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Austerity and poverty

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The ambiguities of the terms ‘austerity’ and ‘poverty’ make it difficult to tie down any firm or clear relationship between the two. The idea of ‘austerity’ is variously used to refer to economic deflation, the reduction of public debt, the retrenchment of public services, or a change in the balance of public and private provision. ‘Poverty’ is used at different times refers to deprivation, inequality and social exclusion. And yet, underlying the two fields of discourse, there is an irresistible sense that they must be connected: if the economy is shrinking, or if people are getting less support from the public sphere, then people who have little must be worse off still. However, conflicting interpretations, political spin and the inadequacies of the informational base make it hard to prove that austerity is at the root of these problems, or to offer any firm proof that poverty and austerity are intimately linked.

Poverty

Poverty is a complex, multi-dimensional set of issues. There was a time when many, if not most, academic writers would have argued that poverty consisted simply of a lack of resources, or low income in particular (Townsend and others, 1997); but a series of compelling reports and arguments have emphasised the economic and social relationships which are part of the nature of poverty. (e.g. Narayan et al, 2000; Lawson, Elwood, 2018) Poverty is as much a matter of economic and social relationships as it is of a limited command over resources: it commonly refers to problems of low status, disadvantage, exclusion, powerlessness and a lack of rights. (Spicker, 2020) For the purposes of this paper, it should be possible to focus on three key dimensions. First, there is material deprivation - limited command over resources, specific material needs that are unmet, and patterns of deprivation over time. Then there are economic relationships: people’s standards of living, their relationships to the labour market, and economic inequality. One of the key indicators of poverty is concerned with ‘economic distance’, or the extent to which their command over resources is affected by the resources of people around them. Third, there is social exclusion - low social status, lack of entitlements, lack of security and lack of support. Underlying all of these, poverty has a normative or moral dimension; it refers not just to hardship, but hardship that is unacceptable.

In so far as poverty refers to a limited command over resources - which is far from being the whole story - restricted economic activity is liable to be associated with poverty; limited development implies limited resources for everyone. Growth, World Bank researchers have claimed, is good for the poor. (Dollar, Kraay, 2000) The basis for that statement, hotly contested, is that on average poorer people are likely to gain at least proportionately from growth. There are problems with that. Part is found in the question: what kind of growth are we talking about? The conventional measures do not distinguish ‘good’ resources - houses, schools, infrastructure, consumer goods - from ‘bad’ ones, such as the costs of dealing with crime, addiction or disease. (Hicks, Streeten, 1979) The shift to a formal, wage-based economy has very mixed blessings for the people who are swept up in the process - people who move into marginal or precarious labour, migrants from rural areas, the landless and the dispossessed. (Shafer et al, 2019) The importance of development, Amartya Sen argues, lies in other issues - entitlements, empowerment and freedoms. (Sen, 2000) The effect

development has on the poor is not just a question of making resources available; it alters the relationships that people have to the economy, the political community, and each other.

Another problem lies in the expression, 'on average'. Some people may gain, while others lose. In many circumstances, growth fails to improve the position of the poor; in some cases it can make their position worse. The implication of inequality in the distribution of resources is that poorer people have less; that may be true even when the economy as a whole is growing. The widely used threshold of 60% of median income is a test of dispersion of income; when it was introduced, it was justified as an indicator of 'economic distance', the difference between the lifestyles of those with least against the norms that are prevalent in a society.

There is an inescapable connection between poverty and inequality: certain degrees or dimensions of inequality ... will lead to people being below the minimum standards acceptable in that society. ... This does not mean that there will always be poverty when there is inequality: only if the inequality implies an economic distance beyond the critical level. (O'Higgins, Jenkins, 1990, p 207)

One of the key justifications for using a test of this sort is that access to resources in a market depends on a person's relative purchasing power. This is most obviously true of housing costs, but the relevance of relative income extends to other market purchases, such as the cost of food that is available. (Filmer et al, 2018) If people's income falls, their purchasing power and command over resources generally fall with it. If other people's income rises, while the income of a poorer person remains static, that limits the ability of the poorer person to command resources in a market, particularly under conditions of scarcity.

