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Epilogue

Austerity from financial to pandemic crisis

Maria Kaika, Rita Calvário, and Giorgos Velegrakis

More than a decade onwards from the global economic crisis, and as this book was being written, the world was hit by another global crisis: the coronavirus pandemic. Although the 2019 virus outbreak and the 2008 financial crisis outbreak may appear disconnected at first glance, closer examination and emerging research reveals interesting similarities and differences both in their root causes and in their measurable socio-environmental effects. And interesting connectivities between the impact of the two crises to the prolonged period of austerity since 2008.

The first similarity between the two crises lies in the tragic toll they had on human life. The coronavirus' toll on millions of human lives could not have been more directly felt or more widely mediatised. The 2008 economic crisis' toll on millions of human lives was equally high, but it was far less mediatised and less direct. The thousands of human lives and millions of livelihoods lost then took the form of a massive increase in suicides related to chronic unemployment and household-debt (45% increase in Greece following 2008); the form of deteriorating physical and mental health; the form of increased levels of poverty and child poverty; and the form of continuous decline in healthcare and general welfare spending (Kaika, 2012; Stuckler & Basu, 2013). Both in the case of the pandemic and in the case of the post-crisis period, the loss of human life and livelihoods can be attributed – at least partly – to the continuous austerity practices. The chronic unemployment that led to suicides, the chronic poverty that led to health deterioration, could have been avoided if the IMF, World Bank, and European Central Bank had not advocated and pushed for an austerity driven path to economic recovery. The loss of lives to the coronavirus is also directly linked to the deterioration of healthcare that the post-crisis cuts in healthcare spending, in austerity-induced privatisation of hospitals and care homes, which were added to the general deterioration of healthcare facilities across the world since the decline of welfare as part of a neoliberal economic doctrine.

The second similarity between the effects of the pandemic and the effects of the economic crisis lies in the continuous aftershocks of contracting and slumbering that both events brought or are expected to bring to the economy. In the case of the global pandemic, the lockdown measures to contain the

virus deepened the economic crisis. The 2020 World Bank's forecast expected the global economy to shrink by 5.2% due to the pandemic. This shrinkage was added to the continuous aftershocks still felt by the 2008 crisis, since the austerity recipe did not lead to the expected results for economic recovery. In 2019, more than ten years onwards from the beginning of the crisis, the IMF reported an *increase* in the median general government debt-GDP ratio from 36 to 51 percent, and an increase in central bank balance sheets in advanced economies "several multiples the size they were before the crisis" (Chen et al., 2019, p. 5).

However, there is a significant difference in the way western international, national, and local policy-making institutions responded thus far to the economic and social effects of the global pandemic; the implementation of social support measures to sustain jobs, livelihoods, and small businesses; the cash injections to avoid collapse of the healthcare sector, the general increase in welfare spending; governmental bail outs not only for banks, but also for small-medium enterprises, and households faced with mortgage defaults; all these measures could not have been more different than the austerity-driven cuts in welfare and social support implemented after the 2008 crisis. Although in some countries of the global south austerity continues justifying extractivist policies, in many parts of the western world austerity appears to have been shelved – at least for the time being – while international, national, and local policy-making institutions try to respond to the socio-economic effects of the pandemic.

Some authors speculate that the reasons why policy circles in the west resist falling back into austerity measures may be because this (pandemic-induced) crisis is different: a crisis of solvency, rather than a crisis of liquidity (Hansen, 2020). However, we argue, the reasons why international and national policy makers finally move away from considering austerity as a cure to this crisis may also have to do with the fact that they finally start seeing and believing the facts about the destruction that a decade of austerity brought to the economy, the society, and the environment. Future research will tell us more. But as this book goes to print, the world has the opportunity to design and implement a different approach to crisis than the by now proven dangerous ideology of austerity.

Still today, just like in the post-2008 crisis, concern with environmental impact lags behind, and takes second, third, or worse place to economic and other concerns. But as economic recovery and growth are once again being put forward as top priority recovery areas, this book's call to pay close attention to the socio-environmental dimension of our responses to a crisis may bring powerful insight on changing the outlook and methods by which we assess the socio-environmental outcomes of any decisions related to post-pandemic changes in economic and welfare policies.

Let us not forget that at its origin, this global pandemic is the direct outcome of the global environmental crisis. The virus itself has its roots on the continuous quest for further market expansion (expansion of agri-food markets more

specifically in this case). Continuous market expansion in turn mobilises new ways in which humans interact with nature and treat more than human life. Industrial agriculture and agro-business, and changes in food consumption habits, are widely pointed as key factors explaining the virus outbreak (Altieri & Nicholls, 2020). And the ensuing socio-economic and environmental impact of the pandemics are being unequally distributed across different geographies and social groupings. It is already well documented that socially and economically deprived people are more likely to die from COVID-19; and to suffer from economic hardship related to the pandemic (Patel et al., 2020). Despite social support measures, the pandemic is already intensifying class, racial, gender, and spatial inequalities (Abedi et al., 2020; Reichelt et al., 2020; Rose-Redwood et al., 2020).

The political ecology approach to the environmental impacts of austerity presented in this volume highlights the multifaceted links between economic crisis and the environment by exposing the crucial role of political processes and power relations in shaping socio-natural and spatial relations that reproduce inequalities. The chapters address how austerity policies intermingle with climate denialism, anti-colonial struggles, new left municipalism, hate politics and populism, women's activism, struggles for "care" economies, and working-class environmentalism. They also highlight the importance of solidarity economies and the possibilities for inventive ways of movement-building against austerity. These can give very important insight in thinking of new and alternative ways forward after the pandemic. Gaining insight on how socially and environmentally destructive austerity has been for humans and more than humans can inform policies and practices in reshaping a more equalitarian world.

As the economic consequences of the pandemic are rapidly approaching the worst consequences of the post-2008 economic crisis, austerity may well appear again in the horizon and even be advocated by neoclassical economists as a recovery recipe. The analysis in this book offers sufficient evidence to advocate against such a pathway. We urge scholars and policy makers to take seriously into consideration not only the disastrous social and economic effects, but also the devastating and long-lasting socio-environmental effects that resurrecting austerity would bring. Looking at the environmental dimensions of austerity from a political ecology approach, this book contributes to broadening our understandings of "crisis" and to advocating alternative ways to address future crises, of an economic or other nature. We hope this book offers important lessons for dealing with our near future within and beyond the pandemic.

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