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Working Paper 134: The Impact of the Economic Downturn on  
Health in Wales: A Review and Case Study

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**WHIASU**

Wales Health Impact  
Assessment Support Unit

Uned Gymorth Asesu  
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Cardiff Institute of Society and Health  
Athrofa y Gymdeithas ac Iechyd Caerdydd

# THE IMPACT OF THE ECONOMIC DOWNTURN ON HEALTH IN WALES: A REVIEW AND CASE STUDY

Eva Elliott, Emily Harrop, Heather Rothwell, Michael Shepherd and Gareth Williams

## **Acknowledgements**

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## **Wales Health Impact Assessment Support Unit**

WHIASU is a partnership between Cardiff University and Public Health Wales, funded by the Welsh Assembly Government. The unit has a Wales wide remit to:

- Support the development and effective use of HIA in Wales through building partnerships and collaborations with key statutory, voluntary, community organisations
- Build capacity for HIA through the delivery of training
- Provide information and advice to those conducting or interested in conducting health impact assessments
- Support communities wishing to undertake HIAs within their locality
- Quality assure HIAs undertaken both within and outside of the unit, to assess and improve HIA practice
- Raise the profile of HIA within Wales, the UK and internationally by providing web based resources, running training and workshop events, delivering conference presentations and publishing academic papers
- Conduct innovative research to inform the development of HIA and health in all policies

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## **Abstract**

The current economic downturn and the austerity measures currently being decided with regard to public spending are likely to impact on people's lives in a number of different ways. The test of how well political administrations respond to such crises will be the extent to which the health and well being of its populations are protected. The lesson of previous downturns is that the social and associated health impacts can lag long after what can be a relatively short period of economic recession. These effects can also be uneven and affect particular groups in the population and people living in particular places more than others. However in order for Governments, local authorities and services to respond appropriately we need to learn from the past whilst acknowledging the unique character of this particular social and economic crisis. In South Wales people are still dealing with the emotional and physical wounds which are the legacy of rapid re-industrialisation in the 1980s and we need to be prepared this time round.

This report comprises a literature review of what is known about the health impact of past recessions and their aftermaths, a qualitative case study of perceived current and potential health impacts on relevant statutory and voluntary services in two contrasting local authority areas, and a policy dialogue to discuss the findings with a small group of policy makers and service leads with national and local responsibilities.

The report concludes with a number of broad recommendations to support and guide decisions at national and local government levels.

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## **Executive Summary and Recommendations**

### **Background**

The current economic crisis is likely to impact on mental and physical health in a number of different ways, though the shape and extent of those impacts will depend on decisions taken by national and local governments as well as employers. Individuals and communities may also differ in extent to which they are vulnerable or resilient to the stressors that an uncertain economic and labour market environment presents. Although this economic downturn has its own character it is important that the lessons of previous recessions and the longer term responses to them are learned in order to inform decisions that affect policy, spending, service organisation and delivery and interventions.

### **Aims and objectives**

The overarching aim of this review is to identify the potential impact of the economic downturn and the measures that may be taken to respond to it.

The underlying objectives are:

- To identify and explain how the economic downturn may impact directly and indirectly on the health of people and places
- To identify the mechanisms and characteristics that indicate who is likely to be vulnerable or resilient to the effects of the economic downturn
- To characterise the effects of previous government and public agency measures taken to respond to financial crises on health
- To identify interventions and policy approaches that may best protect health during and after the economic downturn

### **Methods**

Data were collected in three different ways: a literature review on what is known about the links between economic downturns and health; cases studies in two local authority areas using semi-structured interviews with workers in relevant statutory and voluntary sector services; and a policy dialogue to discuss the implications of the findings with national and local policy makers and service leads in Wales.



It is emphasized that this is not a comprehensive study of the current data on how the current recession and continuing economic downturn is affecting people and services in Wales but it does suggest possible recommendations for policy and practice as well as directions for future research. However it does indicate how the current economic downturn may impact in ways that are different from previous economic crises.

### **The impact of economic downturns on health and behaviour**

Most of the research literature on economic downturns on health has focused on the effects of resultant unemployment. Whilst the character of these effects may be shaped by welfare state regime, cultural norms, values and expectations, and individual characteristics such as socio-economic status, age, gender and ethnicity the general picture appears to be that the strongest negative effect is on mental health (including the risk of suicide), with evidence of impact on some physical health problems. However the evidence does suggest some health improvements during recessions including fewer road traffic accidents and some improvements to health behaviours: alcohol consumption, smoking, physical activity and diet. Some of the data regarding health behaviours are contested, particularly with regard to alcohol consumption. However a distinction needs to be made between economic recession, which may be a relatively short period of time, and the longer term consequences of recession which may have negative effects on particular people and places over a much longer period of time.

#### *Individual characteristics*

The effects of economic crises do not impact on individuals evenly. They will depend on the interactions of factors such as social class, age, ethnicity, gender and the type of work that has been lost.

In terms of individual characteristics the strongest evidence appears to be that people with low socio-economic status are more likely to become unemployed during economic downturns and be affected negatively by job loss than people with high socio-economic status. The mechanisms appear to be largely through the experience of financial strain and the loss of material resources. People with higher socioeconomic resources are more likely

to have access to resources, such as savings, which are protective during a jobless period. It is suggested that the mechanisms whereby the loss of a job affects mental health for more affluent and skilled workers are different in that they relate to loss of status and a work related identity rather than financial strain.

In terms of gender the picture is complex, but previous studies indicating that men are more likely to be affected by job loss than women may now be less relevant in countries where women are more likely to hold jobs which support the household and/or support a work-oriented identity. The extent of gender difference also appears to vary according to different welfare state regimes. Gender effects in terms of partner and family relationships have also been studied. Although research suggests that more distress is experienced by both partners where the man has lost his job research also suggests that women are less likely to feel supported by a spouse through the job loss experience. However the picture appears to be fluid and more research is needed on the way in which shifts in the roles of men and women in the labour market, community and family could impact on health and well being.

There is little evidence of the way in which ethnicity shapes the impact of unemployment on health. More is needed however as one study suggested that minority ethnic groups suffer more unemployment in an economic crisis than the wider population after controlling for area deprivation.

Research on age and health, like gender, is complex and sensitive to wider shifts in the social and economic environment. Sociological life-course research also highlights how age needs to be seen as a dynamic between stage of life and stage of history. Whilst older people may be negatively affected by unemployment by the loss of seniority status, severe wage loss and greater difficulties in finding new employment they will have also lived through a specific socio-economic changes. In most affluent wealthy economies this has been seen as a shift from a Fordist labour market associated with industrial mass production and high job security to a Post-Fordist one characterized by competition, flexible production techniques and the individualization of risk (including responsibility for post-retirement welfare). An understanding of social and economic change on chronological age is therefore important to

understanding the meaning and experience of job loss. Research on job loss and the lack of employment for younger people highlights the danger of scarring in later life. Lack of employment in the education to work transition is associated with a higher likelihood of future unemployment in a no work/low wage cycle which is itself associated long term health impacts.

Where one lives may also impact on health and the availability of health related resources. The effects will be different for those who already live in an area of high unemployment than for those who live in an area of low unemployment. Whilst living in an areas of high unemployment may protect against the psychological impacts of job loss, such as shame and stigma, over the long term people living in high unemployment areas are exposed to other risks associated with living in economically deprived areas. Research has also suggested that cultural norms and values in different countries may shape the extent to which unemployment is seen and therefore experienced as shameful.

#### *Other levels of impact*

There is a surprisingly small literature on the impacts of economic downturns and unemployment on the health of other family members. However most research that has been conducted indicates that unemployment puts considerable strain on family relationships, including parenting, and the health and well being of children.

Economic downturns can also have visible effects on neighbourhoods which may also impact on the health of residents. As with individuals places also have histories in which disadvantage and advantage accumulate. The loss of community resources and facilities are the result where local economies fail. Opportunities for social activities may be reduced where there is little in the local economy to sustain them. A thriving local economy also provides the resources for social capital and the development of social networks both through local workplaces and through the high street – an important site of social interaction. Increased ill health and poverty associated with high unemployment may also increase demands on local public services including primary health care, social welfare and the police.

## **Mechanisms through which job loss and unemployment may impact on health**

### *Insecurity and uncertainty*

Job insecurity and its associated loss of control or mastery, has been highlighted as one mechanism through which the loss of employment impacts on health. Seen through this lens the process of anticipating redundancy, losing a job and the process of finding new employment has been researched. A number of studies have highlighted the significant negative effects on mental health in situations where workers anticipate the loss of jobs in the workforce. Insecurity and uncertainty about job losses in the workplace can also generate other effects which can be detrimental to health including the loss of trust, increased suspicion and conflict and the general deterioration of social cohesion in work based relationships.

However the eventual job loss is still one part in the process of redundancy that needs to be considered and re-employment in an insecure workplace can be just as damaging to health as continuing unemployment. The quality of re-employment is therefore an important consideration.

### *Financial strain*

Where job loss creates financial strain the impacts on health can be direct in terms of loss of access to basic needs such as nutrition but also through a cascade of secondary impacts such as housing repossession, loss of social networks and increased family strain.

### *The latent psychosocial functions of work and impact on self-identity*

Job loss entails the loss of wider social functions that are central to, and provide meaning for, a person's life. These are known as the latent functions of work and include the provision of time structure, regular social contacts, engagement in activities for collective purposes, status and regular activity.

Another kind of psychosocial mechanism is the loss of identity associated with job loss. Job loss disrupts an individual's attempt to sustain consistent and positive self-images thus

increasing the risk of mental health problems. Identity and self-esteem are also suggested to be threatened through altered networks of friendship and support.

### *Stigma and negative identity*

Another feature of the research on identity and job loss is the social stigma attached to unemployment as a form of 'spoiled identity'. Employment can be seen as having a moral side whilst the receipt of unemployment pay is regarded as degrading and shaming.

However the collective solidarity that is associated with plant closures may protect against stigma associated with job loss in the immediate future, though this may be short lived.

### **Maintaining health and well being through economic crises: resilience, coping and salutogenesis**

Whilst there is a need to understand how individuals, communities and economies may be affected by economic cycles there is also a need to identify the factors which protect individuals and neighbourhoods from ill health against the odds. A better understanding of the sources of resilience may provide clues as to what community and individual interventions may be possible in hard times. In addition it highlights that job losers and their families are not just passive victims of economic processes but do try and adopt rational strategies to deal with the situation. This review explored three concepts: coping, resilience and salutogenesis to see how these had been operationalised in research to understand how people fare in situations of economic adversity.

The research suggested that more could be done at different levels and different time to support positive coping strategies and alleviate the stress or fear of job loss. Human resource departments have responsibilities to address the fears and support the plans of workers whose jobs may be threatened through reorganisation, rationalisation or downsizing. They and job support agencies also have a role in providing support and skills in effective job search, networking, training for reemployment as well as personal skills, such as self esteem and confidence and in dealing with disenchantment where employment prospects are low. In areas of low employment there may be a need to link up with community based activities and recognising and rewarding local voluntary activity.

However in areas of sustained mass unemployment other inventions may be needed to provide access to the material and social resources needed to cope with lack of earnings and the lack of success in gaining paid employment. These need to be coupled with strategies to develop skills and investment towards the development of sustainable local labour markets in a way that builds on the actual and potential skills of the people who live there. Some of the literature above suggests that peer based interventions which are less likely to be stigmatising may be promising in stimulating social action directed at improving local employment opportunities as well as providing support through times of economic stress.

### **Interventions**

Interventions or participatory programs to help unemployed people find new jobs and cope with the unemployment experience were reviewed. Few interventions have looked at health as an outcome in addition to successful employment. However three basic types of interventions were identified which have been defined as 'strengthening', compensatory, and therapeutic.

Most of the interventions identified were categorised as 'strengthening interventions', on the basis that they target the coping capacities and resources of unemployed persons, with a view to improving both health and employment outcomes. Within these interventions, the programs tended either to focus on building individuals skills or on creating supportive and empowering social environments. Evidence was also provided on what could be considered an intense 'compensatory' approach and a therapeutic counselling based approach.

Although all of the interventions suggested positive findings, the only high quality evidence, using an experimental design, was for the skills based JOBS program developed in the USA. The other studies were all limited by either the absence of control or comparison groups, or very small sample sizes, but the promising nature of some of the findings suggest further exploration of such approaches may be warranted

### **Two Local Authority area case studies: voices from the front line**

Qualitative data were collected in the summer and autumn of 2009 in two local authority areas with contrasting populations and economic profiles (Blaenau Gwent and Cardiff).

Interviews were conducted with representatives of organisations that were felt to be

particularly relevant to experiences associated with economic downturns. Some of these were with people working in statutory services whereas others were the voluntary sector services working with specific vulnerable groups. Interview included people working in services concerned with children and young people, mental health, debt advice, housing, employment services, education and training, regeneration and primary care.

While the crest of the recession may have come with the banking crisis, there was a feeling that it had been building for a number of years, with increasing pressure on service budgets and services for people in need. Respondents felt that almost all public services are now, or will very soon, feel the impact of budget cuts, while those voluntary sector providers who work under service agreements with statutory agencies are finding it more and more difficult to provide services.

The impact on services can be seen both in terms of increased demands and reduced funding. Doing more with less is one of the challenges. However, there are also different needs, including the need for services; including leisure and counselling services, which can support people with minor mental distress associated with job loss and enable people to get access to credit in a tighter credit regime among the mainstream lenders. Such actions are long term investments which may assist with recovery.

Additional support is required for debt counselling and to enable access to affordable loans. Both debt counselling and credit unions have been successful in some areas, but innovations such as telephone and on-line loans and outreach through community centres and events might improve success in Valleys and perhaps rural communities. Interventions need to take into consideration the felt stigma, for some, in being seen to access these services, the reluctance or lack of ability to access services outside the immediate locality and the scarce resources available to provide such services to an increasingly needy and dispersed population.

In Blaenau Gwent, the recession has hit hard and was felt to have exacerbated the existing long term problems of the area. The consensus appears to be that it will suffer more and for longer than the more vibrant economy in the capital. Cardiff's diversified economy is

both more able to absorb job losses and more resilient, with more and higher paid jobs available.

It was felt that young people are the age group most likely to suffer in the long run. Access to employment and education are likely to be reduced, while for those most in need, including care leavers, essential crisis services are being eliminated.

People with serious mental health problems are also vulnerable and they will be even more disadvantaged by the lack of jobs, as their employability is low. They will be further disadvantaged by the potential withdrawal of support from voluntary agencies and the closure of NHS facilities.

### **Policy dialogue**

The policy dialogue took place at Cardiff University on the 25<sup>th</sup> February 2010. The aim of the dialogue was to facilitate discussion around the main findings of the literature review and the case studies in order to shape subsequent conclusions and recommendations within an existing policy and practice context. In addition the dialogue provided an opportunity to discuss whether the findings rang true for stakeholders in Wales providing services or developing policy. Finally it allowed participants to contribute their own knowledge and expertise to the discussion.

A wide range of stakeholders were invited including representatives from relevant policy sections of the Welsh Assembly Government, people working at a national level in relevant services within the NHS (including mental health, primary care and public health) and national voluntary groups. Although not all relevant areas of policy and practice were represented at the event there was good coverage. Perspectives represented included mental health, public health, training and employment, children and young people, social justice, economic policy, sustainable development, debt and welfare advice.

Overall, participants felt that the findings resonated with their own experiences and/or perceptions. However they highlighted the need for very specific and detailed modelling of the impact of particular spending options in order to be of any real value to decision



making. In addition there is a need to break down traditional silos both to consider impact more generally and to consider policy impacts on health. It was also felt that there was a need to look at ways of pooling resources to provide services, support and resources for recovery at a local level, although it was acknowledged that there are structural constraints that make this difficult.

Whilst there was a general agreement that mental health and supporting young people into satisfying work was a priority this workshop did not go far in suggesting ways to ensure the best health outcomes for the most vulnerable people. However it has provided a starting point. One note of caution is that there were important gaps in terms of representation in the dialogue. In particular there was no representation from education and training or from primary care although both areas were discussed in terms of their importance to public health through difficult economic times.

## **Recommendations**

The following recommendations have been drawn from the research and informed by the policy dialogue. The recommendations are broad at this stage and are intended to support an approach to future decision making rather than being specific about what should be protected, what cut and which resources pooled.

Recommendations are at macro, meso and micro levels and have been grouped for convenience under the headings of preventing ill health, responding to ill health, pooling resources, anticipating health impact, and future research and evaluation.

### ***Preventing ill health***

**1 The Department for Public Health and Health Professions (DPHHP) needs to argue strongly for public health outcomes to be considered in all policy areas within the Welsh Assembly Government. Resources should be focused on those social and economic determinants that support good health and prevent avoidable illness.**

Whilst this appears to be a rather broad and obvious recommendation it is not clear that public health has had a strong voice in other policy areas. The DPHHP should identify the mechanisms and approaches (such as Health Impact Assessment – see below) that ensure that public health goals are placed on a parallel footing with those of economic recovery. Approaches to health inequalities and social and economic equity should be linked at the highest level.

**2. There is a need for flexible active labour market programmes that support people entering, re-entering or staying in satisfactory employment in parallel to maintaining and generating good health.**

As well as being good for the economy having a job is, on the whole, better for a person's health than being unemployed. However jobs which are low paid, insecure and have low decision latitude are associated with poor mental and physical health. It is also recognised that there is an element of dual causation in that as well as unemployment being a threat to health, ill health is also a threat to employment. Research indicates that some of these programmes have been detrimental to health, particularly in areas where the likelihood of finding satisfactory work is slim. Therefore an active labour market programme is required which is flexible enough to be tailored to individual need and the local contexts in which job seekers live.

Interventions should ensure that they aim to build self-esteem, confidence, competence, optimism, skills and, where necessary, build or maintain supportive social networks. Approaches should also be appropriate to particular local contexts. For people living in areas where there is little satisfactory work a dual strategy of supporting people to maintain self esteem where employment fails to materialise as well as identifying non-paid or state-paid socially valuable activities that replace the latent functions of work, develop skills and potentially benefit local neighbourhoods needs to be developed. Interventions which are seen as opportunities to provide cheap labour without any individual or local benefit are unlikely to benefit health. There is a need for these interventions to be evaluated in terms of their health benefit as well as their employment outcomes (see below).

**3. Employers should be encouraged to develop strategies and approaches that address uncertainty, anxiety and job stress.**

Research suggests that people still in employment may be under stress and not just those who are unemployed. Employers should manage concerns about future downsizing and possible redundancies in an open and transparent way. Where possible, HR departments should offer careers advice and training to highlight potential alternative careers and opportunities. Changes to working hours and work demands should be kept to a minimum where possible. Interventions to support people at risk of becoming unwell due to stress should be considered. This may protect people at risk of involuntarily and permanently exiting the labour market. Counselling and advice should be made available, or at least the need for this support to be recognised and acknowledged, for employees who are experiencing other disadvantage as a result of the economic downturn. For instance, a spouse may have been made redundant, they may face mortgage repossession, other members of the family may face difficulties and so on.

**4. Protect and develop services intended to support vulnerable children and young people**

The review highlights that the transition from education to employment, further education or training is pivotal for long term secure employment and health. This economic downturn has had a particularly heavy impact on young people. Services that support vulnerable young people into employment, training and education need to be protected and enhanced. In some areas inadequate cheap transport has been a barrier and needs to be addressed. Those not in employment, education or training and children with significant social needs, such as children who are, or have been, supported by the social care system, may need more intensive and targeted support.

Initiatives which support children and young people, who are at risk of economic exclusion in the future, such as Flying Start, should be supported. The Welsh Assembly Government in partnership with Public Health Wales, the third sector and local communities should identify what is working at a neighbourhood level to support children and young people

make successful transitions from early years, through compulsory education to employment, further education or training.

**5. Address personal debt through the regulation of doorstep lenders, promoting other sources of credit and protecting advice services**

With financial strain being a key mechanism through which unemployment and low pay impacts on the health of individuals and their families the extent of debt is worrying. Given that Blaenau Gwent, according to one report, has the highest levels of household financial strain, the protection of debt support services and the need for interventions to avoid debt seems clear. Reports of doorstep lenders were highlighted in Blaenau Gwent and a recent MIND report on debt and mental health (MIND 2008) suggests that it is widespread. The value of alternative sources of credit, such as credit unions, should be promoted. However barriers to using credit unions, such as social embarrassment, should also be addressed. It should also be recognised that for many people the lack of any financial assets and unsustainable debt means that advice and support services will be essential to avoid a further slide into poverty and the knock on effects on mental health.

***Responding to ill health***

**6. Models of effective mental health support at primary care and community levels should be identified**

The strongest evidence for negative health impact during economic downturns is on so called mild to moderate mental health problems, although increased suicide is also associated with economic downturns. The demands on primary care services are therefore likely to increase. There was a call from one mental health representative in the policy dialogue for cognitive behavioural therapy (CBT). Although the evidence for its effectiveness appears to be strong (eg Haby et al 2005) other forms of social 'prescribing' should be explored as well. In this context the public health role of primary care in supporting people into secure work or appropriate non-work activity should be explored through a review of the literature and of existing models.

Furthermore it is recognised that some people, particularly middle aged men, are reluctant to approach health services for a mental health problem. A cross-cutting approach is therefore needed to ensure that support does not depend on individual presentation to primary care services. For instance, mental health strengthening approaches can be embedded into active labour market interventions (see above) and as a part of neighbourhood regeneration, volunteering and community cohesion programmes.

### ***Pooling resources***

**7. Public Health Wales should lead a partnership which includes the health services, local authorities and the third sector to identify mechanisms which pool resources across localities for maximum health benefit.**

It is inevitable that services across Wales in health and other sectors will be cut and these have the potential to impact negatively on health. The impacts are likely to affect deprived people and places in particular. It is therefore essential that a robust mechanism is developed to ensure that the relevant sectors work together to identify ways of pooling resources for maximum health impact. The pooling of resources needs to be at different spatial levels according to need and resource. Public Health Wales is the most appropriate organisation to lead this partnership.

### **Anticipating health impact**

**8. Health Impact Assessment (HIA) approaches should be adopted as part of public spending review processes**

Decisions on public spending will impact on society in ways which will be unintended and may therefore impact both directly and indirectly on health. Consideration of the potential impact on health should be considered at all levels when reviewing spend on public services. As in recommendation 1 the DPHHP should argue strongly for a consideration of how decisions across the Welsh Assembly Government will impact on health (intended and unintended, positive and negative), and how they will be distributed in the Welsh

population. Potential short, medium and long term impacts should be considered for people and places in Wales and mitigation actions identified to minimise any risks to health and to maximise health benefits particularly with regard to vulnerable groups. The economic costs and benefits of decisions should be quantified where possible.

This is an opportunity for Welsh Assembly officers in relevant policy divisions to deliberate collectively on the impacts that these decisions will have and health impact should be a key cross-cutting consideration. Evidence should be used and interpreted, where possible with relevant academic partners. Levers to involve local academics may be the Research Excellence Framework (REF) in which universities are required to demonstrate the impact their research has had on society.