The evidence seems to show a direct link between austerity policies and rising inequality. A team of IMF economists reports:

episodes of fiscal consolidation have been followed, on average, by drops rather than expansions in output. On average, a consolidation of 1 percent of GDP increases the long-term unemployment rate by 0.6 percentage point and raises by 1.5 percent within five years the Gini measure of income inequality. (Ostry et al, 2016)

However, the identification of poverty with inequalities in income is imperfect, and far less regular than might be supposed. The Gini coefficient, referred to in this research, is probably the most widely used measure of inequality in the income distribution. The UN's Multidimensional Poverty Index takes into account indicators of education, health and living standards. The distribution of poverty by this test has no visible relationship to inequality as measured on the Gini. (UNDP, 2019, pp 13-14) Part of the reason for that may be that inequalities across most of the income distribution are not always a good reflection of the position of the people who are most deprived, but a simpler, and probably more plausible, explanation is that there are just too many factors at play to establish any direct association.

Inequality is about more than the distribution of income. Poverty overlaps with inequalities, not just in issues relating to access to resources, but in the balance of social relationships - issues such as gender, class, caste and lack of power. It is difficult to say whether social inequality is a cause or consequence of disadvantage, but there is just as strong an argument to say that this is part of the constitution of poverty itself - of what it is to be poor. Peter Townsend explained

relative deprivation in these terms:

People are relatively deprived if they cannot obtain, at all or sufficiently the conditions of life - that is, the diets, amenities, standards and services which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership of society. If they lack or are denied the incomes, or more exactly the resources, including income and assets or goods or services in kind to obtain access to these conditions of life they can be defined to be in poverty. (Townsend, 1979, p 36)

It is understandable that many commentators have fixed on the second part of this; Townsend did the same himself. But it is no less part of his conception that when people are poor, it affects their roles, relationships, customary behaviour and membership of society. Townsend is defining poverty in terms of disadvantage, and that is another way of saying that it is a form of inequality.

There are trends in the world economy which might imply that the prevalence of poverty is likely to get better. There is the marked improvement in the position of developing economies: the emergence of several transitional economies, most notably China; lower infant mortality (UNICEF, 2017); the reduction of numbers in 'extreme' poverty, generally assessed by using an indicator (\$1.90 per day) which points principally to integration into formal economies; and the remarkable growth of systems of social protection in developing countries. On the other hand, there are also trends which might well imply that poverty is likely to get worse. There has been the crash of 2008, from which some countries, and some regions, have not recovered; the trend to growing inequality documented by Piketty (Piketty, 2014); and the ideological commitment of certain governments to reduce or withdraw from state activity. An emphasis on austerity reflects the negative side of this balance rather than the positive side; but the impact of austerity policies can only be part of the mix, and they may well be outweighed by other factors.

Austerity and deflation

Deflation, properly understood, refers to a reduction in overall economic activity. The term 'deflation' is being increasingly used to refer to something else - falling prices and changes in the money market (the entry in Wikipedia is an example) - but the primary use of the term in economics has always been about the progress of the real economy. Recession occurs when production is falling; deflation occurs when the effect of that fall is a reduction in economic activity (or its equivalent, a reduction in aggregate demand: Rutherford, 2005, p 98); and a depression or slump occurs when that reduction leads to persistent under-use of national resources. (Bannock et al, 1971) Recession, then, only refers to the rate of change - a depressed, underperforming economy might not be in recession. Deflation, by contrast, refers to the whole process and its effects.

Austerity might be seen as a consequence of deflation, or a cause of it. It is a consequence of deflation if, after a reduction in the level of economic activity, governments lack the resources to provide public services. It is a potentially a cause of deflation, in the established sense that policies which attempt to impose austerity in response to deflation are generally likely to make things worse. Withdrawing money from the economy when production is flat or in decline - the

policy pursued in the early 1930s, and by some governments after 2008 - has the effect of reducing demand, and so of the level of economic activity. And the IMF has argued that the multipliers - the ripple effects that follow from reducing public expenditure - are greater during a recession. (Battini et al, 2012)

If the economy shrinks, the incomes of poor people presumably shrink with it - that is a corollary of the argument that growth benefits the poor. It is not inevitably true, because benefits can be used to protect the position of the poor and to act as an economic stabiliser – but it has evidently been true in countries which suffered heavily in the crash and whose incomes failed subsequently to recover, such as Greece or the United Kingdom. Withdrawing money denies people resources, and if they are denied resources, the likelihood is that they are also suffering from the effects of inequality. But people might be denied resources for other reasons altogether - economies can shrink because of factors that have nothing to do- with government action, and very clearly they did so in the last crash. It is difficult to disentangle what is happening as a result of austerity from everything else.

