SPECIAL ARTICLE

Actions to alleviate the mental health impact of the economic crisis

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The current global economic crisis is expected to produce adverse mental health effects that may increase suicide and alcohol-related death rates in affected countries. In nations with greater social safety nets, the health impacts of the economic downturn may be less pronounced. Research indicates that the mental health impact of the economic crisis can be offset by various policy measures. This paper aims to outline how countries can safeguard and support mental health in times of economic downturn. It indicates that good mental health cannot be achieved by the health sector alone. The determinants of mental health often lie outside of the remits of the health system, and all sectors of society have to be involved in the promotion of mental health. Accessible and responsive primary care services support people at risk and can prevent mental health consequences. Any austerity measures imposed on mental health services need to be geared to support the modernization of mental health care provision. Social welfare supports and active labour market programmes aiming at helping people retain or re-gain jobs can counteract the mental health effects of the economic crisis. Family support programmes can also make a difference. Alcohol pricing and restrictions of alcohol availability reduce alcohol harms and save lives. Support to tackle unmanageable debt will also help to reduce the mental health impact of the crisis. While the current economic crisis may have a major impact on mental health and increase mortality due to suicides and alcohol-related disorders, it is also a window of opportunity to reform mental health care and promote a mentally healthy lifestyle.

Key words: Mental health, economic crisis, suicide prevention, social policy

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The financial turmoil that began in 2007 has developed into a full-blown economic crisis in many countries. This crisis is likely to have a negative impact on health, especially mental health. The full health impact of the crisis remains to be seen, but reports of negative mental health effects have already emerged. For instance, an increase in suicide attempts has been reported in Greece (1), and increases in the rate of suicides following the onset of the recession have been observed in Ireland (2) and England (3). However, the outlook does not have to be so bleak. A recent World Health Organization (WHO) publication points out that the association between economic crises and many negative mental health outcomes is avoidable (4).

Societies can be more or less resistant to stressors, which can include both economic upturns as well as crises. The latter can destabilize public service budgets, with many consequences, including some on education, social welfare and health care systems. Policy choices can influence the impact of any economic recession on mental health outcomes. Unwise austerity measures in public services for children, families and young people may result in long-lasting and costly mental (and physical) health damages, and create an obstacle to economic recovery. Conversely, measures to ensure that social safety nets and supports are in place can increase the resilience of communities to economic shocks and mitigate the mental health impacts of fear of job loss, unemployment, loss of social status and the stress-related consequences of economic downturns (5).

This is because mental health depends upon a variety of socioeconomic and environmental factors (6). High frequencies of common mental disorders and suicide are associated with poverty, poor education, material disadvantage, social fragmentation and deprivation, and unemployment (7-9). Recessions can widen income inequalities in societies, which in turn increases the risk of poor mental health (10).

As people move down the socio-economic ladder due to loss of jobs and income, their health is at risk of being adversely affected (11). The number of households in high debt, repossession of houses and evictions is at risk of increasing as a result of the economic crisis. Protective factors will be weakened and risk factors will be strengthened.

MENTAL HEALTH RISKS IN ECONOMIC DOWNTURNS

A substantial body of research signposts that additional mental health risks emerge in times of economic change. We know that people who experience unemployment and impoverishment have a significantly greater risk of mental health problems, such as depression, alcohol use disorders and suicide, than their unaffected counterparts (12,13). Men, in particular, are at increased risk of mental health problems (14) and death due to suicide (15) or alcohol use (16) during times of economic adversity.

There is evidence that debts, financial difficulties and housing payment problems lead to mental health problems (17-19). The more debts people have, the higher the risk of increasing as a result of the economic crisis. Protective factors will be weakened and risk factors will be strengthened.
job loss (23). Pooled evidence calls for protective interventions targeting both newly and long-term unemployed, especially men with low educational attainment (23).

During recessions, social inequalities in health can widen (24). It is the poor – and those made poor through loss of income or housing – that will be hardest hit by the economic crisis (23). The crisis is likely to increase the social exclusion of vulnerable groups, the poor and people living near the poverty line (25). Vulnerable groups include children, young people, single parent families, the unemployed, ethnic minorities, migrants, and older people. Work from South Korea reported increasing income-related inequalities in suicide and depression over a 10-year period following an economic crisis, strengthening the argument for targeted investment in social protection supports (26).