### ***Future research and evaluation***

#### **9. Active Labour Market Programmes should be evaluated in terms of their impact on health.**

The review has highlighted the lack of evaluation of interventions to support people into or at work. Since evidence suggests that some approaches, particularly ones that focus on job search support alone, can be bad for health, learning from what works will provide benefits now and for the future. Given that contextual and individual factors can mediate health impacts in ways that are not clearly understood it will be important to use methods which link an understanding of how the programmes work for particular population groups in particular contexts to the achievement of health and employment outcomes.

#### **10. Impacts of social and economic change need to be monitored**

Research that tracks, monitors and provides feedback on the effects of economic change over the following years to establish where the impacts are felt at individual and geographical levels should be undertaken. The Welsh Assembly Government in partnership with the Office for National Statistics (ONS) and the Wales Institute of Social & Economic Research, Data & Methods (WISERD), which links researchers across Wales, provides a

potential vehicle to achieve this. As well as providing quantitative data on health outcomes, methods which provide longitudinal qualitative data on how people living across Wales cope with social and economic changes will provide a better understanding of how social and economic change impacts on health and well being. Research which takes a life-course perspective should also be considered to assess the extent to which experiences of the economic downturn now may impact on quality of life, health and life chances in the future. Feedback mechanisms will be important to provide opportunities to identify interventions to prevent ill health if necessary.

# 1 Introduction

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## 1.1 Background

The current global financial crisis is likely to impact on health and well being at individual and population levels in a number of ways that are not as yet clearly understood. Firstly, it is uncertain what the scale of these impacts is likely to be, the extent to which these impacts are likely to be positive or negative and the characterisation and distribution of these impacts in the population and geographically. Secondly, there needs to be a better understanding of how government and public agency responses to the crisis may themselves impact on health and health inequalities. Thirdly, we need to identify individual and neighbourhood characteristics that are likely result in local populations being more vulnerable or resilient to the impacts of the financial crisis. The nature of the crisis is unprecedented. However it is important that the lessons of previous recessions and the responses to them are learned in order to inform policy and practice in Wales over the next few years. This review aims to provide a resource that can inform policy and service development decisions and provide a starting point for future research.

In terms of the health impacts of this recession and its aftermath the pathways are likely to be felt directly, through experiences of uncertainty, insecurity and lack of control, and through the wider determinants of health. The most obvious impact will be through the labour market, including: anticipation of redundancy, unemployment, underemployment and changes in expectations of productivity and its resultant effects on reductions in income, experiences of debt, financial stress, relationship strain and so on. It has also been suggested that recession may have some positive impacts in terms of developing new forms of solidarity between groups of people undergoing similar experiences and with people having more time to spend with their families. Other impacts may be through lifestyle changes such as diet and physical activity, though as the review makes clear the way in which lifestyles are affected is contested and unclear.

The response by government and public agencies, including the NHS and public health, will also have impacts on population health. In terms of health services there may be increased demands on primary health and welfare services particularly in relation to mental health problems associated with unemployment and debt. However decisions about how cuts in budgets are allocated across government departments may also have an impact on population health. For instance a study of measures to address the New York fiscal crisis in 1975, which included cuts in services and the



dismantling of health, public safety, and social service infrastructures, showed that they contributed to the epidemics of tuberculosis, HIV infection, and violence, including homicide, in the two decades that followed.

Some studies have suggested that local characteristics, such as the stocks of neighbourhood social capital, may mediate the impact of social and economic downturn and health. Studies on social cohesion, social capital, community resilience, capability and vulnerability may provide insights as to how community regeneration programmes, particularly Communities First, should respond during periods of severe economic downturn.

## **1.2 Aims and objectives**

The overarching aim of this review is to identify the potential impact of the financial crisis and the measures that may be taken to respond to it.

The underlying objectives are:

- To identify and explain how the economic downturn may impact directly and indirectly on the health of people and places
- To identify the mechanisms and characteristics that indicate who is likely to be vulnerable or resilient to the effects of the economic downturn
- To characterise the effects of previous government and public agency measures taken to respond to financial crises on health
- To identify interventions and policy approaches that may best protect health during and after the economic downturn

## **1.3 Structure of report**

This report begins by describing the methods used for this study followed by three chapters that review the literature. The first of these chapters looks at what is known about the impact of previous recessions and economic downturns on the health of individuals, families, households and places. The chapter also acknowledges complexity in terms of other characteristics such as age, social class, gender, and ethnicity which mediate the impacts of economic downturns. Chapter Four reviews the theoretical literature which

suggests the mechanisms through which economic downturns may impact on health and Chapter Five looks at concepts which might help to shape our understanding of how people may cope, adjust or thrive against the odds over difficult economic times. Both these chapters are valuable because they may help to inform interventions, such as active labour market programmes that may have a positive impact on health and well being as well as on employment. Chapter six identifies the small number of interventions supporting people to re-enter the labour market that have also been evaluated for their impact on health.

Chapter Seven reports qualitative data which describe the experiences and perceptions of people working in services, in two local authority areas, that are likely to be important to people during an economic downturn. These include advisory services (particularly with regard to debt), children and family services, housing, education and training, regeneration, mental health services and primary health care.

Chapter Eight summarises a Policy Dialogue which involved a discussion of the findings between a small group of policy makers and practitioners with national and local responsibilities in relevant service areas in the public and voluntary sectors. The discussion, and participants' comments and suggestions helped to position the findings within the real context of Welsh policy and service provision. It has also had the advantage of being discussed across sectors and at different levels of political governance. Chapter Nine concludes the report with recommendations for both policy and research.

## 2 Methods

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### 2.1 Introduction

This research collected data in three different ways: a literature review, cases studies using semi-structured interviews with workers in relevant statutory and voluntary sector services, and a policy dialogue to discuss the implications of finding with national and local policy makers and service leads in Wales. This section describes the methods used in more detail.

It is emphasized that this is not a comprehensive study of how the current economic downturn is affecting people and services in Wales but it does suggest possible recommendations for policy and practice as well as directions for future research.

### 2.2 Literature review

The review was based upon a combination of key word searches of the main databases and key websites, with some additional documents also identified through personal contacts, hand searching, and following up some references from the retrieved literature. It should be noted, however, that although the search process will have enabled a comprehensive coverage of the target area, due to time limitations the search was not as extensive as it might have been, and the review should not therefore be considered exhaustive.

#### 2.2.1 Literature searched through electronic databases

A search of abstracts was carried out using this combination of recession and health terms:

Recession or economic (decline or condition\*) or macroeconom\* or business within cycle\* or downturn\* or economic within cris\* or financial within 1 cris\* or economic within depression\* or redundan\* or made within unemployed or loss within (job\* or employment) or recent\* within unemploy\* or new\* within unemploy\* or repossession\*

AND

Health or mental health or wellbeing or well within 1 being or adjust\* or adaptation\* or resilien\* or cope or coping or morbidity or mortality.

The following databases were searched;

ASSIA, Cinahl, ERIC, Medline, PsychInfo, Social Service Abstracts, Sociological Abstracts.

Databases were searched from 1980 onwards, but due to the large number of papers identified, only those published from 1995 onwards were included in the review.

### *2.2.2 Selection of papers for inclusion*

To be included in this review a paper needed to:

1) Provide empirical evidence (either as a review or primary study) on health and wellbeing responses and outcomes in relation to recessions or recession events (e.g. job loss, job insecurity, repossession etc), or in relation to recession related interventions or policies (e.g. programmes for unemployed people)

2) Report on research carried out in one or more of the following countries: Pre-2004 EU countries, US, Canada, Australia, New Zealand and Japan.

3) Be published in English from 1995 onwards

Due to the large number of papers still remaining after abstract screening, a decision was taken to further limit the review to focus on people's experience of recessions or economic downturns with regards to their health and well being. It was felt that research on recessions in the 1970s and 1980s were likely to be referred to in some of these papers. However papers considered to be key and which focused on previous recessions or economic downturns prior to this data were also identified through a previous review of unemployment and health conducted by the authors following the redundancies associated with the reorganisation of the Corus steel company (Elliott et al 2001). To be included a paper thus also needed to;

4) Provide evidence based on data which directly connects a person/ families/ communities experience of recession events (e.g. job loss, works closure) with a health/ well being related response or outcome.

*Examples of included papers:* Reviews and primary studies which used data from qualitative research and cross-sectional and longitudinal surveys

*Examples of exclusions:* Aggregate studies which correlated business cycles with data on health related outcomes (eg suicide, mortality rates, violence), where there was no individual level connection between a recession event and the health outcome.

*Exceptions:* A few 'aggregate' studies were selected to provide some context for this area of work. Papers were also included if they provided data on the distribution of health inequalities during times of recession or economic downturns. It had also been our intention to include any evidence on the impact of recession on health services, although no such papers were identified. Some papers were included if they provided a wider theoretical background or rationale for understanding the impact of economic crises on health.

## **2.3 Case Studies**

We felt that in order to understand the potential impacts on health of this economic crisis we needed to do more than research the literature on previous recessions. We also wanted to understand how these effects might be experienced now. There was not the time or resources to undertake population level research at this time but it was felt that interviewing people working in services that might be affected by the economic crisis and in turn impact on health would provide an indication of how people might be affected now or in the near future. We interviewed people in two local authority areas: Cardiff as a city which has a diverse economy but, like many cities, steep inequalities in both income and health; and Blaenau Gwent which suffers from overall deprivation and identified in two or three reports now as likely to be one of the most badly affected local authorities in terms of likely future job loss and household financial strain. It also has one of the highest levels of ill health in the UK.

A total of 19 semi-structured interviews and group interviews were held, with 29 professionals participating. These were all people whose professional roles were likely to bring them into contact with people affected by the economic downturn. The professionals were based in South Wales, with remits that covered both local authority areas.

Interviews were conducted using a topic guide. This consisted of a small number of open questions with prompts (on possible impacts) and probes (to invite further reflection). Topic areas included

perceived impacts on services and potential impacts in the future, ways in which local services are adapting, and could adapt to, recent and future social and economic changes, the impact and potential future impacts on local people/users/clients and the ways in which they may be responding to, or coping with, the crisis. The topic guides were adjusted to ensure relevance to the particular service and the level (front line or management) in which the respondent worked. The School of Social Sciences ethics committee gave ethical approval for the research to be conducted and NHS ethic committee permission was applied for to interview primary care workers. The decision was that NHS committee approval was not required but the board provided advice with regard to gaining access to participants to which the research team adhered. All respondents were provided with information about the study, guaranteed anonymity and gave signed consent for their participation.

Interviews were carried out by one of the team, and were recorded and fully transcribed for analysis using Atlas Ti software (a software tool for analysing qualitative data). A basic content and thematic analysis was conducted and two members of the research team analysed the data independently before agreeing on the outcomes.

**Table 1: Interviews conducted**

<b>Professional role</b>	<b>Blaenau Gwent (11 interviews)</b>	<b>Cardiff (8 interviews)</b>
<b>Community Development</b>	2 (3 participants)	0
<b>Debt/finance</b>	1	2 (3 participants)
<b>Education</b>	1	1
<b>Employment</b>	2 (Covering both areas)	
<b>Health &amp; social care</b>	3 (includes group interview with 7 people)	3 (4 participants)
<b>Housing</b>	2	1 (national perspective)

It should be added that some professionals that we wanted to interview were either difficult to access or refused to be interviewed (largely on the basis of time and work demands). In some categories (see Table 1 above) respondents felt that they could either provide a national, as well as a local, perspective or could provide a perspective on both localities. It should also be emphasised that

the perspectives captured were at the local authority level and although some respondents referred to particular localities to provide illustrations, the particularity of different neighbourhood perspectives is missing. For this reason the impacts on some very deprived neighbourhoods will not have been covered. This is important because although on the whole it was felt that Cardiff would recover more quickly, and had resources for more deprived residents that Blaenau Gwent did not have, the more localised effects of the downturn in some neighbourhoods in Cardiff will not have been captured.

## **2.4 Policy dialogue**

An initial understanding of the literature on economic cycles and health made it clear that what happens in the long term will largely depend on how the UK government and the Welsh Assembly Government respond to the impact of the recession. For this reason it was felt that the findings of the study should be discussed with national and local policy makers in relevant policy and service areas and representatives of national voluntary organisations. This was partly to give the respondents an opportunity to confirm or challenge the salience of the findings in relation to their area of experience and expertise and to discuss the implications for policy and services in Wales. Twenty people participated, representing public health, mental health, children and young people, regeneration, economic policy, debt advice, local government and the voluntary sector in Wales. The discussion following the presentation of findings was fully transcribed and a summary is included in this report.

The discussion was conducted under the Chatham House rule which meant that respondents were asked not to report the contributions of particular people outside the meeting. Participants were also assured that the summary and any reference to the discussion would be anonymised. As well as following good research ethics practice it was felt that it would enable participants to express their personal views more freely.

### 3 Impact of economic downturns on health and behaviour

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#### 3.1 Introduction

Research from the Great Depression to the present has documented the health and social costs of the mass loss of jobs associated with recession and economic downturns for the unemployed person, their families and on local neighbourhoods. However the relationship between unemployment and ill health is not uniform and the impact is also different in good and bad economic times (Martikainen 2007), with some suggestion that health inequalities, risky health behaviours and mortality rates are actually reduced during recession (Ruhm 1995, 2000, 2003, 2005a, 2005b; Gerdham and Ruhm 2006). Others have refuted this procyclical<sup>1</sup> effect overall, but have suggested that the effects may work this way for particular groups, such as younger people (20-49 year olds) (Svensson 2007). Much of the research considered in this review seeks to explain these variations in experiences of unemployment and job loss associated with recessions. These can be grouped into factors related to individual characteristics (e.g. social class, gender, ethnicity, age) as well as where people live (Cullen & Hodgetts 2001). The impact of economic crises on health is also shaped by the availability and use of individual, social and material resources for coping, and these will be considered in greater detail in chapter six. To give one example here, in a study of the health impact of economic recession in Japan between 1986-2001, the authors found that the absolute percentages of people reporting poor health declined across all socio-economic groups following the crisis. However, when relative disparities were examined, non-manual classes of workers were more likely to report poor health compared with the highest class workers, and these changes post-crisis were particularly marked for men (Kondo et al 2008).

Most research identifies unemployment as the key variable in considering the association between recessions and health. However a problem that researchers have faced in understanding and explaining the link between unemployment and both mental and physical health is that of the dual effect: does unemployment make people ill (exposure) or does the fact that people are ill make it more likely that they become or remain unemployed (selection) (Owen & Watson 1995, Jin 1995, Dooley 1996 Burgard 2007)? This is identified as a problem common to cross-sectional studies in

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<sup>1</sup> Procyclical in the context of this report refers to points in the economic cycle where there is economic growth and the economy is generally felt to be buoyant. Countercyclical refers to times where there may be poor or negative growth such as in a recession.



this area, as although many uniformly report higher levels of depression among those who want to work but are not working, there is a clear possibility of reverse causation; that depression and co-morbid conditions cause job loss, for example (Catalano 2000, Ludin et al 2010). Moreover, the knowledge of the relationship between unemployment and health has been further limited by the fact that areas of high unemployment are also often areas of multiple deprivation (Owen and Watson 1995). Longitudinal data in a study by Martikainen et al (2007) examines cohorts from 1989 and 1994 and concludes that mortality in unemployment is often overestimated. Further, this study found that the excess mortality is smaller in recessions than at other times. This is partly explained as due to increased support from unemployed peers in recessionary times along with some health selection in prosperous times.

This uncertainty of direction is why longitudinal studies are of importance, and why the findings of cross sectional studies should be treated with caution. In terms of mental health a meta-analysis Murphy & Athanasou (1999) addressed this problem by looking at changes in mental health as individuals move between employment and unemployment in 16 longitudinal studies published between 1986 and 1996. The authors found that in 14 of 16 studies individuals had significantly poorer mental health whilst unemployed. A weighted effect size of .36 (std error = .06) was calculated for mental health changes associated with moves from employment to unemployment representing a decrease in mental health. A weighted effect size of .54 (std error = .04) was calculated for moves from unemployment into employment, representing an increase in mental health. They suggest that the fact that distress levels fall following reemployment implies that job loss provokes psychological distress, rather than the reverse. This conclusion is reinforced by other longitudinal studies examining the link between unemployment and mental health (Brand et al 2008; Gallo et al 2006; Price et al 2002 Wanberg et al 1997, Andersen 2009). There is consistent support for associations between unemployment and diminished psychological well being, such as higher levels of anxiety and depression (Dooley 2003; Price 1998; Wanberg 2002), decreased perceptions of competence, decreased self-esteem (Price 1998), increased risk of suicide attempt, increased alcohol abuse and violence (Dooley 2003; Price 1998).

Although the strongest and most consistent evidence is for psychological ill health, some research indicates that aspects of physical health also show a decline. Studies have also examined the impact of stressful economic times on specific conditions such as cardiovascular disease and stroke. One review (Weber 1996) concluded that most studies find increases in biomedical risk factors such as blood pressure and serum cholesterol in times of job stress. Gallo et al (2006b), in a single study

using repeated cross sectional data estimates a doubling of cardiovascular risk (both MI and stroke) with involuntary job loss. Objective measures such as hospitalisation and sick leave figures were used by Oxenstienma (2005) in a study of the impact of downsizing. The study showed that those made unemployed were twice as likely to be hospitalised although this effect was not present when they took early retirement or disability. Some studies also identify a dose-response relationship with longer subsequent unemployment. For instance Matoba's (2003) two year follow-up study of unemployment in the following the sudden bankruptcy of a large shoe factory examined physical and psychological health by self-report, finding that health was maintained comparatively well in the short term. Long periods of unemployment resulted particularly in psychological problems after unemployment benefits (in the Japanese context) had been exhausted. The overall conclusion is that unemployment plays a part as one of a range of social risk factors for heart disease.

The evidence on health related behaviours is inconclusive and difficult to interpret with some longitudinal studies showing that smoking and alcohol consumption is reduced through recessionary periods (Gallo 2001, Ruhm 1995, 2005a,). Most of the studies found for this review focused on alcohol consumption and alcohol abuse. However one study (Falba 2005) focused on smoking behaviour, and found that there was an increasing risk of 'relapse' of former smokers on job loss and that this was most pronounced for older workers. In terms of alcohol use the balance of the evidence is that recession reduces consumption, particularly in heavier drinkers and that price/income effects outweigh stress related increases in drinking (Ruhm 2005a). This is disputed by Ettner (1997) who found some increases in alcohol consumption in those who were involuntarily unemployed although the direction of causation was unclear (ie that increased alcohol consumption leads to involuntary unemployment). She also concluded that there was no conclusive evidence that unemployment or recessionary periods lead to alcohol abuse. Gallo (2001), on the other hand, found that there was an increase in new drinkers although at low levels of consumption following unemployment. Catalano (1997) seeks to explain the contradictory evidence and theorises that changes in consumption during recessions may be related to expectations of future employment. Reductions in alcohol in recession may be expected if people fear loss of employment. Johansson's (2006) study in Finland found improvements in alcohol related mortality associated with prosperity at a macro level and increased alcohol related mortality in mild slumps, whereas individual level data showed increases in average consumption in booms. However the severe economic crisis in the early 1990s in Finland showed reductions in alcohol consumption as well as in alcohol related mortality. This and other studies suggest that there may be an increase in binge drinking during recessions, particularly among younger people (Dee 2001, see below).

One US study (Ruhm 2006) examined a range of health behaviours and found that across the board, recession resulted in improvements in smoking, diet and exercise behaviours. The changes were attributable to reductions in consumption rather than major lifestyle change, but the most obese tended to lose weight, the heaviest smokers tended to reduce consumption and the least active to increase activity.

However, examining the effects on health *during* a recession needs to be distinguished from examining the effects *of* recession on health. Research highlights that unemployment often continues for a long time after the economy has moved into growth and out of recession and the key may be how the aftermath of recession, in terms of continued unemployment in some sectors and in some areas, affects health. In this recession, for instance the car industry, which was particularly active in the West Midlands, has been badly affected (Clancy and Jenkins 2009). As in South Wales and the North East of England with the collapse of the local economies dependent on the heavy industries, communities may live with the effects of the recession for many years. Area decline, persistent unemployment and financial strain have been the legacy of previous recessions and have been associated with ill health in those areas. This suggests that it is the aftermath of recession and the response to it that needs to be of particular concern to local and national governments. Understanding the links between unemployment and health are still therefore pertinent to this review as, if this downturn follows previous UK recessions, high levels of unemployment are likely to be of concern for some time after economic 'recovery' as suggested in Figure 1. In this recession public sector cuts will mean further job losses as well as cuts in services that may be crucial to health.

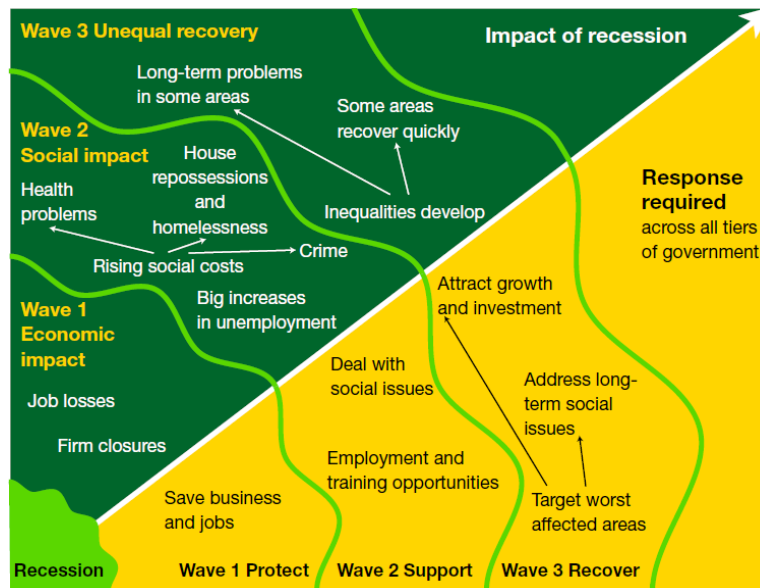


Figure 1: Source: Audit Commission (2009) 'When it comes to the Crunch...Responding to the economic downturn: the role and potential of partnerships'

### 3.2 Individual characteristics

The effects of economic crises do not impact on individuals evenly (Marmot and Bell, 2009). They will depend on factors such as social class, age, ethnicity, gender and the type of work that has been lost. The review highlighted individual characteristics that may make a difference though it is acknowledged firstly that they will interrelate (gender and social class may interact in complex ways) and that they are context specific in terms of time and place. For instance impacts on older age groups may, in part, be due to cohort effects in that they lived through changes in the labour market which may affect their response to job loss now.