One of the principal indicators of poverty in the European Union has been the level of income a poor person has, set against median household income. For the purposes of this argument, the key figure is not the poverty threshold - 60% of median household income - but the median itself. In developed economies, the lower income deciles are typically occupied by households where people are not working, only working for limited periods, or dependent on benefits. That implies that working population is mainly to be found in the upper two-thirds of the income distribution - and so that the median income is found, not in the middle of the earnings distribution, but in the lower half of the earnings distribution.

In Europe, there has been a movement towards ‘flexible’ income and employment - or precarious labour. (See Standing, 2014) In part, advocacy for flexible labour has been ideological: neo-liberals argue that a labour market in which labour supply is not constrained by rules and regulations must work more efficiently than one which does not. Part has been pragmatic: the movement of manufacturing employment to other parts of the world and the growth of service occupations have undermined traditional structures, such as the ‘dual labour market’ where semi-skilled labourers had secure but low-paid earnings.

The section of the earnings distribution which has been suffering from insecurity and reduced economic opportunities is the same section that is being used as a yardstick to judge whether people on lower incomes are poor. As insecurity and precarious labour have expanded, and real incomes have fallen, there is a serious risk that the median itself has reduced - and so, that the risk of poverty is judged against a falling standard. This is not good news for people who are poor - but it is possible for command over resources to fall at the same time as figures seem to suggest that relative incomes have not greatly worsened. It also suggests that the effect of deflation is felt by many more people than the poor.

Retrenchment

Retrenchment generally refers to reducing public spending in order to reduce public debt - to the extent that it withdraws money from the economy, a deflationary policy - or more simply to making cuts in public services. Those are not necessarily the same thing - the politicians advocating cuts have argued that it is possible to make efficiency savings, cutting expenditure

without cutting services - but the policy of 'austerity' is identified with both.

The problem with focusing on cuts is that it is perfectly possible for a government to cut services or expenditure in one area while not cutting in another: this happened in the 'selective austerity' of the Reagan era. (Konzellmann, 2019, pp 88-9) Whenever we turn to specific policies targeted on specific groups or contingencies, the patterns which seem to apply in some cases cannot be generalised to others. It is not possible to say, because a country has a certain kind of policy towards people who are unemployed, what policies will look like for families, people with disabilities, older people and so forth. (e.g. Bolderson, Mabbett, 1995; Bamba, 2005; and see Powell, Barrientos, 2011.) Nor is it possible to generalise from levels of cash support - such as social assistance or pensions - to the provision of public services such as education or waste disposal. The devil, as they say, is in the detail. (Ditch, 1999)

On the face of the matter, countries which spend more on public services in general also have less poverty; that might happen partly because countries that are richer are able to pay attention to both, but it is also true that more spending tends to imply more redistribution. (Forster, Whiteford, 2009) Cuts in expenditure, Ball et al find, have stronger distributional consequences than changes in taxation do. (Bal et al, 2013) The effect of retrenchment in public expenditure might be assumed to hurt the poor disproportionately, if either the effect of public expenditure in general is to benefit poorer people, or poor people are singled out for cuts.

The argument that poor people suffer disproportionately from cuts has been questioned in the academic literature. The belief that public expenditure benefits the poor has been challenged by a literature concerned with a middle-class hijack of the welfare state (Goodin, Le Grand, 1987), with arguments that a range of services (such as rail transport or support for higher education) tend to benefit the better-off. The suggestion that poor people have been singled out for cuts has some appeal, because in some places they have been. The UN Special Rapporteur on Extreme Poverty and Human Rights has written of the United Kingdom:

Policies of austerity introduced in 2010 continue largely unabated, despite the tragic social consequences. Close to 40 per cent of children are predicted to be living in poverty by 2021. Food banks have proliferated; homelessness and rough sleeping have increased greatly; tens of thousands of poor families must live in accommodation far from their schools, jobs and community networks; life expectancy is falling for certain groups; and the legal aid system has been decimated. (UN Human Rights Council, 2019)

