

BOARD MEETING: 30 JANUARY 2009

HS Paper 2/09

**THE POTENTIAL IMPACT OF THE RECESSION ON HEALTH IN SCOTLAND
AND THE IMPLICATIONS FOR NHS HEALTH SCOTLAND**

Recommendation/action required

<p>At its last meeting, the Board asked the Director of Public Health Science to produce a paper which considers the available evidence for the potential impact on health of the unfolding financial and economic downturn. Members are invited to note the contents of the paper and consider the possible implications for Health Scotland.</p>

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Date: 23 January 2009

THE POTENTIAL IMPACT OF THE RECESSION ON HEALTH IN SCOTLAND AND THE IMPLICATIONS FOR NHS HEALTH SCOTLAND

Introduction

1. It is very clear that the global financial crisis and the consequent economic downturn are going to hit Scotland hard. At this stage, it is impossible to know how deep or how long the recession will be, but all the indications are that its impact is likely to last for at least several years. Even if recovery begins within the next two years, paying back the large additional government borrowing is likely to limit government spending and increase the tax burden for many years to come. This may constrain health and social services budgets and depress consumer spending.
2. This major upheaval can be expected to create changes in socio-economic conditions in Scotland of a magnitude not seen since the early 1980s. However, as the causes of the recession are unprecedented and the rapidity and severity of their onset are only matched by the great depression of 1929 and onwards, when social conditions were very different, predicting the impact on health of this recession, based on historical comparison is not likely to be very useful. In this paper, I consider some of the possible effects of the unfolding recession on health and well-being and offer my thoughts on how Health Scotland could help counter them.

Unemployment and Public Spending

3. The financial crisis is causing the major banks and many other financial institutions to make staff redundant. Scotland's biggest bank, RBS, has essentially been nationalised and its second biggest, HBOS, merged and downsized. As around 1 in 10 jobs in Scotland are in the financial sector, the impact on Scotland will be severe. The rapid decline in the housing market is already causing many firms in the construction industry to shed jobs. There are also important knock-on effects on suppliers of building materials, electricians, plumbers and other trades, estate agents and suppliers of electrical equipment and the furnishings. With the sharp downturn in consumer spending, a number of well known retail brands – most recently Woolworths, MFI and Zavvi – as well as many smaller businesses have already gone under and many more can be expected to follow. The net effect is a steep rise in unemployment involving substantial numbers of managerial and non-manual workers, unlike the pattern of the early 1980s. During 2009, the public sector is likely to be largely spared. However, with reduced tax revenues from the depressed economy, plus the need to service vastly increased government borrowing and unemployment benefit, some reduction in other areas of public spending in 2010 and onwards seems inevitable.

The Impact of Unemployment on Health

4. Unemployment has the potential to cause multiple effects on health. Research has repeatedly shown a higher prevalence of ill health and excess mortality among men and women who are unemployed¹. However, physical health does not necessarily decline during a spell of unemployment: several studies failed to find an increase in morbidity in people who were unemployed for up to 18 months². The impact will vary greatly from person to person according to their particular circumstances, capabilities and pre-existing health.

5. The vast majority of studies have found that unemployment has a damaging effect on psychological health, independent of pre-existing health³. On the other hand, those who are already ill may be more likely to lose their jobs. In the early stages, anxiety is inevitable and if unemployment persists, depression can ensue. The risk of depression and the possibility of suicide may increase when unemployment is combined with major financial difficulties and other problems such as losing one's home or relationship breakdown⁴.
6. Unemployment may cause adverse changes in diet such as a reduction in fruit and vegetable consumption and greater reliance on cheap, processed food. However, if the quality of the diet was already poor, the changes may not be great. Patterns of physical activity may also change. For some, it could mean spending long hours at home watching TV and eating junk food; spending more time at home, smokers could smoke more to fill the time and could increase the exposure of non-smoking partners and children to second-hand smoke. For others it might mean more walking to save money, or other forms of exercise to fill the extra time available. This can have further impact on both physical and mental health.
7. Unemployment may also affect the use of tobacco, alcohol and other psychoactive drugs. The Scottish Heart Health Study found that the prevalence of smoking was much higher among the unemployed, with only a small part of the difference being explained by social class⁵. The same study also found that there were both more non-drinkers and more heavy drinkers among the unemployed⁶. However, a large British prospective cohort study found no evidence that men increased their smoking or drinking on becoming unemployed⁷. At the individual level, in the face of increased anxiety and stress, some regular and dependent smokers and drinkers may tend to increase consumption. Some people in receipt of redundancy payments may increase their drinking. On the other hand, less dependent users may reduce or even cease smoking or drinking to save money. Over twenty years ago, young unemployed people in Lothian had higher than average experience of illegal drug use, reflecting national trends⁸. However, the relevance of this finding to a potential new swathe of unemployment across the social spectrum is doubtful. Where anxiety or sleeplessness is treated with prescribed tranquillisers or hypnotics, this can lead to dependency on these agents. Over the past 20 years, however, doctors have tended to prescribe these drugs less for that very reason.