#### 3.2.1 Socio-economic position

In a review of the impact of redundancy on health Price (1998) reports that mechanisms leading to negative mental health are different for high and low socio-economic groups. More highly educated and affluent job losers suffered more from a loss of identity than material resources, while less affluent and well educated suffered more from increased financial strain. This fits with evidence (cited below) on the mediating role of financial hardship, as less well off groups are more likely to experience financial hardship than those with higher financial resources prior to job loss. One recent review concluded unequivocally 'job loss harms health', and that it is not just a matter of sicker people losing their jobs, but there was no evidence that the health consequences of job loss differed across white- and blue-collar occupations (Strully 2006). In a repeated cohort study in New

Zealand it was found that 'during and after restructuring of the economy disparities in mortality between income groups in New Zealand increased in relative terms (but not in absolute terms), but it is difficult to confidently draw a causal link with structural reforms'(Blakely et al 2008)

This finding is also supported in a four wave longitudinal study of older workers who experience involuntary job loss. Gallo et al (2006a) found that involuntary job loss at the earliest waves was associated with increased depressive symptoms at the later waves among individuals with below median net worth, but found no effect for high net worth individuals. These results suggest a critical role for financial resources in moderating the impact of job loss. The authors suggest that the importance of wealth is its liquid components, such as savings, which are necessary in order to avoid the consequences of economic deprivation during a jobless period. Related to this, people of low net worth may also be more likely to accept unsuitable jobs (temporary, high strain/demand, low pay) which also have negative implications for well being. Other research suggests that subsequent unsatisfactory or insecure reemployment is associated with elevated depression and may be just as bad for health as unemployment (Grzywacz & Dooley 2003 in Gallo et al 2006b).

Interestingly, based on an analysis of the same longitudinal data set of older couples in the US, Siegel et al (2003) found that although husbands' job loss did not have an impact on wives mental health, the effect of husbands' job loss on wives' mental health was more pronounced for wives who were more financially satisfied at baseline (Siegel et al 2003). In other words, in contrast to the other study findings, in this instance it was being financially better off, rather than worse off, which was associated with depression, although obviously this was with regard to the wives of the job loser rather than that of the job loser.

Further evidence of social class based variation is provided in a study by Andersen (2009), which tested out hypotheses on the role of 'work identification' v 'work condition'(see following chapter). In a possible contrast with the findings of Gallo et al (2006a), which suggested it was only the 'worst off' who experienced significant depressive effect, Andersen (2009) found that the size of coefficients by class indicated a distinct inverse U shaped relationship, meaning that the unemployed who enter unemployment from high or low social classes experience a lesser negative change in their subjective well being from the transition into unemployment than the unemployed who belong to medium socio-economic groups (Andersen 2009). Of course there are important differences between the studies. Andersen's study was based on data from the UK, not the US, and was not focused on older populations as in the study by Gallo et al (2006a). Moreover, whereas the former

investigated financial resources and depression as its independent and dependent variables, the latter study looked at occupational group and measures of subjective well being. A further moderating effect of occupational type, as separate from financial considerations, is suggested in research findings that people who work in jobs with little opportunity for self-direction display lower levels of mastery and control, and are thus likely to be particularly vulnerable to stress post-job loss (Price 1998).

Initial assumptions suggested that this recession, originating in the collapse of global financial markets, would be a middle class recession (Vaitilingam 2009). However the monitoring of trends throughout 2008-9 indicates that although people working in the financial sectors have been affected by job cuts the largest impacts have been on people on lower incomes working in the retail and manufacturing industries – particularly the car industries (Clancy and Jenkins 2009). The research therefore suggests that in terms of health, particularly mental health, people in lower income employment groups are most likely to be affected due to both greater likelihood of being unemployed as well as being more vulnerable to the effects of job loss.

### *3.2.2 Gender*

The meaning of work and of job loss may be different for women with particular work histories. Little research has contextualised the health effects on women in terms of the changing nature of their role in the labour market in the past few decades. Some evidence suggests that health status reported by unemployed women is better than men (Mathers and Schofield: 1998, Mathers: 1994, Arber S: 1996) while other research has demonstrated that there is little difference (Ensiminger and Celetano: 1990). However research examining gender related impact needs to be treated with caution as women's participation in the labour market has increased in most Western economies over the last three decades (Bambra 2010). Whereas in the past non-employment related activity may have been a source of identity as well as an important role in supporting the family or household, this may no longer be the case. The feminisation of the workforce means that job loss for women may now be more akin to the impact on men in terms of the psychosocial mechanisms that affect health. In a large cross-national study, Bambra and Eikemo (2009) found that the negative health affects of unemployment were greater for women, but that this varied between different welfare state regimes.

Three further studies in this review reported negative but different effects by gender. In their study of the effects of layoffs and plant closings on subsequent depression among older workers Brand et

al (2008) found that men had significant increases in depression as a result of layoffs, but not as a result of plant closings, whereas the reverse was true among women. Further, post-displacement employment status and financial resources were found to explain roughly one quarter of the effect of layoffs on depression among men while explaining only about one tenth of the effect of plant closings on depression among women. The authors suggest that these differences may be explained by the different social roles of men and women but that future research needs to explore potential mechanisms by which these gender differences emerge (Brand et al 2008). In their longitudinal study of older workers Mandal & Roe (2008) found that women suffered greater distress after job loss, although exhibit better psychological well being than men following retirement.

In terms of physical health Gallo (2006a) found that maleness was a risk factor for increases in cardiac illness following job loss. The Whitehall II study (Ferrie 2002) found that women who felt insecure in their jobs recorded greater changes in blood pressure which is associated with cardiovascular ill health, although women also showed less deterioration in self-related health in the same study. In Oxenstierna's (2005) study of structural changes in Sweden, women (unlike men) who had high cardiovascular risk scores were also found to use less than the expected level of sick leave, suggesting to the authors a complexity of 'sick leave behaviour' related not only to illness, but also to a complex interaction of individual and environmental factors.

Gender effects have also been studied in the context of partner relationships and families. A study by Leinonen et al (2004) explored the effects of economic hardship during recession on parenting (see below). For fathers, both the general and specific economic pressures were further associated with symptoms of anxiety and social dysfunction, whereas for mothers, only the specific economic pressures were negatively reflected in mental health by increasing depressing mood and anxiety symptoms. The authors thus suggest that mothers and fathers fulfil gendered roles in dealing with the family economy and relationships with only the mothers reacting with feelings of hopelessness and suicide ideation, and only the fathers with social dysfunction, such as having difficulties carrying out social responsibilities (Leinonen et al 2004). In their study of job loss and depressive symptoms in couples Howe et al (2004) also report some gender effects with regards to whether the man or woman has become unemployed, with more distress experienced by both partners in male job loss couples. However another study demonstrated that women who were laid off and had poor support from their husbands or partners and those who experienced more financial difficulties experienced higher levels of depression after a twelve month follow-up (Dew et al: 1992).

Howe et al. (2004) investigated the relationship between job loss and depression in couples. They found that common stressors influenced depressive symptoms in both partners; that anger and depressive symptoms of each partner affected the other in turn eroding the quality of their relationship. They thus propose that both job losers and their partners experience similar clusters of stressors and become distressed as a result. In this study the distress is most apparent in couples where the man has lost their job. Interestingly and conversely, in a study based on longitudinal data from the Health and Retirement study Siegel et al (2003) found that husbands involuntary job loss did not have a statistically significant effect on wives' mental health, nor did changes in husbands' depressive symptoms modify the effect of his job loss on wives' mental health. The older (50+) age of the couples in this study may explain these differences in findings. In one Swedish study comparing the effects of unemployment on health amongst mothers and lone mothers, it was found that unemployment and poverty among lone mothers increased between 1979 and 1995. Lone mothers had worse health status than couple mothers throughout the period. Health deteriorated in lone and couple mothers during the recession of 1980s, with poor and unemployed lone mothers showing particularly poor health (Burstrom et al 1999).

In this economic downturn the greatest job losses have been on men. This is because of the sectors that have been affected to date, largely in private industry. However the anticipated public sector cuts are likely to affect mainly women resulting in a shift in the gendered nature of this recession and its aftermath. Furthermore it is suggested above that the wives or partners of men who have suffered job loss may also be adversely affected (Howe 2004). More research is needed on the way in which shifts in the roles of women and men in the labour market, community and family could impact on their health and well being.

### *3.2.3 Ethnicity*

There is little evidence of the way in which ethnicity shapes the impact of unemployment on health but one study, on the closure of a British automobile plant, reported that black workers experienced higher levels of distress than their white counterparts (Hamilton et al 1990). Only one study from the USA explicitly investigated a potential 'ethnic effect' on the relationship between job loss and mental health. Indeed, Catalano et al (2000) note how, in spite of an extensive literature on the effects of job loss and the onset of depressive symptoms, none of it has looked at ethnic differences. This is despite suggestions of the potential 'hardiness' of minority ethnic groups such as Mexican Americans in the USA who have lower levels of depression than the wider population. However in his study of job loss and major depression among Mexican Americans they found that a first onset of



major depression was significantly more likely in Mexican- Americans 7-12 months after job loss than those who were continuously employed over the same period. The authors criticise the hardiness hypothesis and suggest that cultural explanations, that Mexican American culture itself may provide effective strategies for coping with chronic strains, are more convincing. Their research suggests that these cultural resources are not sufficient for protecting against more acute stressors such as job loss (Catalano et al 2000).

This appears to be an important gap in current research, particularly as some research suggests that minority ethnic groups suffer greater unemployment than the national average, including through recession and controlling for area deprivation (Fieldhouse and Gould 1998).

### 3.2.4 Age

Most studies of job loss have focused on the impact on mid-life or older workers, where workers may have been contemplating retirement and the end of the working phase of their life. Indeed the bulk of research evidence suggests that middle-aged men are affected more severely in terms of their mental health than younger men (Mathers and Schofield 1998). This may be due to a number of reasons: because older people are more likely to have financial responsibilities than younger people (Meân Patterson 1997); because the prospects of finding new employment are more difficult and because loss of employment represents the loss of something that has both given meaning to and structured their lives (see below on latent psychosocial functions of work).

In her study of job-loss in mid-life amongst managers and executives, during the US economic downturn in 2000-03, Mendenhall et al (2008) describe this phase in the lifecourse as 'a struggle between generation and stagnation'. It is the point at which professionals may be considered to have reached the peak of their careers and of their power and earnings. The research documents the way in which this group of workers struggle to regain their lost job status, and their self-respect, in the face of societal perceptions as being old and powerless. This research also supports the suggestion reported above that for people on higher incomes and professional or managerial roles the mechanisms through which job loss impacts on mental health is through loss of status or self respect (Di Tella et al 2001, 2003). However other research suggests that older workers on previously lower incomes are more likely than high earners to suffer mental distress.

Reasons given for the particular vulnerability of older groups have included financial distress due to ineligibility for pensions, the loss of non cash benefits such as health insurance (not UK), and a disruption of wealth accumulation for retirement (Gallo et al 2006a, Oxenstiema 2005). Further,

late-career employment transitions are less common and older workers today are more likely to have accumulated non-transferable specific skills (Brand et al 2008; Gallo et al 2006a). On reemployment older groups may experience severe wage losses, diminished occupational status, loss of seniority and altered interaction (Gallo et al 2006a). In a study of compulsory retirement in Japanese military personnel below the normal retirement age, those who did not succeed in finding alternative occupations were less healthy (Liu 1997). They also identified pre-existing ill health as an important factor in longer term unemployment of retirees, however in an environment that supported men through retirement, they found no effects from the anticipation of unemployment. This suggests that workplace interventions may be protective of health where lay-offs are being considered.

Six studies focused specifically on the experiences of mid-life and older people (aged 50+) (Brand et al. 2008; Gallo et al 2006a; Gallo et al. 2006b; Gardiner et al. 2007; Mandal & Roe 2008, Mendenhall, R. et al. 2008). With the exception of the qualitative studies by Gardiner et al (2007) and Mendenhall, R. et al. (2008) all of these studies were based on longitudinal data from the Health and Retirement Survey. All of the longitudinal studies reported depressive symptoms following job loss, although there are some variations worth noting. As already mentioned Gallo et al. (2006b) only found adverse effects for individuals with below median net worth. Mandal & Roe found that involuntary job loss results in a change in Center for Epidemiologic Studies Depression Scale (CES-D) score about a quarter of the magnitude of that associated with death of a spouse. They also observed that re-employment leads to a recapturing of past mental health status (Mandal & Roe 2008).

As cited earlier, gender differences amongst older workers were also observed by Mandal & Roe (2008) and Brand et al (2008). A qualitative study on Welsh steel workers' perspectives on retirement transitions following redundancy noted how exit from employment for older workers is a highly institutionalised experience, structured by inequalities in pension entitlements (MacKenzie 2006). The authors describe how most accounts reflect a sense of passivity and powerlessness in the years preceding the redundancies, often dissatisfaction with changes in work organisation, and a sense of having age, experience and skills devalued. They also observed how seeking a sense of purpose following redundancy was essential to sustaining self-respect, and that this was easier for those already engaged in activities outside of work, than those whose prior lives had centred continuously and more or less exclusively on the steel industry and their role as family breadwinner.

It should also be highlighted that midlife and older people today represent a particular cohort that have lived through particular changes in the economy. In other words the meaning of job loss has an historical dimension. Mendenhall and colleagues' study of job-loss in mid-life amongst managers and executives in the USA (2008 cited above) used a life-course framework to examine how the 'new risk economy' impacted on middle-aged managers, professionals and executives. They noted the fact that their experience is partly shaped by the fact that their early working lives were within a Fordist labour market, which was associated with industrial mass production and a social contract between employers and workers which provided job security and a living wage, to a Post-Fordist one characterised by globalisation and increased competition, flexible production techniques and the individualisation of risk.

With regard to the current economic downturn, although employment is increasing amongst people who are of a pensionable age this must be seen against the more recent erosion of pension schemes. More research is needed on the extent and impact of financial strain on people who are entitled to retire from the labour market. Also, as indicated above, older people need to be understood as bearers of history holding particular views and expectations of entitlements which may not be realised in the 'new risk economy.'

However, there may be a different, and perhaps no less severe, impact on young people who are unable to find their first job for an extended length of time (Prause and Dooley: 1997). There is a stronger link between male youth unemployment and suicide and para-suicide or attempted suicide than in older age groups. However the link between suicide and employment is complicated, and there may well be other factors that create an association rather than there being a simple, direct causal link. In terms of the impact on health related behaviours Dee's (2001) study concludes that while overall alcohol consumption may decline during recession, this is not the case for binge drinking which predominantly affects young men and increases multiple health risks including accidental injury.

A review by Dooley (2003) focused explicitly on the unemployment and underemployment experiences of young people. It identifies only 3 longitudinal studies, all of which draw on data from the National Longitudinal Survey of Youth (NLSY). All three studies reported negative effects for unemployment and underemployment with regards to 1) self-esteem; 2) alcohol abuse and 3) depression (Dooley et al 2003). Novo et al (2000, 2001) compared somatic and psychological symptoms in a group of unemployed young people in boom and recession and found higher levels of

illness in recession times in those young people who were unemployed for short periods during the year of study. The study also found that young women were more likely to report symptoms of ill health than young men in recession. The authors speculate that this may be an effect of the gendered nature of rationalisation where women are subject to greater levels of job loss due to their occupational patterns. The same study (2001) found reporting of more symptoms of ill health amongst young male and female students during recession rather than boom times, and speculated that this may have been due to fears and lack of hope for the future. There is further speculation that the absence of such findings among older workers and in previous studies is due to the changing employment patterns and the increasing importance of paid employment in the lives of young women.

In the current economic downturn there is a particular concern about the long term impact on a generation of young people who are not in education, employment or training (NEETS) and the prospects for those people to enter the labour market at all. Work by Gregg and Tominey's (2004) analysis of National Child Development Survey to examine the impact of youth unemployment on employment and pay prospects in later life suggests that, for men at any rate, a spell of a year or more of unemployment between the ages of 16-23 is associated with a higher likelihood of future unemployment and a no work/low wage cycle. In other words the experience of youth unemployment can have scarring effects that impact on the lifecourse. It is likely that young people in this category who are living in areas already blighted by unemployment and a lack of employment opportunities are particularly vulnerable.

### *3.2.5 Employment commitment/ work role centrality*

A characteristic suggested to influence the unemployment experience has been described as 'employment commitment' or 'work role centrality'. This has been conceptualized as an aspect of work ethic that encompasses how important having a job and working are to a person (Warr 1987, Wanberg 2002). Wanberg (2002) reports studies which have shown that higher levels of employment commitment are related to higher levels of psychological distress during unemployment (Wanberg 2002). An earlier study on 'work identification' is also relevant here, as although this suggests the impact of unemployment to be mediated through experiences such as loss of identity and role, the degree of centrality of work role in the first place will clearly also have a moderating influence. This is further suggested in the finding reported by Gardiner et al (2007) that adaptation following redundancy was more difficult for those whose prior lives had centred continuously and more or less exclusively on the steel industry and their role as family breadwinner.

### 3.2.6 *Local and National Context*

The most immediate effects of the recession will be on the individuals who have lost their jobs. Very often this process is described in terms derived from psychological models of the grief reaction to loss or bad news: shock, denial and optimism, anxiety and distress, the phase of resignation and adjustment (Fagin and Little 1984). While these descriptions have a degree of face validity, they are limited because the meaning and therefore the impact of the loss will depend on a number of contextual factors (Brenner and Mooney 1983). For instance the effects will be different for those who already live in an area of high unemployment than for those who live in an area of low unemployment. Evidence suggests that living in an area of high unemployment may protect individuals from the psychological impacts of unemployment (Brenner and Mooney: 1983). However, those living in an area of high unemployment may face other risks attached to living in areas that bear the marks of poverty and deprivation (Fryer 1997). There is now growing evidence that poor areas can have an effect on health above and beyond the employment status and other socio-economic characteristics of the individuals who live in those areas (Joshi et al 2001; Gatrell et al 2000).

Various other studies also suggest an important role for socio-cultural values in influencing experiences of unemployment. In his review Price (1998) cites research which suggests the degree to which those who are unemployed feel stigma from social status depends heavily on social context (Kelvin & Jarrett 1985 in Price 1998). In their exploration of the accounts of unemployed people in New Zealand Cullen & Hodgetts (2001) similarly noted how younger participants tended to emphasize individual factors to a greater extent, whereas older participants emphasized structural causes, and suggested this could be explained by different socio-historical periods so far experienced, with younger people more influenced by the neo-liberal individualism of recent decades (Cullen & Hodgetts 2001). Some findings which further suggest the salience of the cultural meanings attached to job loss are presented in Kolves et al's (2006) case-control study of recent life events and suicide in Tallinn and Frankfurt. This study found that loss of job/ financial deterioration were significant life events among suicidants in Tallin but not Frankfurt, whereas somatic illness was the most significant difference (compared with a control) in Germany. The authors cite research which suggests that people in ex-Communist countries tend to emphasize economic and physical security above all other goals, and feel threatened by the changes in society (Inglehart & Baker 2000 in Kolves. et al. 2006).

The impact of recessions have also been shaped by existing policies as well as the response of national economies and their governments. This also highlights a challenge for this review in that many of the studies are located in specific national contexts with very different kinds of labour markets, welfare support systems, cultural norms and expectations which make it difficult to translate results into very different national contexts. In their meta-analyses of longitudinal studies, Murphy & Athanasou (1999) found only two out of sixteen studies that did yield results supportive of a positive effect on mental health. The authors of one of these studies suggested that the Dutch structural and cultural context might be a factor, referring to the availability of relatively high unemployment benefits and tendency towards cultural normalization of unemployment (Schaufeli & Van Yperen 1992 in Murphy & Athnasou)

In their review of the unemployment literature Wanberg (2002) reported findings which suggested that levels of psychological distress may be lower in countries with high levels of government financial support and social protection for the unemployed (also Bambra et al 2009, Stuckler et al 2009a&b). When theorizing their research using the US based Family Economic Stress Model, Solantaus et al (2004) also observed the considerable differences that exist between Finland and the US. They describe how the Finnish welfare system buffered families from economic disaster with the effect that families living below the poverty line were not shown to increase during the recession years. They thus proposed that economic hardship may not induce enough pressures to start a family stress process spiralling down to children. As cited already, however, this was not the case: the study showed Finnish families to be severely affected, although they also comment that if family income falls more drastically there may be a threshold effect, resulting in more pronounced mental health problems and parenting problems (Leinonen et al 2004). Nonetheless, the authors also highlight some commonalities with the US, that might explain the apparent cross-national similarities in family difficulties, in that both are capitalistic societies that place high value on consumerism (Solantaus et al 2004 ).

Another contextual factor raised was whether the local job market affects vulnerability to the health effects of unemployment. The findings from a cross sectional study (Turner 1995) suggests it is better to lose a job when chances for reemployment are good.

### **3.3 Other levels of impact**

The health impacts of recession are wider than on the individual job loser. Most of these people will be in various relationships of interdependency with others, and the effects on these people need

also to be taken into account. In order to simplify this complex picture we will focus on the impact on families and the impact on localities.

### *3.3.1 Impacts on family*

There is a surprisingly small amount of research that looks at the wider effect of unemployment on the health of other family members. However, there is research that suggests an impact on a range of family matters that impact on health including increase in divorce, domestic violence, unwanted pregnancy and effects on infant growth (Mathers & Schofield: 1998, Smith: 1987, Wilson & Walker: 1993, Dooley et al 1996, Hammarstrom 1994). An OPCS (now ONS) longitudinal study also demonstrated 20 per cent excess deaths among the wives of unemployed men (Moser & Goldblatt 1990), and a study in Australia indicated that children whose parents were both unemployed were reported to have 26 per cent or more visits to the doctor and about twice as many outpatient visits (Mathers and Schofield: 1998). A number of studies have demonstrated that unemployment places considerable strains on family relationships in general (Ortiz & Farrell: 1993, Patton & Noller: 1991, Vinokur & Van Ryn: 1993, Dew et al 1991).

Possibly the key and highest profile study undertaken in the UK was what was known as the 'Fagin Report', initially undertaken in the late 1970s and published in a revised form as a book (Fagin and Little 1984). They record their surprise at how often matters to do with health were raised spontaneously by members of the families they interviewed in what remains one of the most detailed studies of the issue. Through detailed case-studies of families and households they explore the complex dimensions of work: as a source of identity; a source of relationships outside the family; a source of obligatory activity; an opportunity to develop skills and creativity; a means of structuring psychological time; a sense of purpose; and a source of income and control. Each of these has important implications for family dynamics, inter-personal and inter-generational well-being and health.

They explore the ways in which the meanings of work and non-work vary under different circumstances, and how the different dimensions of what work is can have an impact on health. Describing the complex way in which health problems are interwoven with the experience of unemployment, they explore the complex relationships between unemployment, family dynamics, and the male breadwinner's degree of attachment to his job (see also Warr 1983, Wanberg 2002 Gardiner et al 2007). In spite of the fact that their professional backgrounds in psychiatry and social work lead them to emphasise the importance of counselling, they also make the telling point that: 'It

cannot be stressed sufficiently that the main source of distress in the families of the unemployed is the uncertainty about regular, adequate income' (Fagin and Little 1984: 214).