A report on the 'Austerity Generation' examines in detail the effects of a long series of social security cuts, nearly seventy of them, on families with children. (Tucker, 2017) The same cuts have often been implemented in tandem with tax cuts for people on higher incomes. Against this, there have been recurrent arguments that despite impressions to the contrary, benefits and services which are targeted on the poor, and social assistance in particular, have better survived cuts than universal services and those which are less well targeted. (Andries, 1996; Pierson, 1994)

Empirically, however, the evidence from comparative social policy is inconclusive. (Gugushvili, Laenan, 2019) There is no clear relationship between increases or decreases in

public spending, on one hand, and increases or decreases in the number of people in poverty (taken as 60% of median income) on the other. Reviewing OECD data 2008-2016/17 (OECD, 2020), the experiences of different countries are sufficiently different to make generalisation pointless. Table 1 illustrates the problem, with countries selected because they are outliers. Once those outliers have been removed, unfortunately, there is not much data left.

Some contrasting experiences in the OECD, 2008-2016/7		
	<i>Index of increase in government expenditure as a % of GDP: 2008 = 100</i>	<i>Index of changes in the % of people in poverty: 2008= 100</i>
<i>Higher expenditure, higher numbers in poverty</i>		
Norway	124.3	109
Slovak Republic	108.8	111.9
France	105.9	105.9
Luxembourg	108.5	115.3
<i>Higher expenditure, lower numbers in poverty</i>		
Finland	111.8	81.8
Mexico	106.2	87.1
Switzerland	109.2	93.9
<i>Lower expenditure, higher numbers in poverty</i>		
Ireland	62.8	111.4
Lithuania	86.9	109
New Zealand	93.9	105.8
<i>Lower expenditure, lower numbers in poverty</i>		
Iceland	78	90.6
Poland	92.8	93.1
Israel	92.2	90.3
United Kingdom	92.2	93.3
Turkey	81	94

It may be possible to attribute those experiences to things about the particular countries. Turkey, Poland and Mexico have smaller numbers of people in poverty than they did a decade ago because their economies have been growing. The somewhat surprising figures for the UK disguise the reversal of a marked fall in poverty prior to 2011. Iceland deliberately, and famously, responded to the crisis with unifying policies that were different from everyone else. (Konzelmann, 2019, ch 8)

The main problem in interpreting the figures more generally is that austerity is only one factor out of many; there are too many issues at play to establish clear generative links. If there is a relationship between marginal changes to public expenditure and poverty, it is disguised by all the other things going on. Conventionally, social science attempts to resolve that kind of

problem by isolating the influence of each variable relative to others. That process is highly questionable. Nearly all the generalisations made about developed economies have to rely, in their nature, on a fairly small number of countries - far too small for much of the statistical analysis which is applied to them. The data that are available usually fail to take account of factors that do not feature in economic indicators - we try to identify poverty, for example, without considering the significant equivalent personal value of medical insurance provided by a universal health service, or the imputed rent available to people occupying property in countries where renting is rare. There is a constant risk of spurious correlation - it is not likely to be true that including Mexico and Turkey in an analysis will clarify the underlying relationship between policies applied in Finland and Portugal. More importantly, comparative analysis common depends on some indefensible assumptions about methodology. Multivariate analysis works by isolating the influence of independent variables: by design, the process disregards, or 'brackets off', the social, economic and institutional influences which are critical for understanding what is really happening (see Spicker, 2018).

The balance of public and private provision

Austerity has been taken to mean something more than retrenchment; it has also been represented as a reduction in the role of the state. Austerity, Konzelmann writes, has been used "for political and ideological reasons (stated or not), as a means of reducing the size and economic role of the state, particularly with respect to social welfare provision." (Konzelmann, 2019, p 1) The driving force behind austerity in the UK, the UN Special Rapporteur comments, "has not been economic but rather a commitment to achieving radical social re-engineering – a dramatic restructuring of the relationship between people and the State." (UN Human Rights Council, 2019, p 5) In line with neo-liberal beliefs, austerity has been associated with lower taxes, the increased use of market provision, and the transfer of resources and responsibilities from the public sphere to private enterprise.

