cent of the workforce, but which rises to 52.1 per cent for young people under 25 and 35.76 per cent for migrant workers. In 1,737,600 households, everyone is unemployed.

According to figures provided by the national bank, Banco de España, average household income was Euros10,571 in 2010, as against Euros11,120 in 2009. According to the National Institute of Statistics (INE), the average gross annual salary was Euros22,790 euros in 2010, but the salary most often found was Euros16,500. And the average amount of contributory and non-contributory pensions was respectively Euros805 and Euros366 per month.

These characteristics are those of a country with great social inequalities, with a quarter of its population below the poverty line, including almost a quarter of its workers and unemployed and half of its young people, while the majority of the population is classified as being in the category of *mileuristas*, a neologism which refers to workers whose monthly income is around Euros1,000. To these are added the pensioners who receive only subsistence pensions. If we add on the new cuts that have been announced, the country, after having counted on receiving a loan of

Euro 100 billion to save the banks, is currently negotiating a new loan to save the country. We should expect the continuation of adjustment policies.

We are faced with the biggest offensive of the past decade against people's conditions of existence, a situation of real social emergency. After the collapse of the financial system in 2008, the extension of the crisis to the real economy of the countries at the centre of this turmoil and the collapse of neoliberal recipes, capitalism is again taking the path of accumulation by dispossession, by pillaging the rights, hard-won in struggle, of the working classes, by appropriating public and natural resources, which makes the situation incompatible with a decent life.

## The consequences for health

The new model radically modifies the orientation of the health system. The prevention of disease and the protection of health are totally abandoned, as is planning based on health needs. The goal now is to "satisfy the demand" of users, thereby converting health care into a commodity, an object of consumption, a kind of assistance that uses and abuses high technology and expenditure on pharmaceutical products, since these are the elements of the system which generate the biggest profits for the big monopolies of the health sector.

The system puts an end to universal coverage, to equality in access to care, and reduces the role of various agencies to emergencies only, which is not only a factor in the deterioration of the health of these people but causes public health problems which may extend to the entire population.

Ultimately, this model of health system, which reduces some services, charges for others and expels the most vulnerable citizens, will eventually cause tragedies and deaths that could be completely avoided. For all these reasons, the model of health system which emerges from Royal Decree 16/2012 is an inhuman model; it is xenophobic because it does not guarantee the right to health of the entire population and increases the rate of deaths from disease in defined layers of the population.

## Strategies and alternatives

We have been plunged into a global crisis of unprecedented magnitude. Despite the many comparisons and studies of past crises, it does not seem that the present crisis has many similarities. This is why the strategies that we need to implement to ensure that the crisis does not result, as has been the case up to now, in citizens taking the brunt of it, need to adapt to this new situation. In turn, they will have to be thought about, debated and ultimately applied in new ways. The advent of the Arab Spring has been able to provide us with some lessons about this, as has the Occupy movement around the world. In our case, the 15-M movement has, from May 15, 2011, paved the way for the exploration of other kinds of actions.

The recent history of the majority trade unions, fervent advocates of negotiations and agreements, shows their lack of internal democracy and their loss of legitimacy as a result of their bureaucratic methods. It is therefore necessary to push forward the self-organization of workers by helping them to become more conscious and, through democratic participation, to make decisions. At the same time we have to assist in the organization of a citizenry that is outraged by the deterioration of living conditions it is enduring. Faced with negotiations and with the agreements to which the majority unions have accustomed us, faced with the collusion between the majority and the institutional Left, we must drive forward massive and permanent mobilizations and thus create convergence between all the sectors in struggle. Unity of action is necessary in order not to remain on the level of symbolic mobilizations without any real effect, which only demobilize, and to have clear objectives that are democratically discussed and agreed. We must also be aware that this fight cannot be won by mobilizing only the most conscious sectors. It requires the support of the majority of

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citizens in order to obtain a better relationship of forces than exists at present, by trying to unite our forces in order to succeed as often as possible in involving larger organizations, as well as the most sectarian ones on some occasions. And we must also remember always that the struggles must go beyond the framework of the borders of the EU.

The strategy of defence of some public health services must be part of a global discourse that broadly articulates the objectives with the demands to which people are most attached. It is therefore necessary to understand that the offensive against public services and the determination to dismantle them are part of the austerity policies: attacks against wages, working hours, pensions, freedoms and democracy itself, driven by the Troika and implemented by EU governments. This preoccupation puts the ideological battle in the foreground, because these policies are incompatible with the health of the people.

In order to triumph, these policies consciously include, of course, the need to overcome the working class and its organizations. The reforms of the labour code, the attacks against the unions, against the right to collective bargaining, against the right to strike, against the right to demonstrate, etc., are the daily illustrations of this.

In the field of health, it is up to us to make proposals in order to succeed in taking control of public services, taking into account certain basic questions:

- ° the inadequate impact of health care systems on health, because in times of crisis like the one we are going through today, this control becomes more important;
- ° how health is largely conditioned by social determinants, by the class and gender position of people;
- ° the considerable medicalization of everyday life, due to the influence of the bio-technology and pharmaceutical industries.

We also believe that these services should be decentralized, controlled by citizens in all phases of the projects: implementation, organization, planning, management and care policy. With organization and planning criteria to combat inequalities in access to care, as well as universality and fairness as guiding lines. The demand for public funding will lead us to implement a progressive tax reform, accompanied by the abolition of indirect taxes for the financing of health. And this demand will lead us to demand the non-payment of the debt and the nationalization of the entire privatized sector.

*Madrid, October 16, 2012*