Social support, from family, neighbours and friends, is more commonly discussed as a buffer against the stress of unemployment. However research has also noted how unemployment creates an atmosphere that undermines social support. Vinokur, Price & Caplan (1996) found that financial strain was associated with an increase in depressive symptoms and that this was associated with a decrease in social support from the spouse towards job seeker (see also Wanberg 2002). Price (1998) similarly describes how unemployment alters networks of friendship and social support and, in disrupting social roles as provider, spouse and parent, can lead to conflict in family relationships (Price 1998).

This would suggest further negative implications for the family members of job losers, as well as the job losers themselves. Indeed the negative effect of family economic hardship on the quality of parenting (Leinonen et al 2002) and on the mental health of children (Solantaus et al 2004) has already been noted. Based on longitudinal data from 527 father-mother-child triads in Finland during a severe recession in the 1990s, these 2 studies used the Family Economic Stress Model to examine the relationship between family economic hardship on the quality of parenting (Leinonen et al 2002) and child mental health (Solantaus et al 2004). The Family Stress Model explains family mediation between economic hardship and child adjustment with reference to four nodal points: economic pressures, parental mental health, marital interaction and parenting. Past research is reported to suggest that economic hardship creates pressures on parents, compromising their mental health. The marital relationship deteriorates and parenting suffers, and problems in parenting are then reflected in child adjustment (Leinonen et al 2004).

Using the same data Solantaus et al (2004) extended this investigation to consider parenting as the pathway through which economic hardship impacts on children's mental health. The results confirmed that a reduction in disposable family income constitutes a risk for child mental health through increased economic pressure and negative changes in parental mental health, marital interaction and parenting quality.

### *3.3.2 Neighbourhood*

Assessing the impact of economic downturns and unemployment at a local level requires a different level of analysis. In understanding community level impact it is important to recognise not just the



current socio-economic *composition* of the area, but also the wider *context* in terms of its current levels of economic activity, public investment, labour market characteristics, neighbourhood activity, environmental quality and also the history of the area which has shaped the current circumstances and the history of the individuals living and working in the area (Macintyre et al 2002).

As with individuals, places have histories in which disadvantage accumulates (Williams 2007). Recent research on the present economic downturn suggests that its impact will be experienced most in areas still suffering from previous economic crises (New Policy Institute 2009). Community resources will be affected in areas where there is low employment and little money to spend on leisure pursuits and consumer goods. Opportunities for enjoyable sociable activities may be reduced where there is little in the local economy to sustain them (Brenner and Mooney: 1983). The demise of a key employer in some localities may have effects on community relationships and social networks which can impact on local people's health. For instance there is a significant literature on the role that neighbourhood 'social capital' and social networks impact on health (eg Stansfield 1999; Araya et al 2006; Cattell 2001; De Silva et al 2005; Kawachi & Berkman 2000). Where the main sources of friendship and support have been provided at work the relocation of these networks into the locality may be difficult to sustain. More recent research has highlighted the significance of the high street as an important site of social interaction which sustains relationships and shared identities. They warn that previous research suggests that the demise of the high street and the closure of retail stores such as Woolworths may become part of a wider deterioration of high streets and town centres leading to an increase of crime, social exclusion and ill health (Yuill 2009).

Nonetheless, there is some evidence that areas with high unemployment may provide a buffer against psychological distress (Brenner & Mooney: 1983). This may reflect the lack of stigma in an area of shared experience of worklessness, and the reduced sense of shame and blame attached to becoming unemployed, particularly in a period of recession; or it may be an outcome of the nature of social networks in unemployed areas and/or the lower costs of living associated with living in areas of high unemployment (Jackson and Warr 1987).

Another way of understanding the effects of unemployment on a locality is the changing demands that it places on public services. Given the impact that unemployment has on use of health services it is likely that the demands on local health and social care services, particularly in primary care, will increase (Brenner and Mooney 1983). In a study of Sweden in the 1990s it was shown that those already in a weak position tended to be hardest hit, with the additional problem that those who are

most economically marginalised and financially vulnerable are also those most likely to live in communities where they are more exposed to criminal victimisation (Nilson and Estrada 2003).

## **4 Mechanisms through which job loss and unemployment change may impact on health**

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### **4.1 Introduction**

This section will focus on the possible mechanisms through which job loss may impact on an individual's health, though as stressed earlier the salience of these mechanisms many depend on a variety of factors such as socio-economic status, gender, occupation type and where a person lives. The research literature has suggested that insecurity (particularly chronic job insecurity), financial strain, the loss of the latent functions of work and social stigma associated with job loss are the main mechanisms through which job loss impacts on health, though the degree to which these operate depend on individual ( e.g. socio-economic position, gender, age, occupation type) local (e.g. labour market characteristics, opportunity structures strength of social networks) and temporal factors (e.g. during boom or bust economic cycles).

### **4.2 Insecurity and uncertainty**

Job market insecurity is not simply a feature of recessions but also more generally of modern day economic life. The shift from manufacturing and the heavy industries to the service industries, global competition and flexible production techniques have contributed to a precarious labour market where certainty about employment has become a thing of the past. Insecurity is said to be a characteristic of post-Fordist economies where the privatisation of risk is accompanied by a weakening of welfare systems (Mendenhall et al 2008, Nettleton and Burrows 2001). Job insecurity, and the loss of associated individual control, is discussed in the literature as one mechanism through which unemployment affects health, but fear of unemployment as well as the experience of chronic job insecurity (which recessions can trigger in some areas) must both also be considered. The anticipation of job loss is often the starting point of the process of becoming unemployed.

#### *4.2.1 The anticipation of job loss and uncertainty in the workplace*

A number of studies have explored the impact of anticipation of redundancy on health status (eg Cobb & Kasl 1977; Hamilton et al 1990; Kasl 1979; Hartley 1991; Burchell 1994; Ferrie 2001, Ferrie et al 1995, 1998, 2002, Wanberg et al 2002). A cross sectional study of employees in a Japanese

manufacturing company in the process of downsizing, reported particularly strong depressive effects in the subgroup suffering from potential job loss (Tsutsumi et al 2001). Dekker and Schaufeli (1995) argue that the phase preceding anticipated job losses creates particular stresses for workers. In some ways uncertainty about job status is more difficult to cope with than unemployment as workers have no idea of what to cope with, because they do not know what to expect. Petterson (2005) reaches a similar conclusion. In this study of the Swedish healthcare sector, with the background of re-structuring and potential job loss, work was characterised by increasing and conflicting demands as well as other job-related stress. Workers showed signs of mental distress through declining concentration and increasing irritation and listlessness. These were reported to relate to lower levels of job control and resulted in increasing long term sickness absence.

The extent to which people feel insecure will be shaped by the extent to which they feel that they have some control over their future. Dekker and Schaufeli (1995), have suggested a major feature of this uncertainty to be loss of control. Perceptions of control may be determined by individual characteristics, by the particular workplace environment characteristics and/or the wider political economy and the extent to which insecurity is a feature of labour markets. Price (1998) reports research which suggests that perceptions of mastery or control are critical to sustaining mental health, and that people who work in jobs with little opportunity for self-direction reportedly also display lower levels of mastery and control (Price 1998). Two primary studies provided evidence to suggest the importance of control and mastery in the workplace, and how this is affected by job insecurity. In a qualitative study of redundant Welsh steel workers aged 50+, Gardiner et al (2007) describe how most accounts reflect a sense of passivity and powerlessness in the years preceding redundancies.

Research has also highlighted that it is not just the job losers who might be adversely affected by redundancies in the workplace. Redundancies may impact on the workplace through an atmosphere of loss, deterioration of social relationships and a loss of trust. In addition recession may impact on the quality of employment for those left in work as well as the quality of work available for those looking for work for the first time.

In a repeated measures study of job insecurity conducted during major organisational change in one of Australia's large public transport organisations, Dekker & Schaufeli (1995) found that insecurity and its associated adverse effects on psychological health and organisational involvement decreased in the group of employees that had been made redundant and partly redeployed, whereas the

control group of continuously employed workers experienced an increase in job insecurity and associated effects. Based on their study of US farmers Meyer & Lebau (2003) also described how difficult it is for individuals to view futures as viable when an entire economic sector and the occupations within it experience restructuring. These suggest, not only that anticipation of job loss impacts on health but for those left behind the continued uncertainty about their future job status continues to affect their emotional well being.

Mixed methods research by Campbell and Pepper (2006) into the survivors of downsizing in the US department of energy similarly found that the work climate of the post-downsizing environment is laden with suspicion and conflict, and marked by a loss of social cohesion and deterioration of relationships. The study found that as well as feeling insecure in their own jobs, employees also feel saddened and guilty for those made redundant, distrustful and resentful of those in power, wary of co-workers who become potential rivals, demoralized over loss of satisfying work, and anxious over the lack of meaningful communication (Campbell and Pepper 2006).

Some research has focused on particular groups within downsizing organisations. For instance one longitudinal study followed the reaction of executive and middle managers through time following a decision to 'downsize' in the Canadian civil service (Armstrong-Stassen 2005). Using a stress and coping framework they looked at coping behaviours, job performance and well being over a three year period prior to, during and following downsizing. During the anticipation and downsizing phases middle managers were more adversely affected than executives. This may be because middle managers are the implementers *and* targets of downsizing which results in increased workload, stress and feelings of job insecurity. They suggest that executives should be included in stress management interventions but also that executive managers need to address the stress that middle managers face.

However, research has also found that the perceived fairness of the lay-off is a factor in shaping reactions to lay off (Campbell & Pepper 2006; Wanberg 2002), to the point that employees who felt the downsizing process was fair and that communication was open and honest reported fewer medical symptoms, lower survivor syndrome and more job security than their counterparts (Campbell & Pepper 2006).

#### 4.2.2 *Unsatisfactory re-employment*

Job loss is just one point in the process of redundancy that needs to be considered in assessing health impact. Scenarios following job loss are more complex than continued long term unemployment or re-employment. The quality of re-employment also seems to be important. Re-employment has been associated with psychological improvements (Morrell et al 1994, Morris & Cook 1991, Hamilton et al 1997), but a study of unemployed civil servants suggests that re-employment in insecure jobs is likely to be as damaging to mental health as remaining unemployed (Ferrie et al: 2001). This supports other research on the effects of closures on populations of male steel workers (Leana & Feldman 1995) and car workers (Hamilton et al: 1993, Heaney: 1994) where those re-employed in jobs described as 'unsatisfactory' experienced higher levels of psychiatric morbidity than both the securely re-employed and unemployed workers. A study on young people and unsatisfactory employment reports similar effects on psychological well-being, especially for women (Winefield: 1991, Winefield et al: 1993). The quality of re-employment also seems to play an important role in enabling workers to *cope* with impacts of job loss. A longitudinal study that examined the role of the quality of reemployment in coping with job loss at a high tech firm in the Southwestern USA, found that those who failed to be satisfactorily employed continued to experience negative effects (Kinicki et al. 2000).

Dooley (2003) proposes the same stress model for conceptualizing underemployment as that used for unemployment, on the grounds that falling from adequate to inadequate employment involves similar experiences of economic and psychosocial losses. Although, in some respects this experience may be thought to be less stressful in that some wages, time structure, social purpose and status remain, there may be fewer coping resources such as unemployment compensation and additional stress factors such as increased job insecurity, lower job satisfaction, disrupted relations, higher job demand and lower decision latitude.

In his review of the underemployment literature Dooley (2003) also notes how few studies have explored the psychological effects of what they term 'underemployment' and of these still fewer have combined longitudinal designs. The review focuses on two types of inadequate employment in relation to time and financial remuneration: 'Involuntary Part Time', where the worker is employed for less than 35 hours per week, but wants more and 'Low Wage', which is at or below the poverty level.

It identifies only 3 longitudinal studies, all of which were conducted by his own research team and draw on data from the NLSY (National Longitudinal Survey of Youth)(Prause and Dooley 1997, Dooley and Prause 1998 and Dooley, Prause and Ham-Rowbottom 2000). The first looked at self-esteem in school leavers (Prause and Dooley 1997). After controlling for 1980 baseline self-esteem and other background variables, and using 'adequately employed' as the reference group, the study found that each of the other employment status groups (unemployed, or underemployed) reported significantly lower self-esteem in the 1987 wave. Further, the effect for inadequate employment groups was not significantly different from the effect for the unemployment group. The second study looked at alcohol abuse (Dooley and Prause 1998) and found that remaining inadequately employed and becoming unemployed were both associated with significantly increased alcohol abuse symptoms, while shifting from adequate to inadequate employment significantly raised the risk of binge drinking among time 1 heavy drinkers. Thirdly, in a study of depression in early adulthood (Prause and Ham-Rowbottom 2000), after controlling for baseline depression and other background variables, those becoming unemployed or inadequately employed showed similar significantly elevated depression.

#### *4.2.3 Insecurity and quality of employment in economic crises*

Finally, it has been reported that the effects of unemployment may have generalised health effects on the population. High unemployment rates may affect the kinds of jobs that are available (Morrell et al 1998), forcing people to accept jobs that they would rather not do. This also affects young people who may be unable to find jobs in the area that they find satisfying. A 10-year cohort study of South Australian school leavers found that young people who were dissatisfied with their jobs had similar level of psychological morbidity as those who were unemployed (Winefield et al: 1994). One study indicated that full-time education partially buffers the poor mental health effects of unemployment in areas where the opportunities for employment are low (Jackson: 1999). Indeed, the research suggests that whilst loss of job security may be associated with poor health, the poorest ill health is associated with chronic job insecurity (Ferrie et al 2002, Virtanen M et al 2005, Bartley and Ferrie 2010)

### **4.3 Financial Strain**

Two reviews reported findings from numerous studies which showed that economic hardship is positively related to distress levels experienced by unemployed individuals and their families, including studies which found that a large proportion of impact can be explained by financial

hardship (Price 1998; Wanberg 2002). In one study comparing different explanatory models of the relationship between unemployment and health, something that needs further work, the authors found that all of the models they examined had some explanatory validity, but that the 'economic deprivation model' and a 'model of latent functions' were the most successful in explaining the relationship (Janlert and Hammarstrom 2009). Wanberg (2002) also reported study findings which suggested that levels of psychological distress may be lower in countries with high levels of government financial support for the unemployed, thus again suggesting a critical role for financial aid in reducing hardship and its knock-on effects (Wanberg 2002). Price (1998) suggests this may not only have direct effect through impact in basic needs such as nutrition, or access to health care (in a US context), but also through 'cascade of secondary stressors' such as housing repossession or eviction, loss of transport, and increased debt (Price 1998). Willis (1986) also argued that although pay is the only reward that many persons regard themselves as receiving for their work, it is pay that empowers or enables other important social and cultural activities in life. Money is needed to stabilize and maintain an established lifestyle, and to enable social interaction (Willis 1986, Starrin et al 1997).

Drawing on a two year longitudinal study of individuals experiencing involuntary job loss, Price (2002) tested hypotheses linking employment status, financial strain, depression, personal control, role and emotional functioning, and health. The results offer support for the hypothesis that financial strain mediates the relationship of job loss and unemployment to depression and loss of personal control. The results also support the hypothesis that the ensuing depression triggers losses of personal control, which in turn erodes role and emotional functioning and physical health. The authors thus suggest that increases in depression also has a direct effect on the likelihood of re-employment, meaning that chains of adversity may contain spirals of disadvantage that reduce the life chances of vulnerable individuals still further (Price 2002 also Vinokur and Schul 2002).

One longitudinal study investigating the psychological costs of unsustainable housing commitments found significant detrimental effects on mental well being. The size of these effects were found to be in addition to and larger in magnitude than those associated with financial hardship more generally. The effects are reported to be of similar magnitude to those observed in a marital breakdown or job loss (Taylor et al 2007). This finding is important given the housing crisis exacerbated by unrealistic mortgage loans preceding this recession. Another qualitative study examined the experience of mortgage repossession during the 1990s in the context of a new 'landscape of precariousness' (Nettleton and Burrows 2001). They highlight how housing 'success' was seen to permeate the



psyche and, like occupation, informs how they think of themselves and how they relate to others. Similar to job loss, and often associated with it, losing a house is like a loss of self identity resulting in a sense of failure, humiliation and shame.

#### **4.4 The latent psychosocial functions of work and impact on self-identity**

The meaning of unemployment is likely to be different for someone who has failed to enter the job market for the first time, which is different again for someone who has recently lost a job and different again for someone who has been unemployed for some time. Redundancy has a particular effect on someone's life and can be seen, like bereavement, as a significant life event. Redundancy means something that 'job loss' scarcely begins to convey – it means the sudden snapping or gradual unravelling of the central thread of someone's life. Someone who has had secure employment for a number of years has a life that has become largely defined by that work. It performs a number of functions that are central to that person's life

Jahoda called these the 'latent functions' of work and they include time structure, regular social contacts, engagement in activities for collective purposes, status, and regular activity (Jahoda 1981 and 1982). Andersen (2009) distinguishes between Jahoda's theory as one that sees work as a social institution that fulfils a number of psychological needs and others, such as those developed by Ezzy (1993) and Fryer (1986) that sees work as a source of meaning and identity. Though suggesting different mechanisms both types of theory identify how unemployment produces profound changes in the life of working adults, including loss of structured time experience, valued relationships, status and identity, and loss of meaningful life goals and purpose, all of which negatively influence psychological well being (Jahoda 1979, Price 2002). The latent functions model was the most powerful of seven models examined for their ability to explain the relationship between unemployment and health (Janlert and Hammarstrom, 2009). Opportunity for control is another similar psycho-social construct suggested to be provided by work (and threatened by unemployment) (Warr 1987 cf Price 2002). The role of both 'time structure' and 'control' was directly investigated in some of the literature in this review.

##### **4.4.1 Time structure**

Wanberg (2002) reports research which has shown that 'time structure' is correlated with psychological health during unemployment. These findings have demonstrated that an individual's ability or inability to structure and plan his or her time during unemployment is related to the

psychological and physical health of unemployed individuals. It is suggested that individuals who have difficulties structuring their time during unemployment may begin to feel non-productive and lack feelings of accomplishment, resulting in lower levels of mental health. That said, it is also possible that poor mental health could result in deteriorated time structure or that the relationship is reciprocal (Wanberg 2002). In the only primary study relevant here, Wanberg et al (1997) carried out a 3 wave longitudinal study of 245 respondents, who were identified as facing redundancy. The study showed some support for the idea that unemployment is associated with decreased time structure (and that reemployment leads to increased time structure). The analysis also showed consistent support for the idea that time structure problems at two months after job loss lead to decreased mental health 3 months later (Wanberg et al 1997)

#### *4.4.2 Control & mastery*

According to Price (2002) the psychological sense of personal control over life outcomes has been of considerable interest in research into the stress process, psychological well being, health and functioning. As with other psycho-social constructs, though, it has also been hypothesised as both an antecedent and a consequence of depression. Based on their longitudinal study, cited earlier, Price (2002) suggests personal control to be a likely pathway linking depression to role and emotional functioning on the one hand and health problems on the other (Price 2002) In an earlier review the same author reports research which suggests that perceptions of mastery or control are critical to sustaining mental health. It is also explained that although stressors, such as unemployment, diminish perceptions of mastery, people with low levels of mastery are more vulnerable to the stressors, such as the job loss, they experience (Price 1998).

#### *4.4.3 Work and identity*

The second kind of psychosocial mechanism is with regard to the identity consequences of job loss. According to Andersen (2009) this type of negative effect comes from 'the meaning the individual ascribes to being excluded from a certain social institution, rather than just the direct consequences of the exclusion' (Andersen 2009). According to Ezzy's (1993) life plan theory; individuals develop life plans and strategies to maintain a positive self-concept and to provide a stable source of identity, and in modern societies having a job is an important part of this strategy (cf Andersen 2009). Job loss involves loss of a social role, presents a challenge to identity (Price 1998) and directly disrupts an individual's attempt to sustain consistent and positive self-images, thus increasing the risk of mental health problems (Ezzy 1993 in Price 1998). Identity and self-esteem are also suggested to be challenged via altered networks of friendship and social support. (Price 1998)

In an attempt to explain class based differences in subjective experiences of well being following unemployment, Andersen (2009) used longitudinal data from the first 14 waves of the British Household Panel Survey (1991-2004), to test out two hypotheses, including one on 'work identification'. The first hypothesis on 'work condition' proposed that because individuals in higher classes experience more stress prior to becoming unemployed, their well being will decrease less from unemployment than the well-being of individuals in lower-class occupations. The second, on 'work identification' proposed that work identification increases by social class, which means that work is more important to individuals from higher classes and that these individuals find more satisfaction in work. Individuals from higher classes thereby will suffer more from unemployment than will individuals from lower classes.

The results showed that the size of co-efficients by class indicated a distinct inverse U shaped relationship. In other words those who enter unemployment from high or low social classes experience a lesser negative change in their subjective well being from the transition into unemployment than those unemployed who belong to medium classes. This means that both work-condition and work-identification models are insufficient in explaining the differences although the authors suggest that there may be a combined effect, in so far as the negative effect of one factor, crowds out the positive effect of the other. (Andersen 2009) However, the hypotheses are based on potentially problematic assumptions (as opposed to empirical measures); that the higher the class the higher the work stress and the lower the class the lower the level of work identification. Nor were other potentially mediating variables such as financial resources, for example, controlled for. These results on the role of work identification in mediating the unemployment/ wellbeing relationship are therefore fundamentally inconclusive.

One major limitation of the study is the assumption that work associated with lower socio-economic groups is not linked to work identification. However other research suggests that mass job losses in certain occupations, particularly associated with traditional industrial unionised industries, undermines intense work identification (Bluestone & Harrison 1987, Bamberger & Davidson 1999, Crowe et al 2009, MacKenzie et al. 2006). In these cases the loss is not just in terms of individual occupational identity but an identity also shaped by the places in which these forms of work were situated

One of these, a qualitative study of redundancies associated with a steel plant closure in South Wales, highlighted the importance of this occupation to both individual and collective identities

(MacKenzie et al. 2006). They challenged approaches that see redundancy as necessarily an individualised experience. Workers in this study had a strong emotional attachment to their previous job and to each other. This identity was recognised and reinforced, both in the community (where being a steel worker was considered to carry a cachet) and through the trade union where the principles of collective solidarity were part of a given way of life. Redundant steel workers found the loss of the social side of work particularly difficult to adjust to. However redundancy and subsequent attempts to look for work were seen as a collective experience not restricted to occupational identity but the researchers also detected a strong class solidarity. For instance there was a 'them and us' articulation about management. They concluded that a steelworker identity provided a positive self-image which may have helped to cope with post-redundancy experiences, and that the trade union contributed to this sense of collective identity. However, this study was conducted shortly after redundancies were made and the plant closure was in an area where the consequences of post-industrial decline had already had a marked impact on the social and economic decline of the area. The steelworks was the last major industrial plant in some of the areas and so the industries that supported these forms of social solidarity were gone. The research suggested that these positive effects may therefore be short lived.