**Economic crises put families at risk**

Families as a whole also feel the effects of economic crisis. Poor families are especially hurt by cuts in health and education budgets. Family strain may lead to increases in family violence and child neglect. Children may also find themselves having to provide care and support for other family members.

The foundations of good mental health are laid during pregnancy, infancy and childhood (27). Mental health is promoted by a nurturing upbringing and a holistic preparation for life in pre-schools and schools by providing social and emotional learning opportunities (28). Cuts in pre-school support and the educational system may have life-long consequences on psychological well-being.

Economic stress, through its influence on parental mental health, marital interaction and parenting, impacts on the mental health of children and adolescents (29,30). The impact of extreme poverty on children may include deficits in cognitive, emotional and physical development, and the consequences on health and well-being may be life-long (31). Nation-wide population follow-up data from Finland, which experienced a severe economic recession in the beginning of the 1990s, reveals gloomy figures: at age 21 one in four of those born in 1987 had committed a criminal offence and one in five had received psychiatric care (32).

**Alcohol-related harms increase during downturns**

In many countries, alcohol consumption is negatively associated with population mental health. For example, in Eastern Europe, alcohol consumption plays a considerable role in the suicide rate, especially in men (33).

In Russia, the societal changes seen after the collapse of the Soviet Union in 1991, as well as the breakdown of the rouble in 1998, were followed by increases in alcohol-related deaths (34). Likewise, high rises in unemployment have been linked to a 28% rise in deaths from alcohol use in the European Union (5).

Binge drinking and alcohol-related deaths tend to increase in many countries during economic downturns (35,36), creating a need for governments to upgrade alcohol control actions.

**MENTAL HEALTH RISKS CAN BE MITIGATED**

Countries with strong social safety nets see smaller changes in the mental health of the population related to economic downturns (37). European data indicates that, in countries with good formal social protection, health inequalities do not necessarily widen during a recession (5). For instance, in Finland and Sweden, over a period of deep economic recession and a large increase in unemployment, health inequalities remained broadly unchanged and suicide rates diminished, possibly because social benefits and services broadly remained and buffered against the structural pressures towards widening health inequalities (38-40). These European findings are echoed by US data linking increased suicide rates with reductions in state welfare spending (41).

Reforms to social welfare to maintain or strengthen safety nets and taxation systems to reduce income inequalities potentially could help protect mental health. The collated data indicates that social protection responses are crucial in mitigating poor mental health in any economic crisis while high levels of income inequality are associated with poor mental health.

A holistic approach to the mental health challenges of the current economic crisis calls for interventions across several sectors. In addition to broad social welfare measures that go beyond mental health issues alone, the provision of mental health services in primary care, active labour market programmes, family support and parenting programmes, alcohol control, promotion of social capital and debt relief programmes constitute the cornerstones of successful policies to prevent mental health problems in the population. There is also an emerging evidence base on the cost-effectiveness of these actions.

**Accelerating mental health care reforms**

Many countries are facing pressure from the international financial community to cut borrowing and public expenditure, which inevitably puts strain on their health and welfare budgets. Government expenditures on health are being squeezed and falling in real terms. Data on Organisation for Economic Co-operation and Development (OECD) countries indicate that overall health spending grew by nearly 5% per year in real terms between 2000 and 2009, but was followed by zero growth in 2010 (42). Major health service cuts have recently been seen in Greece (43). In spite of increased pressure on mental health services (44), these services are particularly vulnerable to cuts, as they usually lack a strong advocacy base to oppose them, contrary to physical illness services.
Improved responsiveness of health services to changes in the social, employment and income status of the population, and early recognition of mental health problems, suicidal ideas and heavy drinking will help reduce the human toll of recession. To meet the mental health challenges of the economic crisis, not only is protection of spending on mental health services required, but also restructuring of services to meet the needs of the population. Well-developed community-based mental health services are linked to the reduction of suicides (45,46). An integrated care approach with a focus on service provision in primary care will increase access to mental health care, and shift the focus to prevention and early detection of mental health problems. The mental health care system must liaise with resilience-strengthening elements in the community, to create a comprehensive and accessible network. Perceived stigma is a barrier for help-seeking (47), and support services need have high acceptability.