Neo-liberal policies have been around for a long time; they are the dominant policies of the Reagan and Thatcher eras. There is a strong family resemblance between the pattern of 'austerity', so-called, and the structural adjustment advocated by international organisations in the 1980s and 90s. The elements of structural adjustment included politics for economic stabilisation, including actions to curtail government deficits; institutional reforms, intended to develop markets in place of public action; and policies to promote markets, including privatisation, ending subsidies and the use of price incentives to govern public policy. (SAPRIN, 2004) These policies are commonly identified with the terms of the "Washington Consensus". John Williamson, who coined that term, identified several elements of the consensus which overlap directly with austerity politics. They include fiscal discipline, reordering public spending priorities, tax reform, privatisation and deregulation. (Williamson, 2000)

At times, the neoliberal advocates of marketisation have argued that the best way to protect the position of the poor is to provide them with cash rather than services in kind.(e.g. Seldon, 1977) It is questionable whether that argument carries much weight, as most neoliberals are also passionately opposed to redistribution, which they think violates the property rights of the people who are paying for it; (Rothbard, 1978, p 29; Nozick, 1974, p 179) but it is legitimate to ask what the implications for the poor might be. Market based policies are designed to link the distribution of resources to willingness and ability to pay, and people with low and insecure

incomes are less able to pay for goods and services than other people are. They are less bankable; loans to poor people are more risky and they cost more. If there are shortages - such as shortages in housing - the people who are least able to command resources are also the people who are least able to gain access; and, despite the frequently made claim that supply will expand to meet latent demand, that only happens when there are sufficient resources to make the expansion worthwhile. Housing can only be built with substantial resources, and the residuum of poor people does not have the resources to make that possible. Where there is a surplus of units of accommodation, the magic of the market will direct poorer people to the accommodation which is least desirable; where there is a deficit, people who lack resources are likely to be homeless.

Another pathway leading to disadvantage is the process of adverse selection. (Barr, 2004) It is central to market based theories that people have choices: but that means that producers have choices, too. People who are isolated, difficult to serve, risky or more expensive to respond to are going to face higher costs. That is not a case of 'market failure'; it is the result of markets working as they are supposed to work. Some level of exclusion is intrinsic to the system. Markets, in their nature, leave people out. Unavoidably, shifting responsibility to markets must leave some people worse off.

On the face of the matter, poor people must be disadvantaged by market processes. This is generally born out in the experience of financial exclusion, differential costs and charges, and adverse selection. However, the situation is less clear-cut than this suggests. There are evident advantages in pursuing non-market solutions in education and psychiatric health care - a position recognised even in the United States - but non-market solutions are not ideal for every type of distribution. No-one has made a serious case for the distribution of food through non-market mechanisms. Where arguments are made for better provision, they tend to take the form of arguments for higher cash benefits - for example, the flurry of recent arguments made for Basic Income. (see e.g. Downes, Lansley, 2018) Cash benefits depend on markets - necessarily - because that is how cash is spent.

Minimal benefits and services

The other dimension of arguments for a reduction in state activity is that they have been identified with a particular kind of austerity, where public services are stripped down to a minimum. The proponents of this approach have usually argued for selective, residual benefits. That argument depends on the underlying belief that most people are able to manage from their own resources, and so that only a limited number of people - a residuum - will require support. Selectivity is usually defended in the belief that it is more efficient than the alternatives - it ensures that only those people who need assistance will receive it.

There are some obvious flaws in this argument. Selectivity is not efficient. It is notorious for its complexity, its administrative expense, errors of inclusion, errors of exclusion, and boundary problems. Its proponents have been eager to claim that new digital technologies will make it perform better. The fundamental weakness in that argument was identified by Richard Titmuss, who was facing just the same propositions more than fifty years ago. (Titmuss, 1968) The difficulty that people have in complying with selective processes is that their lives don't fit into the neat little boxes that are needed for the processes to work. If we cannot solve human problems about relationships, computers are not going to solve them for us.

No less fundamentally, saying that people will manage from their own resources is not the same as saying that the services will cost less. Residual emergency services are costly. The UN Rapporteur on the UK is caustic:

Far-reaching changes to the role of Government in supporting people in distress are almost always “sold” as part of an unavoidable fiscal “austerity” programme needed to save the country from bankruptcy. In fact, the reforms have almost certainly cost far more than their proponents will admit. The many billions extracted from the benefits system since 2010 have been offset by additional resources required, by local government, by doctors and hospital accident and emergency centres, and even by the ever-shrinking, overworked and underfunded police force to fund the increasing need for emergency services. (UN Human Rights Council, 2019, p 5)