#### **4.5 Stigma and negative identity**

A further feature of the literature on identity is concerned not just with the potential loss of a positive work based identity, but also the social stigma attached to unemployment, which could be conceptualized as a form of 'spoiled identity' (Goffman 1968 in Price 1998). According to Starrin et al (1997) employment has a moral side. Earning money is regarded as honorable while the receipt of unemployment pay or social security benefits is regarded as degrading and shaming. Shame is described as a social feeling, linked with loss of self-esteem, which in turn has been linked with mental health problems. In their own research they describe the shame expressed by one woman because 'she felt she was inadequate and incapable of meeting the expectations she felt to be incumbent on a mother'. She did not want to seek social security because she felt it demeaning. Her feelings of shame were a social feeling which indicated the need to feel, to belong to a group and to live up to expectations. She had internalized views on the importance of being able to support herself, of having a job, and of being industrious'. Another woman described how 'as an unemployed person it is really rubbed in that you have no value'. The authors thus identified two sides to unemployment: the problem of making ends meet and the of feelings of shame (Starrin et al 1997).

In another qualitative study Cullen and Hodgetts (2001) provide a thick description of some New Zealanders' experiences of unemployment, and in particular of how they negotiate the stigma associated with it. They used semi-structured interviews with unemployed people to explore the social construction of unemployment and how the ongoing tension between individual and structural explanations for unemployment is played out in participants' accounts. They described how participants presented unemployment as deviation from the norm (employment); as an external social force that disrupts people's lives; and an experience associated with social stigma, shame, and moral evaluations. They described how participants positioned themselves as outsiders who were restrained from normal participation in life, not only by material factors but also because they are deprived of an important source of self-worth. The authors note that unemployment challenges one's sense of normal identity in a manner similar to a chronic illness and similarly requires one to renegotiate a sense of identity and to account for the appropriateness of one's coping strategies. They thus describe how participants resist victim blaming through the renegotiation of individual and structural explanations for unemployment and how they distinguish between the self and other in assigning responsibility.

Brand et al's (2008) longitudinal investigation of the differential effects of lay-offs and plant closure on depression among older workers, also provides some evidence suggestive of a potentially mediating role for stigma amongst men, if not women. The study found that men had significant increases in depression as a result of layoffs, but not as a result of plant closings, whereas the reverse was true among women (Brand et al 2008). The redundant steel workers study referred to above (MacKenzie et al. 2006) suggests that forms of solidarity associated with traditional industries, which have been overwhelmingly male, may protect redundant male workers from any stigma associated with plant closure associated redundancies. This is likely to be particularly the case where entire plants were closed. However, the same study highlighted the fears of what the future offered in areas where those occupations were no longer available locally. They pointed to the prospect of 'stacking shelves' as a discursive device that respondents used to symbolise the humiliation of accepting a low paid, insecure and low status job. This discursive scenario was also used in another study of a steel plant closure. This study interviewed health and social care workers, most of whom lived in the area, and it suggests that this scenario was one that was shared by a wider range of residents and workers than the steel workers themselves (Elliott et al 2001).

#### **4.5 Summary and Conclusion**

This section has investigated the published literature on the mechanisms through which economic crises, through its effects on individual job loss, may impact on health. These are financial strain, insecurity and uncertainty, the loss of the latent functions of work, and the impact of stigma on self-identity. The mechanisms to a certain extent represent alternative theories about the relationship between unemployment and health but they may also interact in complex ways with each other. For instance one set of theories provides an economic explanation for health impact whilst another set of theories represents a psychosocial explanation which could be seen as both rival theories but also interactive in some settings. It has been suggested earlier on in this review, for instance, that different mechanisms may operate with different socio-economic groups – that is the loss of status and self identity being more important in high SES groups than in lower SES groups where financial strain may be more important (Price 1998). However this may disregard the importance of work in some labour market sectors for employees. The loss of employment through plant closures in the steel industry, for instance, was seen as both a loss of a source of livelihood but also a loss of a certain kind of identity associated with being a steel worker as well as the loss of a valued social community. In addition research has highlighted a perspective that sees money not just as a material resource but as having a moral side which shields people from shame (Starrin et al 1997).

## **5 Maintaining health and well being through economic crises: Resilience, coping and salutogenesis**

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### **5.1 Introduction**

Whilst the review so far has focused on how individuals, communities and economies may be affected by economic cycles there is also a need to identify individual and community characteristics that may mediate the negative effects of economic downturns and their resultant effects on individual and population health. Most of the literature on recession or economic crises and health has been on the extent to which, and the mechanisms by which, resulting unemployment, employment uncertainty and, to a lesser extent, underemployment may impact on health. However there is less research on what factors may protect individuals and communities from ill health against the odds. At the level of national economies it appears that those countries which have a strong safety net and invest in social infrastructure are more likely to protect individuals from the poor health that would otherwise be a consequence of poverty and inequality (Bambra and Eikemo 2009). A better understanding of the sources of resilience may provide clues as to what community and individual interventions may be possible in hard economic times. In Wales they may provide insights as to how community regeneration programmes and active labour market interventions could support people over periods of severe economic downturn.

### **5.2 Resilience, coping and salutogenesis**

The question of how and why some people appear to fare well under conditions of adversity is an important one. Research which seeks to find answers to these questions offers potential insights into the personal and collective resources that protect people during hard times. The theories most associated with health research in this field are those of resilience, coping and salutogenesis and a recent review for the National Institute for Health and Clinical Excellence (NICE) explored how these concepts were understood and operationalised to inform their behaviour change guidance (Harrop et al 2007).<sup>2</sup> What is quite clear in the literature, however, is that while resilient economically deprived individuals who have good coping skills or live in areas that could be said to provide good salutogenic environments may be healthier than people equally deprived but without these positive

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<sup>2</sup> For NICE guidance on behaviour change see <http://guidance.nice.org.uk/PH6>

recourses they are very likely to be less healthy and live shorter lives than people who are more affluent (Friedli 2009). Even then the evidence that factors such as social capital, social cohesion and social networks do have a moderating role is contested (De Silva 2005).

In terms of definition the concepts have been used in different ways to develop theory about addressing particular social problems. The review retrieved many more research articles on *coping* than any other literature on individual psychological and neighbourhood modifying factors. Understanding of the concept was informed by definitions developed by Lazarus and Folkman (1984) who defined it as the “cognitive and behavioural efforts used to contend with events appraised as stressful”. Kinichki (2000) defines coping with job loss as ‘a person’s constantly changing cognitive and behavioural efforts to manage specific internal or external demands that are associated with unemployment and are appraised as exceeding the individual’s resources’ (p91). Coping behaviour after job loss refers to attempts to regain some level of well being or re-employment after lay off (Leanna and Feldmann 1995). Latack et al (1995) cited in Kinichki (2000) proposed that coping with job loss continues until equilibrium is re-established in four discrepancy facets (economic, psychological, physiological and social). The health and unemployment literature focuses on the strategies, behaviours and personality traits likely to result in, and therefore, predict successful coping with unemployment. Another interesting feature of this literature is that coping strategies associated with successful re-employment can be in contradiction to those strategies associated with good health – particularly mental health.

While the coping literature focuses entirely on individual responses resilience, defined loosely as successful adaptation in the face of disadvantage or adversity, can also refer to protective factors in social institutions or communities as well as individuals. Literature on resilient communities, though sparse in relation to that on recession and health, suggests that there are features of particular neighbourhoods that may protect health. However this must be seen in the context of other literature (see below) that suggests that economic crises that result in the clustering of unemployment in particular places erode, over time, the very social resources that protect people in times of need.

Salutogenesis, as opposed to resilience and coping which can be used in relation to factors other than health such as financial resilience, is focused specifically on health. It was developed by the sociologist Aaron Antonovsky (1998) as an alternative to pathogenic approaches which focus on disease processes. By focusing on salutogenesis, in contrast to pathogenesis, Antonovsky hoped



that researchers might start to identify pathways and mechanisms leading in the direction of health. Salutogenic research therefore implies a focus on health maintenance processes rather than disease processes. Antonsky saw health-ease and dis-ease at two ends of a continuum. Salutogenic research looks at processes that move people towards, or keep people at, the health-ease pole. A Sense of Coherence (SOC) relates to the way in which human agents make sense of the world, use the required resources to respond to it and feel that these responses are meaningful and make sense emotionally. Although Antonovsky stresses the structural dimensions of SOC the construct has been criticised for lending itself to explanations and interventions which are neglectful of the fact that people in poverty often have very limited control over their circumstances (Harrop et al 2007).

The three concepts offer a way of looking at features of individuals, neighbourhoods, and social institutions that may be protective of health despite the negative effects that arise from economic downturns. At a state level, as highlighted early, it appears to be those countries that have a safety net in terms of welfare policies that are better equipped to protect individuals from ill health (Bambra 2009, Stuckler et al 2009 a&b). However, given the limited levers available to policy makers at local and national levels in Wales to alter economic policy there is still a need to understand the mechanisms through which individuals are shielded from the impacts that severe economic downturns bring. This is important firstly because it recognises that people have some agency, albeit constrained, in the circumstances in which they find themselves and that neighbourhoods themselves may have collective resources through which they can resist ill health. Secondly they provide an indication of interventions or ways of working that might best be implemented in the face of economic downturns.

### **5.3 Research on factors which support health through economic crises**

The review identified studies providing an insight into the positive processes of maintaining health and well being through recessionary periods utilizing a variety of methods including longitudinal surveys, collecting primary data or analysing secondary data, (Armstrong-Stassen 2005, Bennett et al. 1995 Kinicki et al. 2000, Leana et al. 1998, Vinokur and Schul 2002, Yeung and Hofferth, Leana and Feldmann 1995), cross-sectional surveys (Crowley et al. 2003, Gowan et al 1999, Malen and Stroh 1998), qualitative data (MacKenzie et al 2006, Nettleton and Burrows 2001, Skinner 2004), mixed methods (Mendenhall et al 2008, Walsh and Jackson 1995) and theoretical modelling (Thomson 1997). Their samples varied too with research often choosing to focus on specific groups such as executive and middle managers (Armstrong-Stassen, M. 2005), managers (Malen and Stroh

1999) middle-aged managers, professionals and executives (Mendenhall et al 2008) and families (Yeung and Hofferth 1998).

The studies also looked at one or more aspects of employment or other life events associated with the experience of recession. These included the effects of downsizing in services or companies looking at the anticipatory stage (Armstrong-Stassen 2005, Prussia et al. 2001, Skinner 2004), survivors following mass redundancies (Armstrong-Stassen, M. 2005), lay-off victims as a consequence of downsizing (Bennett et al 1995), redundancy due to a variety of reasons (Crowley et al 2003, Hobdy et al. 2007, Malen and Stroh 1998, Mendenhall et al 2008, Wanberg, 1997), closure of plants or workplaces (Gowan et al. 1999, Kinicki et al. 2000, Leana et al. 1998, MacKenzie et al 2006 [plant closures and lay-offs] Prussia et al 2001 Leana and Feldman 1995), economic hardship of various kinds as a result of recession (Yeung and Hofferth 1998) and mortgage repossession (Nettleton and Burrows 2001)

The coping literature in this review tended to focus more on outcomes associated with re-employment and/ or satisfactory re-employment than health and well being as such. Whilst in the redundancy literature the key stressor was being made redundant some of the studies looked more broadly by conceptualising the stressors as job insecurity or precariousness (Armstrong-Stassen 2005, MacKenzie et al 2006, Mendenhall et al 2008, Nettleton and Burrows 2001) or workload demands (Armstrong-Stassen 2005) as the key stressor. In addition Leanna and Feldman (1992) argue that in assessing how people cope with redundancy depends how job loss is appraised in relation to its likely *intensity* in terms of threat, discomfort and disruption; perceived *causality* in terms of external factors versus being self inflicted; and its *reversibility* in terms of the possibility of re-employment.

In terms of the traditional psychological literature, which dominates the review in this section, the focus is on describing, assessing and developing predictors of the impact of cognitive and behavioural coping strategies in dealing with the stressful events associated with job loss. These are conceptualised in two distinct ways. First there are those who group coping strategies into problem focused and symptom focused strategies. (Bennett et al. 1995, Gowan 1999, Leana et al. 1998, Leanna and Feldman 1995, Malen and Stroh 1998). Problem focused coping strategies are those which deal with the problem causing the stress (in this case anticipated or actual job loss) and includes job search activities, training, consideration of relocation, networking and construction of CVs. Symptom based strategies on the other hand are those which deal with the impact of the job

loss and include seeking financial assistance, seeking social support or community activism (getting involved in community efforts to help the unemployed or to campaign against closures). Gowan (1999) uses a tri-partite schema and in addition to problem focused coping behaviour distinguishes between symptom focused strategies such as involvement in non-work activities and emotion focused strategies which includes distancing oneself or avoiding the problem (this may involve the assessment of job loss as 'not a problem').

The second albeit related approach is to group strategies into those that are control oriented and those that are escape oriented (Armstrong-Stassen 2005, Prussia et al 2001). Control oriented strategies are those which attempt to resolve the situation and include positive-thinking, direct action and instrumental support seeking. Escape oriented strategies, on the other hand are defined by Prussia et al (2001) as those which deny the situation and include avoidance and disengagement. Walsh and Jackson (1995) similarly distinguish between active coping (removing the effects of stressors) and avoidance coping (a reactive strategy to manage symptoms).

An overlapping body of literature from psychology focuses on personal characteristics. Leanna and Feldman (1995) develop a model of 'resilience personality' which is developed from three variables: self esteem, perceived control and optimism. Crowley et al. (2003) on the other hand investigate *hardiness* as a personal characteristic that mediates responses to life events. The concept has three different dimensions including *control* (sense of influence over events), *commitment* (sense of purpose and self-understanding) and *challenge* (the belief that change rather than stability characterises life leading to change being seen as an opportunity). These dimensions, the authors argue, influence both how an event like job loss is appraised and the subsequent behavioural strategies used (Crowley et al. 2003). Hodby (2007) on the other hand, builds on Bolby's theory of attachment to look at the role of attachment style in coping with job loss as a non-normative transition compared with empty nest characterised as a normative transition. He looks at three attachment dimensions ('comfort with closeness', the ability to depend on others and anxiety about being abandoned or unloved), to define secure, anxious and avoidant styles. Other studies focus on internal coping resources which Wanberg (1997) sees as personality characteristics or dispositions which are likely to shape coping strategies and Prussia et al (2001) conceptualise as properties such as self esteem, health, energy and positive belief that serve to buffer individuals from stressful situations. In particular Vinokur and Schul (2002) highlight mastery, job self-efficacy, and job search motivation as personal coping resources which shape coping strategies following job loss and investigate these alongside psychological vulnerabilities relevant to job search processes.

Gowan et al (1999) on the other hand identifies coping resources as something which is closer to social advantages than personality trait and includes level of education, availability of financial resources and social support (which other studies see as a coping strategy). They argue that the greater the level of coping resources available the more positively the individual is able to appraise their situation in relation to the coping behaviours that they adopt.

The above studies are useful in that they begin to identify elements which could be embedded into both strategies that might be developed by Human Resources departments to support employees through uncertain times as well as shaping local or government active labour interventions to support those who have lost their jobs or keep and support people in work (Stuckler et al 2009, Coutts 2009). The literature also suggests that approaches that simply focus on re-employment may not be adequate to supporting health and well being particularly in areas where job opportunities are scarce.

Sociological studies focused more on the contexts in which job loss or, in one paper, housing loss takes place. While Mackenzie et al (2006) focus on job loss in the context of occupational communities, in this case steel, both Mendenhall et al (2008) and Nettleton and Burrows (2002) look at the impact on, and processes of dealing with, job loss and home repossession in the context of a social and economic landscape characterised by insecurity and uncertainty. Whilst Mackenzie's redundant steelworkers drew on strongly felt worker identities as well as local and class based social solidarities, the respondents in the other two studies were seen as located in a 'new landscape of precariousness' (Nettleton and Burrows 2001) or 'new risk economy' (Mendenhall et al 2008) which is characterised by a fluid economy, labour market flexibility, individualisation of risk, unpredictability and weak welfare provision. The insecurities built into the market economy penetrate wider social relationships making them fragile. The Mendenhall study also takes a life course perspective focusing on job loss amongst middle aged executives in the USA where changes in the economy threaten their own view of themselves as part of an orderly system.

In a rather different study Skinner (2004) explored how large-scale changes in the workplace, in this case downsizing, may impact on workers' awareness of time and how they may use this to minimise the impact on fear or anxiety. In this qualitative study he explores ways in which workers deal with the possibility of job loss by either actively and openly imagining with other workers what the future may hold or by putting a tighter boundary around time by focusing on the here and now and the

minutiae of everyday tasks. He sees these forms of 'collective imaginings' to be a potential source of resilience, though also warns that it can become a form of collective avoidance as well.

These papers cast a more critical eye on the contexts for coping, locating the experience of job and housing loss within particular social, economic and cultural frames.

#### **5.4 Coping, resilience and salutogenesis through changes in employment status**

Although the studies were of coping and resilience through adversity during economic crises, most stressed the mechanisms which lead to *ill health* or failure to find *satisfactory employment*. However they also suggest or imply interventions or approaches which may support people facing, going through or living with job loss.

The review, which captured different aspects of the job loss process, highlights that it is a dynamic process and that interventions may be different at particular stages. For instance a panel design study tracking 100 job losers in a high tech firm in the UK reported that the quality of re-employment was an important determinant of health. Those who failed to be satisfactorily employed continued to experience negative effects (Kinicki 2000). Along with other studies, this suggests that underemployment needs to be considered a public health concern in the same way as unemployment.

##### **5.4.1 Coping at work – anticipation of unemployment**

For those anticipating job loss, interventions may be focused on human resource departments within work organisations. Armstrong-Stassen's (2005) longitudinal study of executives and middle managers in the Canadian civil service used a stress and coping framework to investigate coping during a phase of downsizing. Following survivors of the processes it tracked this tier of civil servants from the announcement of downsizing through the initial and later stages and following redundancies. Similar to a study of downsizing in the Whitehall longitudinal Study (Ferrie et al 1998) it found that working in a climate of organisational uncertainty regarding job security, the anticipatory phase as well as the subsequent processes, has negative effects for well being. Armstrong-Stassen (2005) concluded that the sense of powerlessness, particularly for middle managers, which increased through the period of downsizing, led to avoidance or escape coping strategies. They suggest that human resource departments need to develop stress management strategies for all staff, including executives. They suggest that this is needed to protect health and

well being against the stresses of uncertainty, feelings of powerlessness and the possible increased work demands that may be experienced over this phase.

#### *5.4.2 Searching for employment*

Most studies indicate that problem focused strategies which try to deal with the particular threat, are superior as they are more likely to result in a positive end results, that is satisfactory employment (Leanna et al 1998). Their longitudinal study of laid off workers following plant closure suggests that in fact both forms of coping are utilised when people lose their jobs and that symptom and problem based coping may under certain circumstances be necessary. They also conclude that interventions developed to support job losers need to be informed by the kinds of strategies that they are likely to use. However other research suggests that under certain circumstances strategies aimed simply at regaining employment may be bad for health and that focusing on the contexts and different economic circumstances in which job losers operate may be more important (Yeung and Hofferth 1998). Other researchers, drawing on cognitive adaption theory and attribution theory also argue that, interventions must take into account how job losers account for the loss of their job as well as how they perceive the prospects for gaining employment, in order for job losers to find ways in which they can control the situation (Thomson 1997, Wanberg 1997). However Leanna and Feldman (1992) also found that control focused coping, such as the use of job search strategies, was associated with poor mental health particularly if they keep searching unsuccessfully (also Warr, Jackson and Banks 1998, Yeung and Hofferth 1998). A longitudinal study of 363 newly unemployed people recruited from a Job Services office in the USA also showed how personal resilience (as measured) was not associated with good mental health in a 3 month follow-up (Wanberg 1997).

Some authors highlight that the degree to which job losers can control their future is limited and indeed the persistence of problem focused action in places or times when there is little employment available can lead to a sense of failure and increase depressive symptoms. Gowan et al (1999) in their study of workers made redundant as a result of the closure of a US airline found that emotion focused strategies such as distancing were associated with decreased distress as well as an increased probability of reemployment. In addition participation in non-work activities was negatively associated with distress. They conclude that that looking for jobs too soon after job loss may not increase chances of re-employment and that the individual should address the emotional consequences of the situation first. They build on Antonovsky's work which, as highlighted above, seeks to understand why some people remain healthy after adverse life circumstances. This work also focused on the resources needed to maintain health through the process of job loss (focused on

social, educational and financial resources). The use of social support was found to be significantly associated with the utilisation of the three coping strategies assessed in the study. This may be useful for understanding what *resilience resources* are necessary in times of economic crises.

Two papers from the same study comparing job loss as a significant life event with parents facing the 'empty nest' suggest that job loss has greater perceived impact requiring more pro-active coping efforts (Hodby et al 2007, Crowley et al 2003). The study by Crowley et al (2003), which explored overall 'hardiness' as a personal characteristic that mediates psychological responses to life events (job loss and 'empty nest') also found that 'hardiness', though associated with the mobilisation of more problem based coping strategies did not protect job losers from distress. Distress may also inhibit the motivation to search for jobs where job searchers face financial strain. A study by Vinokur and Schul (2002) exploring the predictors of successful re-employment also highlights the dual role of financial strain as a result of job loss, which both facilitates reemployment by increasing job search motivation and job search intensity but also inhibits it by increased depressive symptoms.

In terms of protecting individuals from distress following job loss the support of a partner seems to be protective. In a British study of coping processes following job loss Walsh and Jackson (1995) looked at the role of partner support and gender in mediating the individual experience of active coping in unemployment. They found that respondents with supportive partners reported better relationship quality, lower severity of problems, lower incidence of both active and avoidance coping strategies and less reliance on professionals. Lack of support from a partner had a greater negative effect than women than on men and more likely to require more practical help from outside the family than men. They also suggested a gender difference in the meaning and value of involvement in non-work activities as a coping strategy. Whilst men saw activity as a replacement for employment, women saw it as an opportunity for self development outside the family unit. In addition, however, men appeared to be more autonomous in taking up opportunities for non work activities. For women it was more difficult to take advantage of such activities as they were more likely to be seen as having an impact on the organisation of domestic routines.

As mentioned above the availability of social support is considered to be protective of health during economic crises, though there may be differences in the extent to which people are willing to use these resources. A review by Stuckler et al (2009) on the health impact of three different financial crises - the Great Depression in 1929, the Post-Communist Depression in the early 1990s and the East Asian Financial crisis in the late 1990s – highlighted evidence that the startling adverse health

effects of the rapid economic change in the Post-Communist countries in the former USSR were reduced for people who belonged to a social organisation such as a sports club or trade union. Indeed they argue that the two key factors in protecting health were social protection (formal welfare) and social cohesion (informal welfare).