Due to financial constraints, governments will inevitably have to review their welfare services. In many countries, mental health spending is still concentrated in psychiatric hospitals. The current financial crisis may create the urgency and strengthen courage to eliminate the fundamental problems in hospital-dominated health care delivery and increase access to community based services. Thus, increasing efficiency of services can go hand in hand with development of modern community-based mental health services. Sound financial incentives are, however, needed to support the provision of high-quality community care and optimal use of existing resources. One important challenge may be the need to continue to fund excess inpatient services at the same time as investing in other services during a transitional period (48). Linking funding to accreditation systems and provider performance assessments can help support a shift in emphasis away from institutional care (49).

Universal coverage of mental health services is a cornerstone in reducing the impact of the crisis, and is likely to restrain social inequalities in health (50). The current economic crisis provides an additional driver to review and develop the funding of mental health services to ensure access for all.

Active labour market support for unemployed people

Active labour market programmes can reduce the mental health effects of recessions. These programmes aim at improving prospects of finding gainful employment and include public employment services, labour market training, special programmes for young people in transition from school to work, and programmes to provide or promote employment for people with disabilities.

In European Union countries, each additional 100 USD per head of population spending on active labour market programmes per year reduced by 0.4% the effect of a 1% rise in unemployment rate on suicides (5).

Active labour market programmes include group psychological support for unemployed people to promote mental health and increase re-employment rates (51,52). Cost-effectiveness evaluations of such interventions have reported savings for social welfare payers and employers alike, through increased rates of employment, higher earnings and fewer job changes (53).

Given the adverse economic impacts of unemployment for physical and mental health, there is a case for embedding these types of services routinely into redundancy packages provided by employers.

Special programmes for young people in transition from school to work and re-employment training for young people left unemployed can be of benefit. Apprenticeship-type training in regular educational settings offer most mental health benefits (54).

Family and parenting support programmes

Family support programmes include support for the costs associated with raising children, as well as expenditure related to maternity and parental leave.

In European Union countries, each 100 USD per capita spending on family support programmes reduced by 0.2% the effect of unemployment on suicides (5). There is also a large body of literature indicating that investment in measures to support the well-being of parents and their children can be protective of mental health, with long-term economic gains outweighing short-term costs (55).

Control of alcohol price and availability

The most effective and cost-effective policies include controls on the price and availability of alcohol (56). While sometimes politically challenging to implement, policy actions to increase the price of alcohol will result in a reduction in consumption and associated harm across the whole population (57). Alcohol policy, and particularly policy that increases the price of alcohol, will reduce deaths from alcohol use disorders.

Control policies should be supplemented by provision of services: heavy drinkers will benefit from delivery of brief interventions in primary care.

Debt relief programmes

It is necessary to try to prevent people from becoming over-indebted as well as making it easier for them to pay their fair share and be able to return to a dignified and economically active life. This has been highlighted as a key area for action to protect mental health in public policy (58). Taking such action results in reduced distress and socio-economic benefits (59). In Sweden, people in high debt who had been granted debt relief had a better mental health than
those who had not (59). A controlled trial of access to debt management services in England and Wales reported improvements in general health, anxiety and optimism (60). Use of debt advice services have also been associated with a reduction in the use of health care services (61).

There is a need for national programmes to strengthen cooperation and improve communication between health services and debt management agencies. Debt management advisers should be trained to refer clients to mental health care when needed (62). On the other hand, health services need to acknowledge the burden of over-indebtedness in clients and provide referral links to debt advice bureaus (63). Access to microcredit, through organizations such as credit unions, can also help (64).

There may be scope for looking at the provisions of bankruptcy laws in some countries and seeing whether they might also be reformed to try and protect mental health.

**Strengthening social capital**

Social capital can be defined in different ways, but in general terms covers the resources available to individuals and society provided by social relationships or social networks.

In times of economic crisis, social capital can be an important protective factor. Social networks, as represented by trade unions, religious congregations and sport clubs, seem to constitute a safety net against the adverse effect of rapid macroeconomic changes (65). Participation in group activities and greater levels of perceived helpfulness within communities have been associated with better levels of mental health (66). In contrast, poor levels of interpersonal trust between individuals is associated with increased risk of depression (67).

**Responsible media coverage of suicides**

Evidence indicates that highly sensationalized reporting of suicides, providing detailed descriptions of methods, can and does lead to “copy-cat” suicides. On the other hand, responsible reporting on suicides reduces copy-cat suicide (68,69), especially among adolescents (70). Media guidelines for reporting suicides and monitoring of stigmatizing media reports have been linked with reduced stigmatization in press and reduction of suicides (68,70).

