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The Economic Crisis Impacts on Public Health

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The following is a talk Dan Bednarz will be giving at a conference tomorrow, March 12, at Johns Hopkins University. The Johns-Hopkins conference, "After Peak Oil," is being webcast beginning at 8:30 am EDT, Thursday, March 12th and can be linked to at this site.

The Economic Crisis Impacts on Public Health
Dan Bednarz, PhD
Delivered at the "After Peak Oil" Conference
Johns-Hopkins University
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Today I report on a study with public health officials from across the nation. These data are preliminary and being gathered through telephone interviews, with a few done face-to-face. I am speaking with urban and rural local health departments and a few state level offices.

The questions are not about peak oil per se; that topic would make for a short interview, indeed. I'm inquiring about the current fiscal and economic crisis, which is more-or-less mimicking, in my view, the socioeconomic effects expected from entering the peak oil era.

Most important, if we are at peak oil, which may have been reached in either May 2005 or July 2008, then we are also at the end of economic development and growth **AS WE HAVE KNOWN THEM**. Currently, the International Monetary Fund is releasing a series of downward revisions of economic contraction throughout much of the world; and with a tent city expanding in the capital of California and Tom Friedman worrying about natural resource depletion, it is no longer extremist to contend that this is not a recession.

My view is that peak oil virtually insures that we can no longer rely on growing our way out of the latest economic scam or jam. Specifically in public health, all assumptions about economic growth in our models and theoretical perspectives must be surfaced, assessed and revised. I say this because with few exceptions the economists and health policy analysts I have met or read take for granted that a return to growth is the cure certain we are seeking. Indeed, our government's premise for a "stimulus" package is to rekindle economic expansion. I return to this paradigmatic belief in my summary.

I will briefly go through each question, reporting the trends I'm picking up. Then I will conclude with a short set of observations focusing on the nascent movement in public health to articulate the risks economic conditions pose to the health of the nation.

Interview Questions:

1. What are the impacts of funding cutbacks on public health systems, e.g., staffing, performance, morale, and coverage? Anticipated and occurring.

As most of you know, only four states will have a balanced budget this year. It follows that every public health official I've interviewed faces growing demand for services while simultaneously having to impose cutbacks; and some have been absorbing cuts for several years. At the local level a few departments see some opportunity in these cuts to redefine, streamline, and make other beneficial organizational changes. Most, however, are up against the wall. One rural director said,

"We're rationing toilet paper and ball point pens...We are so low in staff levels that cutting one more person would affect two or three programs...The county commissioners are actively contemplating informing the state that we do not have the funds to meet our matching revenues requirements."

I asked, "You mean you might close down your county health department?" and was told that is possible next year.

Another director, of a large city health department, told me the department had just undergone substantial reductions in workforce; and another, at a rural department, said,

"We're at the bone now, there's nothing left to trim."

The obvious implication is that if the economy continues to worsen, some of these departments will face qualitatively different circumstances.

2. Are you seeing changing epidemiological patterns and emerging threats to the social determinants of health? Are there any not yet visible that concern you?

The brief answer to this is "no, not yet," but they are holding their collective breath. A few note some incipient activity or possible trends but they do not want to speculate in the absence of good data.

3. Are there consequences of cuts for specialized or localized health threats and needs, e.g., rural-urban differences; water shortages, urgent toxic wastes abatement, climatic, population, demographic vulnerabilities and pressures, and so on?

Like question 2 above, there are concerns but no salient data. Again, the major worry is that if an economic recovery does not occur localized public health issues now more-or-less under control are at risk to erupt.

4. Do you have ideas or strategies for the short and long-term regarding system viability and even preservation? For example, are you thinking about closer coordination and integration of treatment (acute and chronic medical care) and preventive medicine (public health)?

Here there are two trends: First, some directors, about half thus far, express an inability to plan and act beyond the short term, although they are aware of the danger of this approach. This stance reflects their lack of resources, the increasing demand on their time and services, and the great uncertainty in future funding. In short, why lay out a long-term plan when the short-term is turbulent, unstable and becoming less predictable?

A second response is to rethink the mission of public health in a resource constrained world. One director at a large urban department noted,

"I think we'll not return to previous levels; I'm hoping we stabilize at 75% of where we were before the crisis of 2008."

All respondents see the urgency of developing prevention programs; and closer coordination of medicine and public health systems –along with funding reforms- is acknowledged as a no-brainer but politically well-nigh impossible. There is, however, a belief that the economic crisis may force more funds to flow into public health. One director commented,

"The public really does not know what public health is. They think it's about serving poor people…the great economic value -and now the necessity- of preventive public health measures needs to be communicated to the public."

This director went on to outline a long-term strategy of encouraging other sectors of society to integrate public health enhancing practices into their planning and operations. This not only reduces the costs of operating a health department, but more importantly it institutionalizes and diffuses sound public health processes throughout society.