Wider social support appears to be important not just as a strategy (that is actively seeking support from friends, neighbours, family and so on), or as a resource (that people know that they can call upon when needed) but to protect against job loss being experienced as an entirely individual experience. As highlighted in the previous chapter, in a qualitative study of redundant steel workers, an industry where the links between the worlds of work and place were connected, Mackenzie and colleagues (2006) in a study described above reported that redundant workers had a sense that everyone was in 'the same boat' and job searches became a collective experience. There was a sense of solidarity beyond the steelworkers themselves because as an occupational community, people around them were also affected. Steelworkers interviewed praised the union and the support offered by Steel Partnership Training, the training arm of main steelworkers union, mainly they conclude because it was largely staffed by ex-steel workers themselves. However the steelworkers also anticipated the longer term impacts of the loss of the occupational community. This suggests that the forms of solidarity which may have protected redundant steelworkers may no longer operate in the future in those areas likely to be permanently deprived of those forms of work. They feared the lack of employment likely to be on offer in the future and they argue that the prospect of 'stacking shelves' was used as a discursive device symbolising the humiliation of accepting low paid, insecure and low status jobs.

Other forms of collective coping include involvement in community activism (such as campaigning against plant closures or/and supporting others in the area who have become unemployed), which in one study of the impact of plant closures was seen to be significantly correlated with self esteem, diminished physiological distress and perceived job prospects (Leanna and Feldman 1995) . They argued that involvement in these activities was not only important for dealing with job loss, by maintaining confidence and direction through financial difficulties, but also the ability to deal with problem-focused activities, such as job searches, which are psychologically demanding. However they also refer to Jahoda's work highlighted above on the latent functions of work and suggest that community or collective activism may provide a structure that was previously provided by work. They also suggest that the profile of a person likely to be involved is limited and in this particular study they tended to be a younger, more educated individual with less job tenure yet some cushion



in terms of severance pay or benefits. In terms of psychological attributes, they tended to be those who initially adjust to job loss through seeking social support or planful problem solving and positive appraisal of their situations. As with the steelworker study, it is suggested that collective strategies may have specific benefits which may impact not only on the individual but on the local communities themselves. Such strategies also stress the need for area based strategies for improving employment and health in addition to ones that assist individuals.

Although some studies have seen social support as a resource others have considered it as a coping strategy linked to a personality trait. For example Hobdy et al (2007) in a study in the USA of people who had lost their jobs for a variety of reasons looked at attachment style to investigate coping processes. They concluded that adults whose attachment style is secure are likely to feel secure about their relationships on which they can rely in times of need, whether they use them or not, and they are also more likely to be able to adjust to life transitions.

The studies picked up in this review lack attention to the processes of coping in environments which offer little hope of satisfactory permanent employment. Indeed seeking to 'relocate' is seen, at an individual level, as a problem based strategy aimed at finding satisfactory employment. However this strategy also risks the loss of social resources which may be important for individual health (Crowley et al. 2003, Yeung and Hofferth 1998). It is also a strategy which may have negative impacts on place potentially eroding the social fabric of neighbourhoods. Given that research suggests that the poorest health is associated with chronic insecure employment this suggests that place based strategies that address local training and employment opportunities need to be developed alongside individual strategies for those job seekers who are prepared to move to seek for work. In a longitudinal study of layoff victims Bennet et al (1995) examined the impact of government and corporate assistance on coping processes and found that the greater the level of government assistance, the less likely people were to seek relocation.

Another factor that appears to be important to successful coping and use of coping strategies is the perception of the intensity of the threat - how likely and how damaging - as well as the reversibility - that satisfactory employment will be the eventual outcome (Gowan 1999)

The perceived fairness of job loss was also seen as a factor in determining how research subjects coped with job loss. A study by Bennett et al (1995) concluded that the less fair people considered the lay off the more likely they were to use problem based strategies such as job search strategies. It

was theorised that the anger lay off victims felt as a result was a spur to action. However for many people the anger at the unfairness of job loss is unlikely to be associated with positive health outcomes if the prospects for satisfactory re-employment (and for some that might mean local re-employment or at least employment that does not require relocation) are poor. In addition two qualitative papers investigating job loss in very different contexts highlighted the feelings of injustice, betrayal and disrespect that people felt in the manner in which they had been told about their job loss and the reasons given for it (Skinner 2004, Mendenhall et al 2008). Another paper highlighted that coping strategies need to reflect how workers attribute their job loss in terms of their assessment of external causes - the labour market or the stability of the industry- and internal causes - their skills to meet labour market requirements (Thompson 2008). They conclude that coping interventions need to lead people to attribute job loss to conditions which can change and over which the job loser may have some control. However, this research may be criticised for overstating the control that individuals may have in adopting problem based coping strategies that lead to secure re-employment.

## **5.7 Conclusion**

Although the coping, resilience and salutogenesis literature largely focuses on the negative effects of job loss it also provides clues for how people might be best supported through this process. In addition it does highlight that job losers and their families are not just passive victims of economic processes but do try and adopt rational strategies to deal with the situation. There is a parallel with the experience of mortgage repossession which was researched by Nettleton et al (2001). Like job loss the sources of stress in mortgage repossession are shaped by the sense of uncertainty, its emotional intensity, and a perceived inability to control the situation. None the less the authors found that respondents developed a number of different strategies to try and prevent losing their homes as well as dealing with the impact of mortgage repossession.

The research suggested that more could be done at different levels and different times to alleviate the, sometimes, short-term stress or fear of job loss. Human resource departments have responsibilities to address the fears and support the plans of workers whose jobs may be threatened through reorganisation, rationalisation or downsizing. Human resource departments and job support agencies have a role in providing support and skills in effective job search, networking, training for reemployment as well as personal skills, such as self esteem and confidence, in dealing with disenchantment where employment prospects are low. In areas of low employment there may

be a need to link up with community based activities and recognising and rewarding local voluntary activity.

However in the long term other inventions which support the longer term prospects of unemployment need to focus on the material and social resources needed to cope with lack of earnings and with lack of success in gaining employment. These need to be coupled with strategies to develop skills and investment towards the development of sustainable local labour markets in a way that builds on the actual and potential skills of the people who live there. Some of the literature above suggests that peer based interventions which are less likely to be stigmatising may be promising in stimulating social action directed at improving local employment opportunities as well as providing support through times of economic stress.

## 6 Interventions

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### 6.1 Introduction

The health impacts of events such as job loss or downsizing have been highlighted as well the mechanisms likely to lead to ill health and the ways in which those affected cope with the situation. Insight into the mediators which may affect the relationship between unemployment and health suggests ways in which policies or interventions might work to reduce negative health impacts. Indeed, the moderating influence of different governmental approaches to unemployment benefit is highlighted in some of the literature. Wanberg (2002) reported study findings which suggested that levels of psychological distress may be lower in countries with high levels of government financial support for the unemployed (Wanberg 2002). In an analysis of cross sectional data from the European Social Survey Bambra and Eikemo (2009) also found the magnitude of unemployment/health relationships varied by type of welfare state regime, with the unemployed in Anglo-Saxon regimes, along with men in Bismarckian and (somewhat surprisingly) women in Scandinavian regimes faring worst. In other words, government welfare approaches do seem likely to influence health outcomes during times of recession, although more research is probably required to fully understand the complexities of these relationships. In their analysis on the East Asian crisis in the late 1990s Stuckler et al (2009) suggest that Malaysians did not suffer the extent of excess death because they ignored international calls from the financial community to reduce spending on social protection.

However, it is not only through financial assistance that policy makers or practitioners might hope to limit negative health impacts. Interventions or participatory programs also exist at the local level, which are designed to help unemployed people find new jobs and cope with the unemployment experience. For example, Hallsten et al (1999) explain how, in Sweden, an active labour market policy has traditionally been favoured over cash assistance, on the assumption that activation through work is an important prerequisite for both the psychosocial health of the individual and the social stability of the country. Three basic types of interventions were identified for this review which we have defined as 'strengthening', compensatory, and therapeutic.

## 6.2 'Strengthening' approaches

Hallsten et al (1999) report problems cited with traditional labour market 'work experience' programs in Sweden, which are accused of producing passivity and disempowering effects. It is suggested that this is because, first, most activating programs do not lead to regular employment (and in fact have been criticized for forcing out regular jobs and supplying employers with subsidised workers) and second because the unemployed experience little or no control over the activities in which they take part. The Youth Opportunity Programme (YOPS) in the UK during the 1980s recession could be seen as an example of a failed programme which also had negative implications for mental health. A study comparing the mental health of unemployed young people, young people on Youth Opportunity Schemes (YOPS) who were placed either in temporary job schemes or specific projects, and employed apprentices was undertaken, using the Beck Depression Inventory and the Eysenck Personality Inventory (Branthwaite and Garcia 1985). All the YOPS participants experienced similar feeling of fatalism as the unemployed respondents, while the apprentices showed no evidence of these feelings. This indicates that for mental health problems to be avoided people need schemes that develop skills and lead to real, secure and satisfying jobs rather than stop-gaps providing activity and training but no prospect of long term secure employment.

Although there are important variations between the interventions described here, they share in common a commitment to strengthening the coping capacities and resources of unemployed persons. Interventions have aimed to do this either by focusing on teaching particular skills specific to dealing with job loss/ job seeking, or by focusing more on improving social networks and creating empowering social environments, although the two approaches are clearly not exclusive of one another.

### 6.2.1 *Skill focused programs*

#### *The JOBS program*

Three papers which discussed interventions focused on the US Jobs program, designed by the Michigan Prevention Research Center (MPRC) in the late 1980s. The positive impact of the Jobs program was reported in randomized trials in both the first Jobs I program, and its replication, the Jobs II program (Caplan et al, 1989; Vinokur et al 1995). Further, new related programs have been developed for helping couples cope with job-loss and job-search (Howe et al 1995) and with economic hardship (Vinokur et al 1995, Price et al 1998), and agencies in California, Finland, Israel

and China were reported to have been adopting and replicating the program (Caplan et al 1997). It is uncertain whether this programme is still running today.

The program had dual aims of promoting reemployment and enhancing coping capacities for the unemployed and their families (Price et al 1998). The overarching task of the intervention was to reinforce self-acceptance of the transitional role of job seeker as well as the skills and motivation required to enact that role successfully (Caplan et al 1997). It included short-term and long-term goals. In the short term the programme aimed to enhance productive job-seeking skills and a person's self-confidence to use those skills, whilst also fortifying the job seeker's ability to resist demoralization and persist in the face of barriers and common setbacks inherent in the search for a new job. In the long term the program aimed to provide the job seeker with the confidence and skills to achieve reemployment in stable settings that maximise economic, social and psychological rewards from reemployment (Caplan et al 1997).

The first Jobs programme involved eight lots of 3.5 hour group sessions (average size 16) over two weeks. In the replicated study the intervention was cut to five half day sessions over one week. The content focused on providing behavioural skill training in how to seek reemployment effectively and included active methods for raising job seeker self-confidence and providing attitudinal and behavioural repertoires (inoculation) for dealing with barriers and setbacks effectively. In the evaluation the control received a booklet with tips on how to find a new job.

Both programs were randomized field experiments in which recently unemployed job seekers were assigned to either a control or intervention. The first program drew on a sample of 928 recently unemployed male and female job seekers, and 1801 job seekers participated in the second program. In both programs participants were primarily European American and African Americans from a wide range of occupations, aged between 18 and 60.

In terms of psychological outcomes in the original intervention (Jobs I), at one and four month follow up surveys, job seekers who had completed the intervention program and were still looking for work had higher levels of confidence in their job-seeking ability and a greater sense of self-efficacy than their counterparts in the control group. When intervention participants were compared to their statistically matched counterparts in the control they also showed consistently lower levels of depression. Among job seekers who became reemployed, these same analyses showed that although participants in the intervention had higher levels of depressive symptoms at 1 month after

the intervention, these effects were reversed by 4 months. The intervention was particularly beneficial for persons at high risk of developing depressive symptoms at later follow-up interviews. In a later study it was also found that high risk participants who participated in the prevention program showed significantly lower levels of both the incidence and prevalence of severe depressive episodes, even 2.5 years after the intervention (Price et al 1992)

The main purpose of the replicated programme (Jobs II) was to test if the programme could be made more efficient by targeting high-risk persons. High risk job seekers had significantly higher levels of depressive symptoms prior to entering the study. Among these job seekers, only those who were assigned to the preventive intervention showed a drop in symptoms both at 2 and 6 months after the intervention. Low risk participants experienced no change in depression levels whether in a control or intervention (Caplan et al 1997). At the 2 year follow up, the intervention group still showed lower levels of depressive symptoms, lower likelihood of experiencing a major depressive episode in the last year, and better role and emotional functioning compared with the control group (Vinokur et al 2000).

The programs have also been shown to inoculate workers against the adverse effects of subsequent job loss. The program inoculates participants against subsequent job-loss set-backs because they gain an enhanced sense of mastery over the challenges of job search (Price et al 1992).

In terms of employment and economic outcomes the participants in Jobs I found reemployment sooner than job seekers in the control group. Analyses comparing actual participants with their counterparts in the control group showed that by 4 months 53% of the intervention participants, compared to only 29% of control, found reemployment. Quality of reemployment was also found to be higher for job seekers who participated in the prevention program (Caplan et al 1989). After 2.5 years most participants were reemployed but intervention participants had experienced significantly fewer work transitions with new employers than their counterparts in the control group (Vinokur et al. 1991). Better salary outcomes were also reported for the intervention group (Caplan et al 1997).

With regard to Jobs II all intervention participants (high & low risk) were more likely to be reemployed at two months. At six month follow up low risk participants were equally likely to find reemployment whether in intervention or control, so again it was high risk job seekers who benefited the most (Caplan et al 1997). Two years on, the experimental group were also found to have significantly higher levels of reemployment and monthly income (Vinokur et al 2000). However,

whereas the first program found evidence of improved quality of work, Jobs II failed to show impact here. It is suggested that this may be due to a difference in macroeconomic structural factors that existed during the time periods, in that Jobs I ended in 1986 when the economy was on the rebound, whilst Jobs II ended in late summer 1991 in the midst of another recession (Vinokur et al 2000).

The key mediators documented in previous research are reported to include job search motivation, self efficacy (van Ryn & Vinokur, 1992), as well as inoculation against setbacks (Price et al 1992). Improvements in self-efficacy were found to be the most important determinant of job seeking behaviour (Caplan et al 1997) whilst reduced economic hardship associated with reemployment for program participants, was found to be the main determinant of the beneficial mental health effects of the program (Price et al 1992).

The intervention also moderated the impact of two psychological variables: sense of mastery and job-search motivation, on mental health and reemployment outcomes two years later. In both cases the moderating effects benefited vulnerable individuals most, showing stronger positive effects on the re-employment outcomes for those who had initially low job-search motivation as well as on the mental health outcomes for those who had a low sense of mastery (Vinokur et al 2000)

In terms of demographic characteristics, older workers, women, and non-whites (mostly African Americans) were found to experience greater difficulties regaining employment and suffer greater economic losses than their younger, male and white counterparts (Vinokur et al 2000).

#### *Combined work experience and stress management schemes*

As reported above Hallsten et al (1999) have reported problems with traditional labour market and work experience models which pay no attention to the stresses of job seeking or the activities in which they may take part. Hallsten describes two alternative projects, the first of which can be considered 'skill focused'

Research has suggested that the labour market programme '*work experience scheme*' may have some beneficial effects on the mental health of participants, but that these effects are reversed if the programme is followed by new unemployment. This 'combined program' was thus designed to test whether or not adding stress management skills to regular work experience schemes increases the participants' ability to cope with the stress of a new period of unemployment.



The programme consisted of 10 weekly group sessions of 2 hours each. The sessions included lectures on topics such as stress reactions, the functions of work, coping strategies, along with exercises aimed at increasing the participants awareness of their own reactions and coping efforts in response to unemployment related stressors. The sessions also included training in a variety of cognitive coping skills and in applied relaxation.

The evaluation is not considered to be as rigorous as the Jobs Programme. Although 70 participants were randomized to the combined scheme, only 9 participants completed the programme. The intervention was assessed through pre and post program questionnaires and physiological measures (ECG recordings, salivary cortisol).

The very small size of the intervention group ( $n = 9$ ) obviously limits conclusions here, although positive findings were noted. Symptoms of anxiety/ depression decreased amongst participants in the combined program but not among those in regular work experience scheme. Preliminary analysis of 6 month follow up data similarly indicated that the intervention group manifested further decreases in psychological symptoms. The value of 'stress management' approaches suggested here also fits with the more methodologically rigorous findings of the Jobs program, which identified 'inoculation' as a key mediating pathway in the intervention. This is important given that the interventions are in very different national economies.

#### *6.2.2 Supportive environment programs*

##### *A mentorship program for men*

Following the closure of a large plant in the Newcastle area of Australia, researchers at the University of Newcastle, designed a small group based mentorship program aimed at increasing the capacity and social networks of people who were unemployed, and the capacity of local community organisations to develop social networks (Joy et al 2004). It was theorised these networks would reduce isolation, support skill development, and increase access to information and resources. The project was run as a partnership between the University of Newcastle, the Samaritans, the Anglican Diocese of Newcastle and the Hunter Urban Network of Consumer Health (HUNCH).

The program recruited 126 unemployed men over 40 who had been unemployed for at least 6 months and were still looking for work, although only 50% of participants completed the program, mainly due to participants leaving the program to take up employment. There were 14 groups in total, comprising 5-10 members. Each group had 1 or 2 mentors who were selected from the original applicants on the basis of their relatively positive attitude to re-educating themselves, and/ or their

strategies already developed to deal with their situation, and/ or their previous supervisory experience or interests.

The group sessions lasted for 2 hours over an 8 week period and served the dual role of providing practical skills as well as a providing a social support network. Activities included health talks, First Aid training, computer skills, and information sessions on small business and resume writing.

Using a used a pre-post design the program was evaluated in terms of improvements in men's confidence, in optimism, self-esteem, mental health, social support and job seeking. At weeks 1 and 8 participants completed self-administered surveys to collect demographic, retrenchment and employment information and to complete 5 validated instruments: the Job Seeking Self Efficacy Scale; Rosenberg Self Esteem Scale; Life Orientation Test; GHQ-12; Duke Social Support Index.

The findings are limited by the absence of a control or comparison group and the small number of participants. However, positive results are reported. Over 98% of participants rated the overall quality of the program as at least 'good'. The results demonstrated a small but significant improvement in the men's pre and post depression and anxiety as measured by the GHQ-12. Social interaction also improved from week one to week eight. The results also indicated a positive but non-significant trend towards employment, and heightened job seeking activity, as well as improvement in job-seeking efficacy, optimism, self-esteem and social support. The findings from the qualitative data were also positive, with common benefits of the scheme described as helping men to cope, to get more skills, to 'get out of a rut', to solve their own problems and to get 'back on course'.

Importantly, it is also described how this partnership was formalised and community organisations became active as partners in the intervention. The intervention has thus suggested its sustainability and has generated new applications and innovations, with Lifeline men continuing to meet regularly and maintain a group.

#### *"Use for Everyone": creating supportive environments*

Hallsten et al's (1999) short review of interventions describes an evaluation of a project in 4 municipalities in South West Sweden, called 'Use for Everyone'. The programme aim was to stimulate grass roots initiatives to create supportive environments for the unemployed, people on

long-term sick leave or those otherwise involuntarily excluded from the active labour force. Rather than employment the main goals were psychosocial health, defined as “a measure of how much influence people have over their own lives” (p30).

Under this programme project leaders were recruited from the target groups and educated in management and an ideological framework. The leaders then formed working groups around activities such as social service, environmental work and handicraft, although the main objective of the groups was to develop self-governing social environments conducive to empowerment. Unfortunately, however, due to financial difficulties and issues with labour market regulations, participation was limited to 6 months in the scheme, as in other traditional work experience schemes, although there was a much stronger ideological emphasis. *‘Use for everyone’* has a much stronger emphasis on health and solidarity than the regular programme.

In terms of the evaluation 850 people participated in the project over a 3 year period. 80% of participants reported being satisfied with the scheme, and longitudinal data indicate that self-rated health and quality of life improved during participation, and were maintained at 6 month follow up. Women (who were the majority) seemed also to improve their chances in the labour market. However, the physiological data failed to support the findings in self-reported data, and it is suggested that subjective improvements are partly due to successful adaptation to the unemployment role rather than empowerment. The absence of a comparison group thus limits conclusions of effectiveness here.

Qualitative research also identified advantages over regular projects, such as; independence from the authorities which gives more legitimacy in the eyes of participants; more time for guidance and support; learning through process oriented work; diversity of activities and a strong sense of purpose among the leaders.

### 6.2.3 Summarising ‘strengthening’ interventions.

All of these interventions report positive findings with regards to health and employment although the quality of the evidence is mixed. All of the evaluations used some kind of pre/ post design, but only the two ‘skills programs’ also used randomized control/comparison groups. Of these, only the JOBS intervention had an adequate sample size. With the exception of the JOBS program, the effectiveness of which seems well established, conclusions on the effectiveness of the other interventions are necessarily limited by their evaluation methods.

### **6.3 Compensatory Approaches: a Special Adjustment Package**

Only one paper discussed what could be termed a 'compensatory approach'. McGuffog & Western (1995) carried out a Social Impact Assessment of a Workers Special Adjustment Package following the forced cessation of logging on an Island off the Queensland coast.

In addition to dislocation allowance, the adjustment package offered priority for alternative employment in government funded schemes, relocation assistance, income supplement, and special mortgage assistance for up to 3 years. Particular emphasis was placed on flexibility and responsiveness to client needs, which were considered in terms of the psychological as well as the economic impacts of redundancy. The implementation of the package in terms of counselling and support services began prior to the cessation of logging. Workers were informed of their rights and entitlements under the package before they were displaced and the close and consistent access to the team staff helped develop trust and confidence between timber workers and the team.

In terms of the evaluation this was a natural experiment and so the absence of any control group option meant that an experimental design was not possible. Instead they used a case study design incorporating both an outcome and a process evaluation. The process evaluation reported that the intervention was underpinned by a holistic and flexible approach to the economic, psychological and familial needs of the displaced timber workers. With regards to staffing, the team was made up of a mix of people including locals. Of particular importance was the presence of staff with a social welfare background that could identify at-risk individuals and anticipate and deal with the psychological impacts of redundancy. The close relationships between workers and staff were considered essential, as this closeness helped ensure the high levels of commitment of team members to helping workers.

In terms of outcome measures workers were surveyed prior to implementation, and again 18 months later with questions on age and family structure; work history; the current economic situation of the respondent and family, including general health, stress, self-esteem and confidence of getting another job.