Wider Consequences of a Recession

8. A severe recession has the potential to affect far more people than the unemployed. Significant numbers will experience increased job insecurity or worry about their business. The partners and children of the unemployed and people experiencing job insecurity may be seriously affected, including a higher risk of relationship breakdown. The recession is particularly likely to affect the very young and the very old. Many of those about to lose their jobs are young parents. School leavers and graduates who cannot find work may become future parents on low incomes, compromising their ability to raise a family. Old people reliant on housing equity or the interest on savings may find these much reduced, tipping them into severe financial hardship. If the pound remains weak against the Euro, this and the collapse of property values in Spain, France and elsewhere may force some of the many elderly people who have retired there to return to Scotland with severely depleted resources, adding to the burden on health and social services. With many more people struggling to make ends meet, some may be

tempted into property crime, fraud or drug dealing with further psychological and physical health consequences for themselves and the wider community.

Impact on Health and Social Services

9. In the short to medium term, the impact of the recession on health and social services is likely to be considerable. An upturn in demand is probable, particularly in relation to anxiety, depression and homelessness. There may also be possible increases in partner and child abuse and neglect. Of wider impact may be the anticipated contraction in public service budgets leading to contractions in services on a scale as yet impossible to predict. Any reduction in state benefits could have adverse health consequences. A recent international study found a strong link between lower infant mortality and more generous family policies that support dual-earner families, although not single earner families. The same study also found that increasing state pensions was associated with a decrease in old age excess mortality.⁹

Immediate Challenges for Health Improvement and NHS Health Scotland

10. Over the past 16 years, Scotland has experienced a period of uninterrupted growth and the living standards of the majority of the population have improved to a remarkable degree. During this time, life expectancy has been increasing steadily, mainly due to a marked decline in cardiovascular disease, other tobacco related diseases and some cancers. Despite this general increase in prosperity, a significant proportion of the population have fared much less well and remain in low paid jobs or on long-term benefits. In part, this explains why the improvements in health have occurred unequally across society with consequent increases in relative health inequalities. Death and diseases related to alcohol and illegal drugs have been increasing disproportionately among the more disadvantaged, as have those due to over-consumption of food and consequent obesity. If unemployment rates are going to rise across the population, this may paradoxically have a tendency to reduce relative health inequalities by increasing certain health risks in a proportion of the more affluent sectors of the population. Health Scotland will have an important role in monitoring the effect of the recession on a wide range of indicators and keeping the Scottish Government and other partners abreast of these changes and their relevance to policy and practice. With more people affected by socio-economic disadvantage, how we and our partners target our work will need to be reviewed.
11. It is important that the key health improvement messages are communicated clearly and simply and in a way that is in keeping with the changing socio-economic climate. The benefits of stopping smoking remain as great as ever with the bonus of substantial savings when money is tight. Similarly, following advice to keep alcohol consumption within the recommended weekly limits would mean reduced spending by many. There will be increased need for information about how to eat a healthy, balanced diet on a low budget. Developing cooking skills may well be a very productive way of spending time when out of work. There are many ways in which physical activity can be maintained at little or no cost and indeed may be increased with more time available. Enabling both professionals and members of the public to recognise and respond to symptoms of depression and suicidal behaviour may assume even greater importance.
12. The emphasis of health improvement in the workplace may shift towards stress management as more staff in many firms face the prospect of redundancy or greater

pressure to increase the tempo of work to survive in a hostile economic climate. With many more unemployed and many fewer vacancies, the scope for addressing employability in a cost-effective way will diminish. On the other hand, given the well-recognised benefits to mental health of engaging in voluntary work, the scope for expanding the voluntary sector may increase, to positive effect for both giver and receiver. The potential for increased racism and other forms of discrimination and harassment against immigrants due to perceived competition for jobs should be anticipated and responded to.

13. Thus, the challenges for health improvement in general, and Health Scotland in particular, will be intensified by the recession. Nevertheless, in terms of our service and infrastructure and our understanding of the issue and how they can be addressed, we are in a better position than in decades gone by. We should therefore face the difficult times ahead with the confidence that we have an extremely valuable role to play.

Taking the longer view

14. The primary focus of this paper is the short to medium impact of the unfolding recession. However, we should not lose sight of the fact that the collapse of the global financial system and world trade is occurring against a background of unsustainable resource depletion, environmental degradation and climate change. Humanity is on a path towards catastrophe on an unprecedented scale but which has already been tasted by the devastated residents of coastal Bangladesh, Myanmar and Louisiana, by the idle fishermen of the shrinking Aral Sea and the respiratory casualties of numerous air-polluted cities. While on the one hand millions lack safe drinking water and adequate food, millions more suffer the multiple consequences of overconsumption of overprocessed food whose production and transport add massively to carbon emissions. As Phil Hanlon and Sandra Carlyle have written in a powerful recent article¹⁰: “We need to work out how to prevent/ameliorate the harms likely to flow from climate change and rising oil costs. Public health professionals face the challenge of preventing adverse health consequences likely to result from continued adherence to the have-it-all mindset prevailing in contemporary Western societies. Equally, we need to seek out the potential health dividends that could be realized in terms of reduced obesity, improved well-being and greater social equity, while not under-estimating the likelihood of profound resistance, from many sectors of society, to unwanted but inevitable change.” Thus, while striving to mitigate the immediate hardship and adverse consequences of the present downturn, we need to be developing and implementing just solutions that can ensure the health and well-being of future generations and the fragile planet and ecosystems upon which they will depend.

Acknowledgements

15. My thanks to the following colleagues for helpful comments on an earlier draft: Prof Sally Macintyre, Prof Phil Hanlon, Prof John Frank, Prof Graham Watt, Dr David Gordon and Dr Andrew Tannahill.

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