The only saving made by residual services is a direct saving to the public purse, and that is not the same thing. Services which depend on two tier provision, or more, may well cost more. Services to administer charges and exemptions cost money. Providing duplicate services to make competition possible costs. So does marketing. Part of the justification for market provision is that it promotes choice, and providing for choice is costly. Indeed, the free-market Institute for Economic Affairs has argued, in opposition to the UK National Health Service, that state provision is the source of chronic underfunding when it is compared to what people will pay for in the market. (Niemi, 2015) Many so-called ‘austerity’ policies simply shift the costs from public expenditure to private citizens, and once they are ‘off the books’ neoliberal governments have been happy to disregard the expense. This is not about ‘austerity’ at all.

Another kind of austerity

There was a time when ‘austerity’ meant something quite different from the pursuit of neoliberal policies. The UK National Health Service has, for much of its existence, been thought of as an ‘austere’ service, (e.g. Iglehart, 1983; Carrier, Kendall, 1998, p 79; Zweiniger-Bargielowska, 2002; O’Hara, 2007) founded during an ‘age of austerity’ (Sissons, French, 1963). ‘Austere’ provision is frugal - provision without frills. Austere services do not offer choices, because choices depend on things being available that will not be chosen, and that necessarily costs more to provide. An austere policy is minimal, limited, and confined to the things that matter.

There are still services like this in the world, but they do not have much in common with the ‘austerity’ practised in recent years in the US, UK or Japan. Since the 1990s, the World Health Organisation has promoted the idea of basic health care packages, sometimes called Essential Health Packages. The principle behind an EHP is that health planners have to work out how to get the greatest effect possible for a minimal amount of money. The World Development Report 1993 argued:.

Governments in developing countries should spend far less - on average, about 50 percent less - than they now do on less cost-effective interventions and instead double or triple spending on basic public health programs such as immunizations and AIDS prevention and on essential clinical services. A minimum package of essential clinical

services would include sick-child care, family planning, prenatal and delivery care, and treatment for tuberculosis and STDs (*sexually transmitted diseases*). (World Bank, 1993)

In practice, this has meant that some services have been provided - maternity and neo-natal services, inoculations and public health - while others have not, including many aspects of acute care, services for older people or long-term disability. Ethiopia's Essential Health Package, for example, includes

- Services for families and children
- Services for dealing with some communicable diseases, including TB and HIV/Aids:
- Basic curative care and treatment of major chronic conditions
- Hygiene and environmental health
- Health education and communication.

Liberia's Basic Package of Health Services consists of

- Reduce maternal, infant & under 5 mortality rates
- Routine Immunization
- Nutrition interventions
- Primary Health Care Services
- Malaria treatment,
- Sexually transmitted infections, HIV and AIDS
- TB & Leprosy control
- Safe Motherhood
- Selected social welfare services
- Emergency Preparedness Response (EPR)
- Essential Drugs and Medical Supplies
(Republic of Liberia, 2008)

Ethiopia has reduced under-five mortality from 166 per 1000 in 2000 to 59 in 2017; Liberia from 135 to 75.

There is room for some scepticism about how effective EHPs have really been (see e.g. Kapiriri, 2013) - the problems of comparison, and identifying generative mechanisms, are no less relevant here than they are in other areas. EHPs have been introduced in countries where there are massive problems to deal with, resources are very limited, communications and the information base are often poor, and governments cannot afford even the very limited commitments that the packages call for. Sometimes there are charges - some EHPs are directly linked with publicly funded health benefits, some are not - and charges can be exclusive. (Wright, Holz, 2017) There are obvious problems in implementation. In Uganda, the cost of the minimum health care package was assessed at \$28 US dollars per capita; the government provided only \$8. (Ssengooba, 2004) In Malawi, it was estimated that dealing the priority needs identified in the package would cost \$34-38 per capita (in US dollars); the actual coverage was \$25 per capita, or 57% of the necessary funding, but two-thirds of the identified needs were addressed nevertheless. (Bowie, Mwase, 2011)

If Essential Health Care Packages are residual, it is only in the sense that they are picking up problems that existing arrangements have left behind. They are not selective; there is no test of need, no administration to determine eligibility. They are there for everyone and anyone. They minimise wasteful effort. However, they are not generous; they are minimal, and sometimes less than minimal. This is what austerity looks like.

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