Why government budgets are exercises in distributing life and death as much as fiscal calculations

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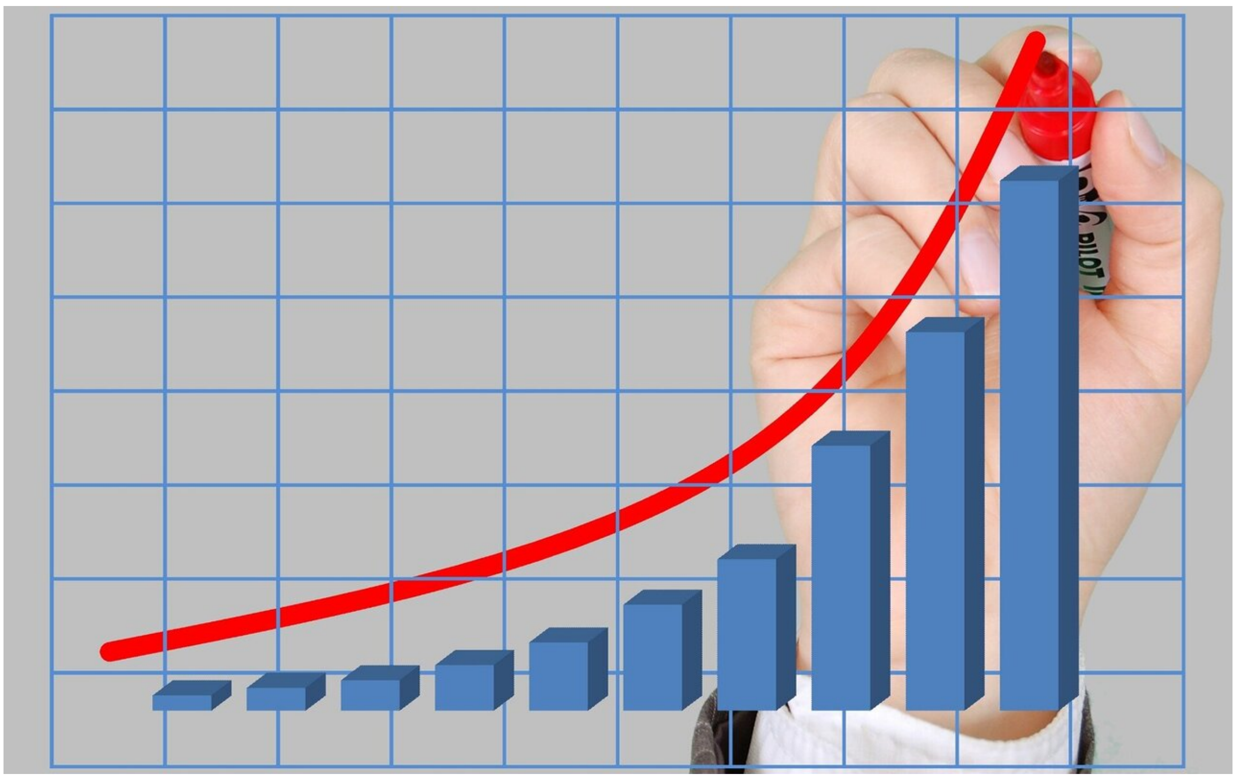

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Sacrificial dilemmas are popular among philosophers. Should you divert a train from five people strapped to the tracks to a side-track with only one person strapped to it? What if that one person were a renowned cancer researcher? What if there were only a 70% chance the five people would die?

These questions sound like they have nothing to do with a government budget. These annual events are, after all, conveyed as an endeavor in accounting. They are a chance to show anticipated tax revenues and propose public spending. We are told the name of the game is "fiscal responsibility" and the goal is stimulating "economic growth." Never do we talk of budgets in terms of sacrificing some lives to save others.

In reality, though, government budgets are a lot like those trains, in philosophical terms. Whether explicitly intended or not, some of us take those trains to better or similar destinations, and some of us will be left strapped to the tracks. That is because the real business of budgets is in distributing death and life. They are exercises in allocating misery and happiness.

Take the austerity policies introduced by the U.K. government in 2010 and the following years. Studies put the mortality cost of spending cuts between 2010 and 2014 at approximately 150,000 excess deaths. A more recent study suggested that 335,000 excess deaths could be attributed to the austerity of the 2010s.

These are contestable figures—and they cannot draw a direct causal relationship between specific austerity policies and number of deaths. But even if it is impossible to assign an accurate death toll to austerity, it should come as no surprise that reducing welfare spending will reduce, well, welfare. The same is true in reverse. An England-focused study suggests that by increasing health care expenditure by 1%, around 300,000 deaths could have been avoided in the wake of 2010 cuts.

This has a sobering implication: knowingly or not, a decision is effectively made to let 300,000 die if health care expenditure isn't increased by 1%.

Similarly, there is a clear link between fuel poverty and premature deaths. It is difficult to derive a precise figure, but it's almost certain that a government decision not to further subsidize energy bills will trigger otherwise preventable deaths.

There is a truism in all this: resources are limited, and decisions inevitably come with trade-offs and opportunity costs.

For instance, austerity was a response to a severe economic downturn. Recessions reduce how much revenue a government has to spend on services, which leads to the loss of lives and livelihoods. Even for those who don't suffer in the extreme, life is generally less livable for many of us. For all we know, the global financial crisis would have (eventually) led to tens of thousands of additional deaths no matter how the government responded.

The values smuggled into budgets

Budgets are of course hugely complicated, but this is all to show that while it is true that they involve accounting, the morally relevant currency of what is being accounted for is ultimately our well-being, including its loss through death.

For instance, assume it is indeed true that 300,000 deaths could be prevented by a 1% increase in health care spending. Assume also that using these funds in some other way (such as on education and home insulation) would in the long term prevent far more deaths, or, significantly improve the quality of several million lives.

Suddenly, talk of fiscal responsibility seems to miss the point. We are faced with a much more philosophically loaded debate. It becomes pertinent to say, hang on, just how much extra well-being for some do you think can make up for the deaths of 300,000 others? And how sure are you about this?

It starts to become obvious how value judgments infuse and implicitly guide these fiscal decisions that, unwittingly or not, involve weighing up certain lives against others, present lives against future ones, and proxies for well-being (such as job creation) against others (such as preventing premature deaths).

The risk of the language of "boosting the economy" is that it gives these monumental decisions in ethics a veneer of being value-free budgetary exercises in "following the evidence," stopping us from seeing how the economic sausage is actually made.

Of course, evidence-based policy is better than unevidenced policy. What is missing is values-transparent policy, and that starts with the philosophical task of laying bare the precise value judgments that go into constructing what we're told are "good economic outcomes."

While the Office of Budget Responsibility independently assesses the economic credibility of the budget, no corresponding institution works to uncover its ethical assumptions and value trade-offs. Welfare economists and ethicists need to forge a new relationship that initiates and guides the uncomfortable public conversation of how government budgets inevitably trade-off lives and livelihoods, now and against the future.

Equally crucial, by instituting norms that encourage uncovering all the value-judgments smuggled beneath the guise of sanitized fiscal and economic talk, we might reduce the chances of opportunistic politicians gambling with millions of livelihoods by redirecting the train in the name of one ideology or another.

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