

# Reducing the Psychosocial Impact of the Financial and Economic Crisis Brussels 27 April 2009



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Prof. Vappu Taipale

Senior adviser, WHO Collaborating Centre for Mental Health  
Promotion, Prevention and Policies



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- The direct effects of this multidimensional crisis on health are still unclear
- Few changes in health system expenditure have been observed
- Health employs 10% of the total workforce in Europe and appears as a stabilizing sector
- The crisis may lead to less healthy lifestyle choices or riskier behaviour
- Evidence from past crises calls for determination in action



## WHO recommendations 2009:

- Establish an anti –crisis unit
- Improve direct lines of dialogue
- Keep stakeholders informed
- Revise existing development plans
- Prepare for reallocation of funds
- Explore options for expanding access to necessary services
- Remind everybody of the importance of addressing health inequalities





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# Families and children in times of economic constraints

- At the EU level, Finland is a laboratory in which the viability of the welfare state was tested in the early 1990s in the worst recession ever to hit an OECD country.
- The Academy of Finland, the main funding agency of basic research launched a research programme on the **Economic Crisis of the 1990s** in Finland:
  - to analyse the central aspects of societal development
  - to provide a firmer basis for assessing society's ability to adapt its behavioural models and the need to modify them



# Adult population...

- An investigation on the prevalence of mental disorders and associated factors during an economic recession was made using random samples of Finnish general population collected over 3 consecutive years, 1993–1995.
- Using logistic regression analyses, particularly problems with a partner, an uncertain-future orientation and the use of psychoactive drugs were found to be fairly permanent independent risk factors in relation to mental disorder.
- Mental disorder was more common among the unemployed than among other respondents both in women and men in every year.
- As studied by gender no major changes occurred in the mental health status of Finns during the economic recession, although in many specific groups mental disorders were markedly more common than in the general population.

Viinamäki et al 2000

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# Crisis in Finland- what can we learn

- The recession left lasting scars on the Finnish economy and society
- A high level of structural unemployment remains in Finland and a correlation between unemployment and sickness has become apparent.
- The effects of the distribution of income were clear: Inequality of income had been narrowing for a long time up to the late 1980s, but during the course of the crises this trend was reversed into increasing income differences
- The provision of services was downsized, mental health services being the most effected





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# Children and the recession (Salmi et al 1996)

- 24% of children in Finland in 1993 lived in families where one or both parents were unemployed
- About 500 children and their families participated in the survey and a portion were interviewed
- Economic constraints led to meagreness in everyday life, in shopping of clothes, food etc but not in children's hobbies
- Half of the parents reported depressive moods and one third difficulties in the marital relationship due to economic reasons – and the children's reports of the parents' mental situation echoed the same



# Children and the Recession contd..

- Families do not discuss with their children about the economic crisis!
- Only the ethos of thrift comes through to the everyday lives of the children
- Children get their information mostly from the media but very little from their parents or even at school!
- However, they are worried about the parent's health and mood

Salmi et al 1996)

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# The influences of economic hardship on child mental health ( Solantaus et al 2003)

- Information was gathered from 527 triads of 12-year-olds and their mothers and fathers from a population sample.
- A reduction in disposable family income constitutes a risk for child mental health:
  - through increased economic pressure,
  - negative changes in parental mental health,
  - marital interaction,
  - and parenting quality.





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# Mental health consequences....

## Mental health consequences...

- The negative effects of economic difficulties affect child mental health via the effect it has on parental mental health and relationship problems
- A drastic fall in family income takes a toll on parents' personal resources and mental health
- This leads to greater anxiety and decreased social functioning
- Parental mental health problems and relationship problems also affect parenting quality
- Child mental health is vulnerable to the fortunes of societal change and recession



# Societal measures

- Budget cuts brought on by a recession rarely affect children directly, but often have indirect effects
- Unemployment adversely affects parents' health and social functioning as well as their parenting
- Budget cuts especially target promotive and preventive services, making them small-scale and unobtrusive (in schools, child health clinics, day care centres, hobbies, pupil care and school health care)
- In this case, however, small savings amount to considerable costs





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## Long-term consequences...

- Mental health consequences that are mediated through family life are long-standing, be they positive or negative
- Children are resilient, but they cannot cope alone
- A vicious family circle can lead to serious problems
- In Finland we still see an increased need for child welfare services, e.g. care orders have been steadily growing
- This may lead to increased expenditure for institutional services –and paradoxically a decrease in the development of promotive and preventive services



## What can we do?

- Stress the importance of promotion and prevention in mental health
- Provide state support to families
- Provide (health) services and activities for the unemployed
- Stress the importance of well-being in everyday life
- Remember the healing discussions with children! They are aware of the crisis – let us hear what they have to say!





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