5. Focusing on the concept of societal sustainability, what role can public health play in contributing to a national long-term response to the series of ongoing crises the nation faces?

The response theme from this question is that public health historically has been absent from contributing to pertinent areas of policy making. Examples given include, environmental impact statements, urban planning, agricultural and land use policy formation, transportation and the built environment. There is a consensus that public health has been invisible, overlooked or excluded from these policy areas. There is also, especially on the West Coast, awareness that issues of sustainability can no longer be ignored or marginalized as "fringe" public health topics. In this context, some of those interviewed are aware of peak oil, if only vaguely, and all are aware of climate change.

Responses to this question tend to blend into the next one on ethical challenges.

6. What are the ethical issues you see in fulfilling the public health mission (its 3 core functions and 10 essential services) under conditions of resource scarcity and economic contraction?

The driving issue here is to resolve the contradiction between diminishing funding in a time of growing need and the consequent threats to the social determinants of health. As noted above, these directors are concerned that if the economic condition of the nation deteriorates further they may face unprecedented and perhaps overwhelming challenges, including systemic breakdowns.

There is a consensus that public health professionals need to employ their Voice, a la the work of Albert O. Hirschman (*Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations, and States*, 1970), which has been dormant, to inform the public and government of the risks posed by a further decline in public health systems (I say systems since public health is a state and local matter).

In this context, one director observed,

"Existing professional public health associations think that everything they do is automatically good for the nation's health. And that's not necessarily true...we need a movement more than another organization."

I asked, "Because inevitably a professional organization develops its own internal agenda that might conflict with or short-change the public's interests?"

"Exactly" was the reply.

It is relevant in this regard that the urban health director whose department recently had major staff cuts, said,

"You know, it's regrettable that the school of public health here in town never contacted us to see how we are absorbing the recent staff cuts."

Another director in a city with a school of public health said,

"Some of them are committed to helping us, but it's a personal thing. There is no real institutional support; my staff jokes that typically when the folks from the school (of public health) show up it's because they want something."

Summary Discussion

Albert O. Hirschman's pioneering work (*Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States, 1970*) examines the logical array of responses to organizational decline. Exit is the economic option: quit, boycott, or in some way withdraw economic support. Voice aims at political reform. Loyalty is the psychological dimension that complicates use of the Exit and Voice options.

Since public health is not a competitive market but a government subsidized public good, the Voice option is the reasonable response. The issue I wish to raise in the few minutes I have remaining is this: If Voice –rather than Exit- is the strategy, what is its content? What needs to be done?

Bear with me; I'm going to come at this with an analogy. In the January 30th broadcast of his PBS show Bill Moyers asked the head of the Carnegie Corporation of New York:

> 'Your [recent] ad claims, "Today, only the federal government has the resources and vision to meet these threats to education." But the fact is that everybody, and I mean everybody, has both hands out, hoping that Barack Obama's stimulus spending will fill those hands. I mean, the highway industry, the automobile industry...the steel industry... are people like you living metaphorically in an ivory tower?'

The conclusion I draw-–though it's not necessarily Moyers'--is that it's not sufficient for public health to join the multitudes of other distressed institutions also exercising the Voice option if it is only to assume a return to business as usual is possible.

Everyone knows the gloomy fiscal and economic figures, but please ruminate on these snippets:

• Bloomberg News reports that $11.6 trillion has been committed to the bailout and stimulus.

Ninety percent of this incredible sum is for the rescue/bailout of financial institutions.

• Last October the American Public Health Association repeatedly emailed its members encouraging them to support Hank Paulson's lamentable TARP plan. Why? Because there was about $100 million in the $750 billion package for public health.

• Obama's budget projects a 3.2% growth rate for the economy in 2010. I do not know a soul who believes this figure.

• Even mainstream economists like Joe Stiglitz and Paul Krugman lament that the Obama team will not "face up to the dire state of major financial institutions," some of which are insolvent and cannot be rescued but can destroy our teetering economy.

My colleague at ASPO, Dave Cohen rhetorically asks,

> "What is the biggest impediment in 2009 to mitigating the harmful effects of energy problems in the 21st century? The answer may surprise you—it is insolvent zombie banks and our entrenched FIRE economy…No conspiracy is required to explain the undue influence of former Citi bankers holding key posts in the Obama administration. The problem is that they cannot think outside the FIRE [Finance, Insurance, Real Estate] economy box.

Let me close by building on Dave's comments with a 1994 quote from Lawrence Summers (Quoted in Bill McKibbon, *Deep Economy*, page 24. 2007. MacMillan.), one of Obama's top economic advisors:

"The idea that we should put limits on growth because of some natural limit is a profound error…" I suggest that this outlook is crumbling because the economy and sustainability are the same issue.

Post Script: *The Johns-Hopkins conference, "After Peak Oil," is being webcast beginning at 8:30 am EDT, Thursday, March 12th and can be linked to at this site:* http://mfile.akamai.com/7111/live/reflector:44051.ram?bkup=33897