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# The financial crisis, health and health inequities in Europe: the need for regulations, redistribution and social protection

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## Abstract

In 2009, Europe was hit by one of the worst debt crises in history. Although the Eurozone crisis is often depicted as an effect of government mismanagement and corruption, it was a consequence of the 2008 U.S. banking crisis which was caused by more than three decades of neoliberal policies, financial deregulation and widening economic inequities.

Evidence indicates that the Eurozone crisis disproportionately affected vulnerable populations in society and caused sharp increases of suicides and deaths due to mental and behavioral disorders especially among those who lost their jobs, houses and economic activities because of the crisis. Although little research has, so far, studied the effects of the crisis on health inequities, evidence showed that the 2009 economic downturn increased the number of people living in poverty and widened income inequality especially in European countries severely hit by the debt crisis. Data, however, also suggest favorable health trends and a reduction of traffic deaths fatalities in the general population during the economic recession. Moreover, egalitarian policies protecting the most disadvantaged populations with strong social protections proved to be effective in decoupling the link between job losses and suicides.

Unfortunately, policy responses after the crisis in most European countries have mainly consisted in bank bailouts and austerity programs. These reforms have not only exacerbated the debt crisis and widened inequities in wealth but also failed to address the root causes of the crisis. In order to prevent a future financial downturn and promote a more equitable and sustainable society, European governments and international institutions need to adopt new regulations of banking and finance as well as policies of economic redistribution and investment in social protection. These policy changes, however, require the abandonment of the neoliberal ideology to craft a new global political economy where markets and gross domestic product (GDP) are no longer the main national policy goals, but just means to human and health improvements.

**Keywords:** Great recession, Health, Europe, Financial crisis, Inequality, Neoliberalism, Austerity and Global Health

## Introduction

In 2009, Europe was hit by one of the worst sovereign debt crises in recent history. The crisis started in Greece when the new government revealed that previous administrations (helped by investment bank Goldman Sachs) had been misreporting budget data [[1]]. From Greece, the crisis spread to other European economies, especially Portugal, Ireland, Italy and Spain, the so-called PIIGS. In the following years, most European nations experienced rapid rises of unemployment, widening inequities in wealth and political