The outcome variables deemed relevant in assessing the response of the workers were self-reported health, general well-being, stress, and job satisfaction. With regard to subsequent job satisfaction only 1 of the 60 workers remained unemployed and two thirds of the workers reported that their

current job was of their choice and that compared with their previous job was as good or better. The majority (82%) reported that their standard of living was the same or better than before they lost their job. Those who reported a worse standard of living were those who had to find work away from home. Most had not been economically disadvantaged by the scheme. Finally there was an increase in the proportion of workers reporting their health as good or excellent. There was also a significant increase in positive assessments of overall well-being, and an overall decline in the proportion experiencing stress.

In terms of mediators there was a positive relationship between earnings and work satisfaction, and whether the current job was of their choice/ as good as their previous job (the mill was widely described as noisy, dirty and physically strenuous). Levels of stress, happiness and well-being were not affected by earnings (which were largely unaffected) but by other work-related factors such as permanency of job, whether the job was of their choice, and whether it was considered as good as the previous job.

As for moderators age had a negative impact on stress. Younger workers were more likely to have dependents and were in the early to middle stages of their working life, thus they had greater financial responsibilities and aspirations than the older workers. Also, those who had worked outside the timber industry generally reported being more confident about their ability to find work. The presence of dependent children had negative impact on work satisfaction, particularly amongst workers who had to work away from home.

Overall the outcomes were positive, although findings are limited by the absence of a comparison group. The majority received sizable dislocation allowances, which enabled them to pay off mortgages and other major debts; most were in jobs with better working conditions than in the timber mills; others were enjoying increased leisure time brought about by early retirement.

This intervention was interesting in that it began prior to the loss of the industry in that area. The intervention also took into account the quality of work that workers may find choiceworthy in the future. The close relationship between staff in the intervention and workers also seems to have been significant supporting qualitative studies of union backed training and support being valued by workers made redundant in the Corus steelworks plant in South Wales (Mackenzie et al 2006). It highlights the potential value of directing interventions in organisations and industries threatened with closure or downsizing and backs exploratory work on workplace support. One moderating

influence is the impact of the level of support available to the job insecure during a crisis. This is supported by other research. Kjeldsen (2006) studied men aged 35-59 involved in heavy industries in decline in Norway. Two successive crises were handled differently. When management were less proactive in handling and communicating, heart rates and blood pressure were adversely affected and mortality was above expected levels. They conclude that job control is an important factor in moderating the impact of redundancy.

#### **6.4 Therapeutic approaches: Counselling interventions**

A final intervention type identified in this review was in the area of counselling. Three papers provided a discussion or critique of counselling approaches in relation to unemployment. Two of these papers were critical of unemployment related counselling, on the basis that they risk placing too much emphasis on individual shortcomings, whilst failing to acknowledge the wider social and economic circumstances, although these observations were not supported with any evaluation based evidence (Allen 1999; Silvennoinen 2001). The only paper to provide evaluation based evidence was by Soper and Bergen (2001), which reviewed some of the theory and evidence behind counselling based expressive writing approaches in relation to unemployment.

##### *Expressive Writing Approaches*

Soper and Bergen (2001) suggest that the trauma of job loss induces powerful emotions such as anger and fear, and that one way to constructively deal with such feelings is to express and integrate them by writing about the emotionally traumatic experience. They report that expressing negative emotions is found generally to have a positive effect across a number of outcome variables including reported health, psychological well being, physiological functioning and general functioning. Emotional inhibition, conversely, can have harmful effects on such factors.

The authors cite research which suggests that expressive writing works through processes of disinhibition or overcoming inhibition, confrontation (of self and attendant issues) which facilitates a reconstruction of events as more meaningful and more controllable, and the translation of experiences into organized, meaningful language. They refer to Pennebaker et al (1997) who suggested that written emotional expression leads to a change of the traumatic experience into a linguistic structure that promotes assimilation and understanding of the event and reduces negative affect associated with thoughts of the event.

Soper and Bergen provide an example of a prototypical expressive writing methodology. In this example clients are asked to write for 15 to 20 minutes once or twice a week, ideally for a minimum of 3 to 4 weeks. It is suggested that clients would be best served if asked to write about their most intense thoughts and feelings related to the current unemployment experience. Although it is usual practice for clients to bring in their writing and discuss it with the counsellor, this is not a rigid requirement.

Only one study (Spera, Buhrfeind & Pennebaker, 1994 in Soper and Bergen 2001) is reported which specifically investigated the effect of expressive writing on unemployment experiences. In this study 63 persons who had been unemployed for 5 months were divided into a writing group and two control groups. At 4 month follow up only 14% of the non-writing controls and 24% of those asked to write about non-emotional issues had found employment, whereas 53% of those asked to write about their deepest thoughts and feelings about their layoff and how their life had been affected, had found jobs.

In a meta-analysis of studies of expressive writing in response to a variety of traumas, Smyth et al (1998) (in Soper and Bergen 2001) found that expressive writing was suggested to be more effective for men than women. It is suggested that this may be because men are less emotionally open than women and therefore experience greater benefit due to lower prewriting levels of emotional expression. Soper et al (2001) also report that writing about stressful events has produced similar benefits for groups with high and low levels of education, whilst no moderating effect for ethnicity or native language has been found in samples of college students (Soper et al 2001). People who failed to benefit included persons with disordered cognitive processing, severe depression, recently bereaved older adults (Strobe & Strobe 1996 in Soper and Bergen et al 2001), or patients with post-traumatic stress disorder.

The authors conclude that although it is not appropriate for everyone, expressive writing has been shown to be a viable way to address problematic negative emotions that are related to traumatic vocational experiences, with positive employment outcomes reported for those who have lost their jobs.

## **6.5 Conclusion**

Most of the interventions identified here are categorised as ‘strengthening interventions’, on the basis that they target the coping capacities and resources of unemployed persons, with a view to improving both health and employment outcomes. Within these interventions, the programs tended either to focus on building individuals skills or on creating supportive and empowering environments. Evidence was also provided on what could be considered an intense (and somewhat situation specific) ‘compensatory’ approach and a therapeutic counselling based approach. Although all of the interventions suggested positive findings, the only high quality evidence available was for the skills based JOBS program. The other studies were all limited by either the absence of control or comparison groups, or very small sample sizes, but the promising nature of some of the findings suggest further exploration of such approaches may be warranted.



## **7 Two Local Authority Area Case Studies: Voices from the Front Line**

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### **7.1 Introduction**

As highlighted earlier, interviews were conducted with representatives of organisations that were felt to be particularly relevant to experiences associated with economic downturns. Some of these were statutory services whereas others were the voluntary sector services working particularly with vulnerable groups. These included people working in services concerned with children and young people, mental health, debt advice, housing, employment services, education and training, regeneration and primary care. Again it should be emphasized that these were perspectives of local authority areas and not of particular neighbourhoods. Impacts on services and people in particular neighbourhoods have not been explored. This is important as, for instance, there may be particular benefits and disadvantages of living in a poor neighbourhood in a generally wealthy city than living in a poor neighbourhood in a generally deprived local authority. Limitations of these case studies must be seen in this light.

### **7.2 Case study profiles**

The case studies were identified for their contrasting profiles in terms of labour markets and variations in deprivation. In a recent study commissioned by the Joseph Rowntree Foundation Blaenau Gwent has the highest claimant rate in Wales, and the lowest levels of job density (New Policy Institute 2009). It also has high levels of overall deprivation whilst Cardiff has high levels of internal inequalities with some of the most affluent and the most deprived lower super output areas in Wales (Greg 2009). Cardiff has the widest range of Lower Level Super Output Area (LSOA) scores in Wales (so some affluent and some deprived) and its median score for overall deprivation is the worst. On the other hand Blaenau Gwent has no areas in the least 25% deprived LSOA areas and has the 2<sup>nd</sup> worst median score. However Cardiff also has the 2<sup>nd</sup> most deprived LSOA in Wales, Butetown 2 (Welsh Assembly Government 2008). Another report using ONS data and looking at the impact of the current economic downturn on local authorities in the UK highlighted that Blaenau Gwent has the highest level of unemployment stress<sup>3</sup> and household financial stress in the UK (Experian 2009).

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<sup>3</sup> This looks at the potential for not being in education, employment or training over a long-term period. They base stress on “combining official information on initial levels of claimant unemployment,

In terms of labour markets a report commissioned by the Welsh Local Government Association (2009) looked at the impact of recession across Wales and ways in which local authorities could support sustainable economic recovery (Oldbell 2009). In analysing data on labour markets and economic performance of six sub regions in Wales, in which Cardiff was identified as being part of the South East Coastal sub-region and Blaenau Gwent as part of the South East Valleys sub-region, it is noted that the South East Valleys ‘have a strong reliance on manufacturing and public sector employment (health, education and public administration) and little representation of financial and business services’ whilst the South East Coastal sub-region ‘has a relatively diverse economy though with strong representation of utilities, financial services, and the public sector’. The diverse economy in the South East Coast sub region is predicted to place Cardiff in a good position with recovery. However, Blaenau Gwent, being heavily reliant on manufacturing and public services, is likely to suffer a second hit when public services cuts are enforced.

### **7.3 General Views of the Economic Downturn**

Most people were already feeling the impact of economic downturn although some interviewees expected no direct impact on their own clients or service provision because clients were not in work and they had been “cutting back basics” for about five or ten years anyway. The most immediate impacts on jobs and debt were those already felt, but secondary impacts on public services and the sustainability of communities were reported.

While it is common to talk about the current recession as being a recent phenomenon, dating back to the banking crisis, for parts of South Wales it can also be seen as representing the latest phase in a longer term adjustment process which began with the decline of heavy industry, particularly steel and coal mining. One primary care interviewee told us ‘*we’ve always been in recession in Blaenau Gwent...*’, while many others talked about the recent history of the Valleys:

*‘I’d say that for a lot of the Welsh valleys they’ve never fully recovered from the closing down of the primary industries in the area and Blaenau Gwent is no different, we had a huge*

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changes in claimant unemployment since the beginning of the recession, and our own estimates and forecasts of reductions in local employment due to the recession. The index also includes measures and forecasts of unemployment risk related to household characteristics (such as age and qualifications) from Mosaic Economics” p11)

*steelworks site here they were a big local employer they've closed down so people have to sort of diversify their skills'*

*Housing advice/Blaenau Gwent*

These longer term changes were not limited to employment, while jobs in the coal and steel industries were the economic engine of the Valleys, they also provided communities which were the focus for people's lives. Social and leisure activities were directly linked to them and the closure of the industries has been accompanied by a decline in community organisations and participation in community life:

*... you had the social events, the rugby teams, the football teams, the social clubs. The social clubs - there's one just across the road here, the NCB welfare club - the membership has dropped considerably because the members used to come from the local NCB works. You haven't got that camaraderie I don't think amongst - that you had amongst the larger work force, you know because you had it in the different sections, you had the boilermakers and the electricians and the technical side, but you haven't got that.*

*Community development/ Blaenau Gwent*

This legacy means that Valleys communities are more vulnerable to economic downturn and are less resilient. Job Centre figures show that Blaenau Gwent was most affected by the early job losses in the recession and now have a high percentage of people who have been seeking a job for longer than six months.

The significant regeneration that has been developed in the Valleys since the decline of traditional industries has brought many new jobs. However, it was reported that it is difficult to find manufacturers who are prepared to remain in the communities for a long period. According to one respondent in Blaenau Gwent, *'a lot of companies come into this area, pick up some grants for coming in to the areas and within two to three years are gone' (debt/finance)*. Another informant was more explicit, citing the example of an automotive parts business which established a factory in Blaenau Gwent and

*'...were making £8 million pounds a year, yeah £8 million pounds a year profit and it wasn't enough [...] It wasn't enough so it was cheaper to manufacture the stuff in Poland or*

*whatever it is or the Czech Republic or whatever and it was transferred and there's still elements of that, sorry that's another thing there's still elements of that going on, yeah'.*

*Employment Support/ Blaenau Gwent*

This example is a reminder in the European, and indeed global market place, that Valleys towns are competing for jobs with towns across the continent, some of which will be able to offer incentives or lower wage bills. Dependence on a few main employers means the area is open to swift decline in difficult times such as these and leaves the area with low waged, often part time jobs.

The resilience of the Cardiff economy by contrast is built around diversity and stable public sector jobs. One Blaenau Gwent debt/finance advisor commented that it is 'like a different world down there'. This may have led to the expressed feeling by some, that the impact of the economic downturn has been minimal and that perhaps it has been overhyped, as locally it represents more part of a long term pattern of disadvantage.

The infrastructure to support employment in Blaenau Gwent was also contrasted with that of Cardiff. One informant called the town 'like a ring doughnut, with nothing in the middle', while public transport is also seen as inadequate and the topography of the Valleys can make short distances difficult. In Cardiff, excellent public transport through the City and the flatter landscape makes access much easier.

There are other long term trends, not particularly recession related, but having an effect which might make this downturn worse, or make it more difficult to recover from. These include an altered relationship between employer and employee. Employment professionals noted the decline in union membership and the consequent individualisation of employment and redundancy. While employers were said to accept partnership with employee organisations, this was '... to a certain extent to mollify [the employees]' so that partnerships have not held up in the face of adversity. ACAS reported that with few collective dispute resolution cases on their books these days, there is a trend towards more individualised work.

#### **7.4 Housing, Debt and Finance**

The sudden and dramatic reduction in access to credit resulting from the banking crisis has resulted in growing difficulties in servicing debt, while people who may be over-extended on mortgage payments quickly reach crisis point in the unstable employment market.

Housing support respondents took the long view, seeing 'a fairly artificial housing system, where prices are unsustainable' as a result of the concentration on home ownership. There are now families facing repossession and turning to the local authority and housing associations as well as to debt advice for help.

While the issue of debt appears common to both Cardiff and Blaenau Gwent, the nature and extent of people's problems are rather different. Debt advisors in both localities were interviewed as well as representatives of credit unions and others who come into contact with people seeking advice on handling their debts.

In Cardiff, the problem of debt seems to cross income groups, one informant told us:

*I've seen people and they come in 'yes I own three houses blah blah blah and I was earning seventy thousand pounds a year,' but you know, I get clients - they're not all like that by any means - but there's nothing particularly unusual.*

*Debt/finance advice/Cardiff*

Similarly, housing support respondents concluded that the growth of stresses in the housing market has led to mortgage arrears becoming more of a problem for homeowners and they report that their caseload now includes many more owner-occupiers than a few years ago:

*'... the problems that they're coming with here, the mortgage arrears which is this one here, if you look to just four years ago it was a fraction of what it is, so its making up, um, its actually a bit more than that cos there's different ways you can cut it, its about ten to fifteen percent of all of our work at the moment and it comes to about a thousand households in Wales and it was about three hundred three years ago.*

*Housing support /Cardiff*

Credit unions have been established to help people who are poorly served by mainstream lenders to get access to loans. The success of such developments varies. In Blaenau Gwent, they have struggled, while in Cardiff they are more successful. However these difficult times mean that while savings have fallen, applications for loans, particularly as a way to reduce outgoings or stave off housing problems, have increased:

*A lot of debt consolidation, that's definitely increased in the past year is loans specifically for debt consolidation. They might need to pay off a credit card or to pay off a loan some are for rent arrears but generally they, they will get refused ahm for whatever, for various reasons, but yeah we've seen a lot more of more of those.*

*Debt/finance advice/Cardiff*

For others working in Cardiff, the impact of redundancy and debt is seen less directly, although its consequences may have a significant impact on people and families with whom professionals work:

*I've got one particular family at the moment the dad has been made redundant, he's been fortunate enough to find another job but a job that's not paying what mum describes as half the income that he was earning beforehand and that family are now actually looking that they can't manage their mortgage payments even though they're both working and they're looking that they may have to sell the house and move actually in with the maternal grandparents.*

*Health & social care/Cardiff*

This suggests that the impact on family life of falling into debt following redundancy, even for those who do not seek advice, can be profound and long lasting. Such problems can eventually lead to repossession proceedings or forms of debt management such as Individual Voluntary Agreements (IVA) and personal bankruptcy. However the nature of issues reported by debt advisors in Blaenau Gwent include the problem of doorstep lending, where businesses, which were reported to have expanded enormously in the past few years, offer loans at extremely high rates of interest without credit checks. Although not unknown in Cardiff, loan 'sharks' and doorstep lenders seemed to be more prominent in Blaenau Gwent, with, according to community development workers, lenders hanging around the post office on benefits day. According to informants in Blaenau Gwent, the 'Provi' (The Provident) has been around for many years, but a new generation of more aggressive agencies were now competing for their business:

*We've seen more companies taking advantage of people in the last twelve months than we've ever seen and that's definitely on the growth. I couldn't put a number on it but its become big business. Look at the number of adverts on the telly, look at the number of adverts in the press.*

The failure of credit unions to make an impact in the area in the face of the Provi and its competitors was explained by one informant in this way:

*There's a big push at the moment in trying to get people to save with the credit union rather than go to the Provi but the problem is with the credit union people have got to save in the first place. Even though it's a better alternative people just haven't got the money to save with in the first place.*

Debt/finance advice/Blaenau Gwent

Another view, put forward by workers close to the community was that people did not want to use it because they did not want the volunteer staff to know their business. This explanation may account for the greater success of the credit union in Cardiff, where the larger population reduces the chances of meeting someone you know.

Other forms of business deriving from management of debt were also discussed. These included businesses managing IVAs and providing assistance with debt management for profit:

*'...there's quite a bit of debt advice available through a number of companies [...] but there's been a growth in the number of businesses setting up charging in my opinion exorbitant amounts of money to do things to help them with the debt processes. There's a company just across by there that will charge £1300 for getting bankruptcy brought. If you went through the court it would £500. There's companies on telly advertising £300 to £500 pounds per client but if you signed or sorry didn't sign credit agreement act 1974 before 2007 they'll charge you £300 or £500 and get it written off. Well those things the bureau's doing for nothing but clients think 'oh they can wipe out these debts' well yeah they can within reason but we pay through the nose for the privilege.*

Debt/finance advice/Blaenau Gwent

## **7.5 Services**

Many informants commented that pressure on their services had been growing for some time and the general expectation was that funding cuts were likely to continue for some time:

*I think the cuts we've had this year . . . are likely to be with us for a while and may . . . go even deeper than we've seen this year*

*Education/Blaenau Gwent*

The recession was now adding to the pressure of ongoing funding problems with an increasing demand by people who had been affected by unemployment, debt and loss of housing. Some services for example in housing and health and social care had already noted an increase in their workload, while for those whose caseloads are determined by contracts or service agreements, there had been changes in the profile of clients. In homelessness, for example, there were more cases surrounding repossession, both in the home ownership and the rented sector.

Health and social care professionals felt that the pressure on funding could stifle innovation as new services were particularly vulnerable because they had had less time to establish their value or because Lottery funding, which only supports new services would be discontinued with no capacity for cash to come from elsewhere.

Community development, children's services and further education had already cut services and expected that they would be obliged to make more cuts in the near future. In Blaenau Gwent, the 'Crossroads' service supporting carers had been severely cut back. Also in the Valleys, a credit union had had to merge with a neighbouring service and a presence in Blaenau Gwent had only been maintained by negotiating the use of rent free community premises.

The Citizens Advice Service also was using premises rent free in one area and lacked the funding to develop services in partnership with community development projects to provide an outreach service needed as more people have developed problems with debts.

Mental health service interviewees in Blaenau Gwent were among the few who felt secure and free from imminent threats of closure or cut backs, because they could demonstrate that they were serving so many people (300-400 a month) who would be a burden on other services if their drop-in centre was not available.

Interviewees from statutory services tended to be positive in statements about those services, so that what others might see as cuts were couched in terms of reorganisations or service reviews,



however in some cases, candid articulations of the impact of the recession on public services were forthcoming. In further education for example, informants spoke of both the pressure on their service to deliver to more young people and the pressure to cut costs. Thus far, cost savings have been achieved by voluntary redundancy, but further savings in staff costs are expected to include compulsory measures.

*We have gone through two voluntary redundancy trawls over the course of the last couple of years because costs are going up, as I said cost of living increases are going up, funding is going down, the only way we can maintain the bottom line is staff cuts basically or course cuts.*

*Education/Cardiff*

These cuts are more or less universal in the FE sector, with a consequent impact primarily on young people who may not be able to access the courses they wish to pursue. Education informants reported extremely high levels of registration for courses and that teachers were increasing workload to maximum levels to maintain them.

Pressure on services is evident from a number of other interviews. Debt advisors have seen a vast increase in their workload as access to credit becomes more difficult and job losses increase financial problems, which has also resulted in the increases in debt consolidation applications to credit unions noted earlier.

The increase in demand for services is not, however, matched by increasing funding. Mental health service providers from the voluntary sector were concerned about the closure of services at Whitchurch Hospital, while they were also feeling pressure on their funding. One informant contrasted support for banks with that for the voluntary sector:

*With vast amounts of money that even a small portion of it directed towards some of the services that we and our partners in other third sector organisations provide would make a monumental impact upon people's lives, people in society, the wider community. I struggle with the logic of...as I said it looks to me like rewarding failure and deliberate failure of some cavalier work. The sort of stuff that if you and me did it...we wouldn't last in our jobs. If we conducted our own personal finances in that way*

*Health & social care/ Cardiff & Blaenau Gwent*

## 7.6 People with mental health problems

Mental health workers in Blaenau Gwent said that although many clients using their drop-in centre experienced financial difficulties, this was less to do with the recession than with their on-going illness. Most were already unemployed or not in the labour market and dependent on benefits.

*I have known a couple of people that have through their ill health [. . .] stopped working and have been given large loans while they've been poorly and as a result couldn't pay them back [. . .] but they couldn't take anything away because they had nothing.*

*Health & social care/Blaenau Gwent*

Although the impact of the economic downturn may not be immediate among people who have existing or long term mental health problems, the consequences of the recession could have significant detrimental impacts. This includes the curtailment of funding such as the closure of NHS day services which puts more pressure on voluntary sector provision, which itself is pressed in terms of funding.

One of the voluntary agencies which works with people with chronic mental health conditions through a service agreement with statutory public services has already had to deal with decreasing levels of funding which are forcing them to be innovative about their management and provision so as to maintain a quality service:

*We have stripped out a huge amount of kind of...management cost in the organisation over the last three years. Um...I think looking with one eye at...what was...what has been going on in the broader economy, but with one eye looking at you know constructions around our principal funding stream. It's getting tighter and tighter.*

*Health & social care/Blaenau Gwent*

Other organisations were also anticipating more problems in securing funding although in the main expected that their existence would be sustained. Respondents from a major mental health voluntary sector organisation thought that they were approaching the stage where they were delivering frontline services, so that their funders 'can't afford to close us down'.

