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The mental health consequences of the economic crisis in Europe among the employed, the unemployed, and the non-employed

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ABSTRACT

Applying a multi-level framework to the data from the European Social Survey's Round 3 (2006) and Round 6 (2012), we assessed the crisis by increases in rates of unemployment, while also controlling for countries' pre-crisis economic conditions. We found a positive relationship between depression and an increase in national unemployment rates. This relationship can be only partly ascribed to an increase in the number of unemployed and those employed in nonstandard job conditions—with the exception of the self-employed and women working part-time. The crisis effect is more pronounced among men and those between 35 and 49 years of age. Moreover, in strongly effected countries, the crisis has changed the relationship between part-time work and depression, between depression and certain subcategories of the unemployed (looking for a job or not looking), and between depression and the non-employed.

1. Introduction

The economic crisis that has affected Europe since 2008, and the related increase in unemployment, worsening of working conditions, and losses of income have raised concerns about the mental health of the population (Mental Health Commission, 2012). As companies seek to reduce labor costs in order to remain afloat, many Europeans have lost their jobs, or experienced cuts in work hours, wages, and other benefits (Eurofound, 2013). Even the previously protected public sector has reacted to economic pressure through an increase in outsourcing and temporary jobs (Benach et al., 2014). Evidence consistently shows that unemployment is associated with an increase in mental health problems (Bartley, 1994; McKee-Ryan et al., 2005; Paul and Moser, 2009). The fear and insecurity generated by the anticipation of unemployment is also associated with poor mental health—in some cases even more so than actual job loss (Buffel et al., 2015a; Benach and Muntaner, 2007). Recent European research has indeed shown sharp increases in unemployment and job insecurity (Eurofound, 2013), as well as in depressive feelings and suicidality (Cooper, 2011).

Within the European context, the current economic crisis has been especially linked to increased mental health problems in Greece (Economou et al., 2013; Madianos et al., 2011), Italy (De Vogli et al., 2014), Spain (Cordoba-Dona et al., 2014; Fernandez-Rivas and Gonzalez-Torres, 2013; Gili et al., 2013; Roca et al., 2013), and the UK (Barr et al., 2012; Katikireddi et al., 2012). However, these countries differ significantly from each other, both in terms of economic conditions prior to the start of the crisis and the degree to which they have been affected by the recession. Instead of incorporating actual

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measurements of economic change due to the crisis, most existing studies were restricted to crude period measurements. For example, these studies compared the prevalence of mental health problems at the start of the economic crisis with their prevalence during the crisis. In addition, by using single-country data, these studies were unable to examine whether there is a mental health effect of the current crisis above and beyond the effect on individuals whose employment status or job conditions changed. It therefore has remained uncertain whether the economic crisis only had an effect on the mental health of individuals who actually lost their jobs, or also on those who were already non-employed or unemployed before the crisis, and those who remained employed during the crisis. For example, high unemployment rates might limit workers' bargaining power, while increasing job insecurity are forcing workers to accepting less desirable employment conditions (e.g., part-time and temporary contract work) (Benach et al., 2014).

The few studies that have applied a cross-national perspective and/or examined the distressing effects of macroeconomic conditions were either carried out during a period of normal economic fluctuations (Catalano et al., 1985; Dooley and Catalano, 1984; Stuckler et al., 2009) or used aggregated data (Baumbach and Gulis, 2014). One study by Noelke and Beckfield (2014) did use a dynamic macroeconomic indicator for examining the impact of local labor demand (indicated by unemployment rates) on mortality risks. However, this research was limited to the American population aged 50 years or older.

Using information from the European Social Survey (ESS), a representative data set of the population in almost all European countries, we were able to fill this gap in the literature. In our study, we used data from ESS Round 3 (2006), which was collected before the start of the economic crisis, and from ESS Round 6 (2012), which was collected during the crisis. Both rounds gathered information on depression using a shortened version of an internationally validated and reliable inventory: the Centre for Epidemiologic Depression Scale (CES-D) (Missinne et al., 2014; Van de Velde et al., 2010). The data allowed us to explore the extent to which the economic crisis affects depressive feelings among the working-age population. Applying a multi-level framework allowed us to assess the economic crisis by increases in unemployment rates, while also controlling for the economic conditions of the countries at the start of the crisis. While a substantial body of research has focused on health behavior, suicide, and mortality (for an overview see Falagas et al., 2009; Stuckler et al., 2009), our current study focused on depressive symptoms. This is because mental health is very sensitive to both macroeconomic and individual changes in unemployment and insecure employment conditions (Benach et al., 2014; Katikireddi et al., 2012). To the best of our knowledge, ours is the first study to examine the depressive effects of the economic crisis across a wide range of European countries using a multi-level framework.

2. Theory

2.1. How employment status and work conditions are related to depressive symptoms at the individual level

Research has consistently found that unemployment is associated with increased mental problems (McKee-Ryan et al., 2005; Paul and Moser, 2009). On the one hand, the *selection hypothesis* argues that individuals with mental health problems are more likely to be without a job (Arrow, 1996), to remain so for longer periods of time (Stewart, 2001), and/or to have characteristics such as low self-esteem and feelings of helplessness–that make them more vulnerable to both unemployment and poor health (Schmitz, 2011; Schroder, 2013). On the other hand, the *causation hypothesis* posits that unemployment causes mental health problems because the subsequent loss of income raises the thresholds for both accessing mental health care use and pursuing healthy lifestyles (Schroder, 2013). Unemployment may increase feelings of insecurity, shame, and stress related to the loss of income, time structure (Jahoda, 1981), and status (Janlert and Hammarstrom, 2009). In addition, having a job can provide a feeling of control, whereas a lack of control–which is often related to unemployment or a passive work situation–is a well-known risk factor for depression (Mirowsky and Ross, 2003).

While the majority of research on the relationship between employment status and mental health primarily has differentiated between those who are and are not employed (Dooley, 2003; Virtanen et al., 2006), some studies also investigated mental health disparities within both groups. Among the inactive population, pre-retirement (Doshi et al., 2008) and disability (Morris et al., 1994; Quaade et al., 2002) have been associated with higher levels of distress and mortality. In addition, discouraged workers (the unemployed who want a job but are not actively looking for one) may have higher levels of distress than the unemployed who are actively seeking employment (Dooley, 2003).

Within the group of the employed, a number of studies find that nonstandard work, such as (involuntary) part-time jobs (De Moortel et al., 2014), temporary employment (Martens et al., 1999; Virtanen et al., 2005), and employment without a contract (Artazcoz et al., 2005) is associated with higher levels of distress. The health disparity between standard full-time workers and nonstandard workers is often ascribed to the latter group's higher levels of job insecurity and lack of legal protection (Benach et al., 2000; Benavides et al., 2000; Virtanen et al., 2003). There is also evidence that women are disproportionately represented in jobs with nonstandard contracts (Benach et al., 2002). However, not all research confirms the negative mental health effects of temporary work (Artazcoz et al., 2005), part-time work or self-employment (Jamal, 1997; Parslow et al., 2004). When part-time work and self-employment are strategies to enhance the balance between work and care responsibilities, they may actually improve mental health, especially among women (Jamal, 1997; Parslow et al., 2004). Despite these empirical findings, evidence for the negative mental health effects of nonstandard jobs is still scarce and inconclusive (Benach and Muntaner, 2007; Keuskamp et al., 2013; McKee-Ryan and Harvey, 2011).