In economic crises, increased media coverage on possible increases in suicides may thus have detrimental effects and contribute to a “snowball” effect. A close collaboration between media representatives and mental health experts are needed to prevent media-related increases in suicides during times of economic hardship.

**BUILDING THE CASE FOR INVESTING IN MENTAL HEALTH**

One reason for the apparent low funding priority and neglect given to mental health is the high level of stigma associated with mental health problems (71). Countering this stigma and discrimination remains one of the most critical challenges for improving mental health at a time of economic crisis, because this stigma may impact on the willingness of public policy makers to invest in mental health (72). Public surveys in some countries have indicated that mental health can be seen as a low priority in terms of safeguarding services in the face of budget cuts (73,74).

While economic crises may have mental health impacts, mental health problems have an increasingly significant economic impact in low, middle and high income countries (75). For instance, in European Union Member States, the economic consequences of mental health problems – mainly in the form of lost productivity – are conservatively estimated to be on average 3-4% of gross national product (76). Thus, mental health is an important economic factor. The shift from a manufacturing to a knowledge-based society emphasizes even more the importance of mental health for sustained productivity. Good population mental health contributes to economic productivity and prosperity, making it crucial for economic growth (77).

Demonstrating that spending on mental health has economic benefits can help governments justify new investments in mental health, as in the case of the mental health strategy in England (78). Investing in mental health actions, both within and external to the health care sector, provides resources and opportunities to reduce the risk of social exclusion and promote social integration. However, despite the availability of cost-effective interventions, the priority mental health receives in many health care systems is remarkably low (79). This may be because many of the above-mentioned economic benefits fall on sectors outside of the health system. It is crucial to communicate to Ministries of Finance that investment in mental health can have broad benefits for the public purse as a whole (80).

**EVERY CRISIS IS AN OPPORTUNITY FOR CHANGE**

The current economic crisis presents an opportunity to strengthen policies that would not only mitigate the impact of the recession on deaths and injuries arising from suicidal actions and alcohol use disorders, but reduce the global health and economic burden presented by impaired mental health and alcohol use disorders in any economic cycle. It is important to remember that investment in supports for mental health will also have benefits in times of economic boom as well as bust, when there will inevitably be an uneven distribution of wealth gains and not all of the population will benefit, as was seen during the Celtic Tiger years in Ireland (81).
There are powerful public health and economic arguments for universal coverage of community mental health care, adequate social protection systems, active labour market programmes, family and parenting support, debt relief and effective alcohol control policy, which are strengthened by the present economic downturn. Governments could consider reorienting budgets to protect populations now and in the future by budgeting for measures that keep people employed, helping those who lose their jobs and their families with the negative effects of unemployment, and enabling unemployed people to regain work quickly. Business under strain may be able to help by offering reduced working hours or temporary sabbaticals from employment rather than making workers redundant. Governments could also consider strengthening their alcohol policies, in particular by raising the price of alcohol, or introducing a minimum price of alcohol. Such a policy would have a particular impact on reducing the harm done by risky and heavy episodic patterns of drinking.

Without detracting attention from the mental health risks of the current global economic recession, it needs to be noted that a recession may also contribute to positive lifestyle changes. Fewer hours spent at work may mean more leisure hours spent with children, family and friends. Less economic activity may contribute to a slower pace of life and strengthen social capital by providing more opportunities for civic participation and social networking. Iceland encountered a major financial and economic crisis in 2008. Some Icelanders did see the crisis as a “blessing in disguise for a nation that had lost its basic values to greed and narcissism”, offering a chance to “recover to become a more democratic, human and fair society” (82). Indeed, due to preservation of well-developed basic social welfare in Iceland even at the height of the crisis, reports indicate even positive impacts regarding health behaviours (83).

The policy decisions taken can either worsen or strengthen population health, and it is likely that options which promote population mental health will also support a faster economic recovery. Population well-being, i.e. mental capital, is a crucial prerequisite for a flourishing economy with high productivity.

The way out of the economic crisis is laid by the mental health bricks of population well-being. Important bricks are healthy families, solidarity with those struck by the crisis and accessible and equitable community mental health care. Well laid and cemented mental health bricks are crucial for a return to a healthy economy.

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