For those that the voluntary sector serves, some respondents saw it as too early to say what the impact might be. As one primary health care worker said *'we don't really think that it has affected our guys so much and our work so much really'*. However the longer the economic downturn continues, the greater the impact, particularly when cuts in the services that people need happen. For voluntary sector providers of mental health service, the prospects for education and for jobs for their clients looked bleak:

*If people have had mental health issues when they have been in school ... they have gaps in their education and ... their confidence isn't very good.... I am not going to go for that job because I don't have the literacy skills, I don't have the confidence, .... It is all lots of issues and problems that could come up to access employment and... 'oh god every bugger else is going to get this (job)'.*

*Health & social care/Blaenau Gwent*

The recession, job loss and rising levels of debt have increased the pressure on services for people in mental distress. For the most part, these are people that mainstream mental health services will not work with as their illness is seen as neither chronic, nor seriously acute, however they will increase the workload of primary care and of voluntary organisations which have negotiated service agreements with health and social care commissioners to provide support for their underlying problems and who are increasingly the front line services for this group:

*We're seeing a lot more people affected by the recession there's, one of the things we have noticed is people who've been in work for a long time say twenty-five, thirty years since leaving school they're suddenly finding themselves out of work [...] its not just the fact of 'oh my jobs gone how am I gonna manage financially', you get all the feelings of uselessness coming in [...] the depression and all that sort of stuff its accompanying that.*

*Debt/finance/Blaenau Gwent*

A typical example was described by one of the voluntary sector support agencies:

*'[...] he's actually had a couple of jobs since the recession but there has been you know lots of redundancies and things like that and they did actually go down the route that you would expect them to. He became very depressed and started attending his GP's surgeries more often and the stress was on her (his partner), even sort of lost his identity in some way*

*because he was saying how he you know was used to being this provider for his family and can't do that anymore and it did actually come to the point where he was thinking of like perhaps it would break down their marriage, it really put such a strain on them'*

*Health & social care/Blaenau Gwent*

Workers from Blaenau Gwent in particular were seeing more people in this situation, while in both areas an important issue for people with mental health problems is access to benefits. New benefits rules, not linked to the economic downturn as such, but which tighten the rules for some benefits (particularly incapacity benefit), could be problematic for people with ongoing mental health issues. One example which we were told of was of an *interviewer* walking out of a restart interview.

*One of his mental health conditions was that he found it very difficult to answer questions directly and most of the return to work, or all of them now are scripted on computer, and who ever is doing the interview has to ask the same question and in an interview which should have taken 20 minutes took well over 2 hours and in the end the interviewer just couldn't cope with it and just left.*

*Health and Social care/Blaenau Gwent*

Problems such as this may rise as funding for benefits tightens and people who have ongoing difficulties are expected to meet the expectations of the benefits system. Should the work of the employment service be contracted out to private or voluntary agencies, such experiences may become more common, unless strict quality standards are enforced.

## **7.7 Young people and Education**

A voluntary sector organisation contracted by social services in Blaenau Gwent reported that the renegotiation of their contract led to the request that had been asked to provide a more flexible service for young people with complex needs for £20,000 less in the next funding period. The young people who use their services tend to be vulnerable, often care leavers who depend on the support. For the care leaver, benefits are below adult levels, with housing benefit not covering rent and very little left from the overall benefit package.

*For these people, it is essential to maintain social networks, so that 'in budgeting terms, the mobile phone comes before gas, electric, heating and food ... contact with someone else seems to be the main thing.*

*Health & social care/Blaenau Gwent.*

At the same time their needs are greater as, without strong family support, they require help to get and keep a job or college place which may provide the route out of poverty.

Unable to find sufficient savings from their budget, this organisation expected the work would go out to tender, with the risk that the quality or availability of the service would be reduced, leaving young people even more at risk. The same organisation had already made service cuts as they were also no longer able to obtain funding from social services to provide the basic needs of young people in urgent need and for the first time they were having to obtain emergency food parcels from a charity.

The level of benefits available to young care leavers, and other under 18s may mean that they build up considerable debts as the cost of rent and other living expenses exceeds their benefits income. One person reported to us that levels of debt of £2000 within two years of leaving care were common.

The impact on the FE sector affects young people disproportionately. FE colleges in both Blaenau Gwent and Cardiff have made a series of economies to cope with smaller and smaller funding awards over the previous few years. In Cardiff, some recent savings had been achieved through voluntary staff redundancies and suspending external training for staff.

One college had discontinued free transport for all students; closed one campus and increased fees for part-time courses. Enrolment continues to rise, although stricter enrolment criteria have now been put in place for part-time evening courses and some have been cancelled because they had not attracted enough students. Among those courses cancelled are vocational courses in engineering and IT designed to improve job prospects as well as leisure courses which can serve to relieve stress.

The impact on FE has been similar across South Wales with no effect noticed according to the varying levels of affluence. In both Cardiff and Blaenau Gwent, plans for major reorganisation of post-16 education continue alongside the expectation that the colleges would have to sustain

further cuts in funding in the coming years. In the view of one education professional, year-on-year cuts have had an impact on staff morale and senior managers have suffered stress-related absences in greater numbers. Uncertainty about the size of the budget next year aggravated stress by reducing managers' ability to plan and prepare. There was also doubt about future plans for reorganisation plans would go ahead and fear that if they did, some senior managers would themselves lose their jobs. A unionised and increasingly unsettled teaching staff also wanted answers about possible job losses and increased workload as the demand for courses continued to climb to unprecedented levels. More people turning to further education when they were unable to find jobs. One manager commented, 'The job is impossible, you know? Trying to . . . keep things afloat and trying to make the best decisions for the college and then I am landed with this.'

## **7.8 Conclusion**

While the crest of the recession may have come with the banking crisis, there is a feeling that it has been building for a number of years, with increasing pressure on service budgets and services for people in need. Almost all public services are now, or will very soon, feel the impact of budget cuts, while those voluntary sector providers who work under service agreements with statutory agencies are finding it more and more difficult to provide services.

The impact on services can be seen both in terms of increased demands and reduced funding. Doing more with less is one of the challenges. However, there are also different needs, including the need for services; including leisure and counselling services, which will help with minor mental distress likely to result from job loss and enabling people to get access to credit in a tighter credit regime among the mainstream lenders. Such actions are long term investments which will assist with recovery.

Additional support is required for debt counselling and to enable access to affordable loans. Both debt counselling and credit unions have been successful in some areas, but innovations such as telephone and on-line loans and outreach through community centres and events might improve success in Valleys and perhaps rural communities.

In Blaenau Gwent, the economic downturn hit hard and exacerbated the existing long term problems of the area. The consensus appears to be that it will suffer more and for longer than the more vibrant economy in the capital. Cardiff's diversified economy is both more able to absorb job losses and more resilient, with more and higher paid jobs available.

Young people are the age group most likely to suffer in the long run. Access to employment and education are likely to be reduced, while for those most in need, including care leavers, essential crisis services are being eliminated.

People with serious mental health problems are also vulnerable to economic downturns and they will be even more disadvantaged by the lack of jobs, as their employability is low. They will further be disadvantaged by the potential withdrawal of support from voluntary agencies and the closure of NHS facilities.

## 8 Policy Dialogue

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### 8.1 Introduction

The policy dialogue took place at Cardiff University on the 25<sup>th</sup> February 2010. The aim of the dialogue was to facilitate discussion around the main findings of the literature review and the case studies in order to shape subsequent conclusions and recommendations within an existing policy and practice context. In addition the dialogue provided an opportunity to discuss whether the findings rang true for stakeholders in Wales providing services or developing policy now. Finally it allowed participants to contribute their own knowledge and expertise to the discussion.

A wide range of stakeholders were invited including representatives from relevant policy sections of the Welsh Assembly Government, people working in relevant services within the NHS (including mental health, primary care and public health) and national voluntary groups. Although not all relevant areas of policy and practice were represented at the event there was good coverage. Perspectives represented included mental health, public health, training and employment, children and young people, social justice, economic policy, sustainable development, debt and welfare advice. The two main areas missing were education and housing.

The event began with a presentation of key findings and themes followed by a facilitated discussion. The latter operated according to the Chatham House rule which states that "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed". The aim was to forge an ethos of trust which would encourage free discussion whilst ensuring that participants still benefitted from the information and perspectives being shared.

The discussion was digitally taped with two recording devices to ensure coverage and then summarised. The summary is presented here, under the main themes raised in terms of the information, opinions and positions that were shared throughout the discussion.



## 8.2 Interpreting data

Throughout the discussion the issue as to whether the data suggest that recession is good or bad for health was raised. Whilst the presentations highlighted that much of the macro-economic data reported, perhaps counter-intuitively, that mortality and some health related behaviours actually improved during recession, one participant highlighted this as a point for discussion as it raises awkward questions for both public health and for policy makers.

So the conclusion of this – it's rather awkward for the economists writing this because their conclusion is that these results should obviously not be used to promote recessionary economic policy.

However, a point that was raised was that rather than concluding that economic downturns and resultant unemployment are bad for health that there may be features of growing economies, such as over-consumption, that are bad for health. Another representative reported on work in local government in relation to 'futures' work which aims to develop ways of working at a local level to improve well being and maintain health in the context of a shrinking or maintained economy.

Another participant highlighted that one way of reconciling seemingly contradictory evidence on health impact is to distinguish between the short and longer term effects. The immediate impact may well show some, apparently positive impacts but there may be longer term negative impacts for some people. For instance the loss or unavailability of employment for young people may have long term scarring effects both on future employment prospects as well as their long term health and well being. Long term unemployment, which can have a significant impact on health and well being, therefore needs to be understood in a different way to temporary unemployment which may have some benign effects. Others highlighted a point raised in the presentation that recessions may have long term effects on particular areas. However one point of discussion was the level of caution needed to interpret data on area impacts as some may be best understood in terms of the composition of people within an area rather than an impact on area as such.

The impact of educational achievement on employment was taken as a case in point in relation to the two case study areas. It was reported, in 2008, that if you take people with degrees in the Heads of the Valleys, their employment rate was over 90% and it is exactly the same employment rate as people with degrees in Cardiff. If you take people with other qualifications of any sort the employment rates are over 80% in both Cardiff and the Heads of the Valleys. In the Heads of the

Valleys they are about 2 or 3 percentage points lower than in Cardiff but there is no significant difference. If you take people with no qualifications employment rates are under 50% in both Cardiff and the Heads of the Valleys. In the Heads of the Valleys they are about 5% lower than in Cardiff but that difference is dwarfed by the difference between people with no qualifications and any qualifications. In terms of labour market experience people in Blaenau Gwent with the same characteristics as the people in Cardiff do a bit worse but it is only a bit worse. They are only a bit more likely to be unemployed than people with those same characteristics in Cardiff. The fact that Cardiff, Newport and the Vale of Glamorgan have very poor areas was also highlighted. Places like Llanrumney in Cardiff or Duffryn in Newport are quite like the Gurnos in Merthyr Tydfil. This is an obvious limitation of the study in that it did not aim to look at what might be particular experiences, exposures and resources for people living in deprived micro-neighbourhoods in more affluent authorities.

Whilst the argument in relation to educational achievement and employment was broadly accepted others highlighted area exposures in terms of cultural norms and expectations, such as the acceptability of unemployment, and infrastructural differences, such as access to good transport links. These are contextual determinants that make a difference to how people in particular places may experience unemployment.

Another impact reported to the group, the interpretation of which was open to debate, is the decrease in claims for income protection by 30-40% over the last 18 months. This could be interpreted as a positive impact on health, in that people are less ill or as presenteeism as people currently in work are concerned to keep their jobs. The other suggestion, supported by some of the data in this review, is that inequality actually narrows, and has slightly narrowed, during the economic downturn. This could be seen, again, as short term effect as more affluent workers lose their jobs. However, in the long term, people in professional, high skilled and well paid jobs are more likely to be re-employed. In the macro-data which showed improvements in health associated with recessions and unemployment the distributional effects were unclear.

### **8.3 Spatial impacts**

Although the complexity of interpreting data in terms of their contextual and compositional impacts was acknowledged some of the cultural and infrastructural factors that may shape potential and actual health impacts were discussed in more detail.

Firstly the concept of shame was discussed as a possible mechanism, highlighted in the literature, through which individuals may suffer distress as a consequence of job loss, financial strain or house repossession. One participant argued, from work conducted in the area, that the sense of shame was not applicable in some areas of the South Wales Valleys, where worklessness has been the norm for many years.

One thing that we haven't picked up is that business of shame, when we have gone [for our research]. I know you have been up the valleys and maybe it's different but no-one has got any shame about being on benefits. You will get a few people now who will say 'my mother never went to a soup kitchen, my father never picked up a penny from the parish', but when it comes to today they don't have that. They say that times have changed. There is some expectation that if you are out of work and you are on hard times even though you don't get much, they do get something and they don't feel ashamed of it. They think it is their right and that's fair enough.

A similar argument was made with regard to the response to the recession in places where the feeling is that times have been bad for some time and this crisis will therefore not feel any different. The same participant related a comment from a man living on the Gurnos Estate in Merthyr Tydfil who had been unemployed due to ill health for two years. He was reported to have said:

Makes no difference to us Mun. However poor country gets, it's all the same to us. My money won't change. I doesn't have enough anyway. But there you are, we haven't yet got to the soup kitchens have we?

This was interpreted as being a cultural response and as having a geographical dimension. In other words it represents a collective understanding of troubled times and may act as a social buffer to individual distress. In other areas, including some places in the Valleys, these comments are more unusual and there is concern over the impact of this economic downturn. Interacting with the cultural are the more structural features of the benefits systems which in some places, where many people have no or low skills and few well paid jobs, there is little incentive to come off benefits.

Finally the problem of an inadequate public transport system was discussed in terms of moving people across as well as up and down the Valleys. It was argued that the transport system has not changed since the mid-1800s when everything went down to Cardiff to ship iron, coal and steel from

Blaenavon and Merthyr. This may simply reinforce a strong reluctance of people from particular villages to work outside their community boundaries. These geographical boundaries are physical as well as social. In this sense the strength of communities, which can provide bonds of support over troubled times, also becomes their weakness as they are unable or unwilling to extend their networks. It is these wider networks which may provide economic benefits.

#### **8.4     *Mental health as a priority***

Possibly as a result of the composition of the group the mental health impacts were discussed as a key impact on health as a result of economic downturns. This is strongly supported by the research literature as well with suicides, at a macro-level, being counter-cyclical.

One line of discussion was the need to distinguish the impacts in terms of so called mild to moderate mental health problems such as anxiety and depression, which may develop in response to events and societal change, and diagnostic categories at the harsher end such as schizophrenia and bi-polar disorder which may not be responsive to external events. The prevalence of the latter is unlikely to be affected by economic circumstances though it is possible that people suffering from these conditions may suffer relapse as a consequence of stress. One particular issue for people with severe mental health problems during economic downturns is the additional stigma, as well as discrimination, they may face when jobs are scarce. It was argued that one of the consequences of people being out of work and falling out of work as a consequence of having mental health problems, is that employers have a strong tendency not to employ people with a history of mental illness. If people are diagnosed and treated for a mental health illness, even a common mental illness, their potential in the job market is significantly reduced. Another participant representing a voluntary sector organisation working with people with mental health problems made a similar argument and reported that the changes to the welfare benefits system has added to the strains experienced by people with mental health problems. For those who have been out of the labour market for six months or over the chances of getting a job is significantly reduced.

In terms of prevalence it was argued that the economic downturn may well increase the numbers of people experiencing mild to moderate mental health problems but who may not be accessing mental health services. This was supported by a participant representing a national organisation providing advice services who reported awareness of a strong correlation between poor health, especially poor mental health, and looking for advice around benefits and debt. From conversations with colleagues in the organisation who have worked with people with mental health problems, that there appears to be a dual direction of causality so that if someone is unwell it is harder get work

and harder to raise your income. Similarly if a person loses a job then their health is at risk particularly in the longer term.

This raised another point about the array of problems that may come about because of the crisis which may cause significant mental distress. It was argued that we should not underestimate the impact on people's mental well being amongst those who are in work. Firstly people may be bringing other strains into their working lives, such as pressures on their housing, their partners losing their job, their children not becoming employed and so on. Also, it is likely that there will be an increase in demands in certain sectors which may come about as a consequence of rationalisation or downsizing and as jobs are not filled in the future, particularly in the public sector. As suggested in the literature this may well impact on the job demands, the job strains and the job control of people in work which will then have consequences for mental well being. It was argued that this may not lead to them signing off as sick but it may well lead to the experience of very real mental health problems in work.

The mental health impact on young people was also emphasised. A participant representing a national voluntary organisation for young people had spoken to their 16 plus services who support what were said to be a particularly vulnerable group of young people who are more often not in education, employment or training. They had fed back that they feel that that group, because they are so disenfranchised anyway, have not necessarily been directly impacted by the recession but what they envisage is that change will come. They had felt that the strategies that are being developed to tackle the issue of those not in education, employment or training are very job focused, which was considered important, but what they wanted to reinforce is that intensive social support for mental health issues with backing in the form of mentoring is what these young people need to get through into education or employment. They consider this to be absent from some of these strategies.

Another issue that the same participant raised was the potential impact on the children of the extremely long term unemployed and those who are not going to gain work. A briefing report published by Save the Children in January 2010 was mentioned which looked at child poverty, reporting that the child poverty targets that were set and supposed to be halved by 2010 actually increased from 11% to 13% over that period of time. They were focusing on severe child poverty which is also on the increase. It was reported to the group that the families where two parents are not in employment are a particularly high risk group. The report suggested a number of different

strategies that they felt should be targeted at those families in order to protect these children and to support their education. They looked at the benefits system as a lever to ensure that these children would not be missing out on things that other children need and enjoy. The participant went on to report on research and the experience of their own organisation that very young children in families where there is a lot of stress, unemployment and mental health problems do not develop well and for this reason they feel that this is a particularly vulnerable group.

Finally there was a discussion about the impact of active labour market programmes or interventions and the lack of consideration as to how they may impact on health. There was some agreement that the Youth Training Scheme (YTS) and Youth Opportunity Programmes of the 1980s did little to find young people secure and satisfactory employment or protect or improve their mental health.

What I think should be emphasised is there is no point in doing YOP schemes, there is no point in doing these sort of interventions – we spend millions/billions on – they don't work and they don't work in getting people into work, they don't help in improving people's self esteem and they don't help in avoiding mental health problems. So they are a waste of time.

One participant remembered that it was widely regarded by young people as being slave labour. However the same participant reported a scheme before these programmes called the community programme from which he himself benefitted. Participants in the programme undertook socially useful work, for example helping to insulate old people's houses. They got a wage – a low wage but not just something marginally over benefits. It was remembered as being very, personal and that it seemed to have a positive impact for him as well on the other people involved in it, including some of them who had been unemployed for quite a long time. It must be stressed that no-one else in the dialogue knew about the programme and an evaluation of the scheme has not been identified.

Finally the treatment of young people with poor employment prospects was discussed. Some local qualitative research commissioned in England was reported which focused on the experiences of a group of young people who were going from short term employment back on the dole and back to work again. Some of them were suffering from mental illness were severely stressed. One of the main findings was that it wasn't just that they were on low pay in jobs with very few prospects that was creating problems:

It was the way that they were treated by the employers which was with total lack of respect – they felt humiliated, personally hurt by the way they were actually treated by the employers. ... It was it was like they were young malingerers – people who were moaning. I think there is a general issue there. At the bottom end of the market. It is not just low pay and bad conditions, it is the way you are treated. Personal humiliation is very often the price of work.

### **8.5     *Impact on Services***

The impact on services recently, now and in the future was also discussed. It was felt that both the voluntary and public sectors are likely to see significant cuts, whichever political administration was to become the government in forthcoming elections. There was agreement that cuts would have three main impacts that were relevant to health: increased unemployment and job insecurity with attendant health implications for public sector workers and their families; the possible loss or contraction of services to people who are most in need of support; and the contraction of services alongside *increased* need and demand . In terms of impact on services themselves voluntary sector representatives reported that changes to their contracts and local service agreements were already happening as was the increased demand, particularly in relation to debt advice and mental health.

One voluntary sector representative spoke about the increased reduction in financial periods from, for example, 3 years funding down to 1 year funding. There was also a sense that local authorities increasingly have to play safe with regard to the commissioning of voluntary sector services and their commitment to interventions. There is a move towards more generalist service commissioning from local authorities coupled with an increased application of a rule that interventions have to be different every time. This seems to be leading to seemingly contradictory outcomes whereby local authorities are reluctant to provide funding to original and innovative interventions which may have been shown to be effective. At the same time funding bodies insist on *only* funding innovative approaches and interventions. The example was given of a welfare benefits and mental health support programme which was developed by a national voluntary organisation which was, it was reported, not just nationally recognised but internationally recognised. They failed to received mainstream support because, it was felt, of the risks attached to an intervention that was new and it failed to win new funding because it was no longer original and innovative. The participant expressed a concern that the innovative testing ground that the voluntary sector can provide will be ignored by local authorities at a time when new approaches may well be important. It was also anticipated that services that were previously provided by the voluntary sector would be brought

‘in-house’ partly to limit provision to core services and partly to safeguard jobs in their own organisation.

A related comment concerned the relationship between voluntary sector organisations themselves. It was highlighted that the move towards more conditional contractual funding over the last 15 – 20 years may have had an effect on the way that the voluntary sector organisations, particularly the larger organisations, operate. They more place more importance on the promotion of the ‘brand’ and interests of a particular organisation. This could conflict with a simultaneous need and pressure, particularly in the context of the twin threats of public spending cuts and increased demand, to work more in partnership and to maximise benefit by pooling resources.

In relation to the cuts affecting local authorities, they are balancing how they can expand, develop, keep or maintain services in response to the economic downturn whilst recognising their responsibilities as a major employer and safeguarding the jobs of their own staff.

## **8.6     *What should be done***

Discussion about cuts in services have naturally led to consideration as to what should be done in terms of policy and service development in order to protect health and well being during and following the economic downturn. Whilst increased unemployment and insecure employment may lead to worse health for some and an increase in the need for services, public sector cuts will require difficult decisions about what should be done to support long term health and well being.

There were some quite specific comments about services that should be protected. For instance support services for young people, particular those who are likely to be most vulnerable to long-term job insecurity, appeared to be a priority group. One comment was that if the welfare to work programme is going to work then firstly there need to be jobs to go to and secondly that there needs to be adequate support services. Similarly mental health was raised as a priority, particularly in primary health care. However it was argued that provision for mild to moderate mental health problems needed to be linked to cross-cutting community approaches that impact on other aspects of the person’s life. A broader approach may be particularly important for men with low socio-economic status who are reluctant to use primary care services for a mental health problem. This was highlighted as a priority given the links to suicide and mental ill health. However although there was no particular disagreement about what the priorities might be there was a recognition that any decisions around priorities and future investment may have consequences elsewhere. For instance some caution was added about making too much of a shift from cure to prevention with one Welsh



Assembly participant suggesting that there may be problems with any argument that might suggest a reduction in other health care services.

I don't think people will take very kindly to that in an affluent society. Despite the increases in health spending, and there may be well be question marks about how effective that's been, the UK still spends a relatively low proportion of its GDP on health. And we know that health is one of the things that people care more about as societies get richer. So I think it would be a very difficult political decision to say to people that have got certain kinds of illnesses that we are not going to treat you , we are not going to treat this condition.

However it was acknowledged that in terms of the broader decisions as to spending priorities it is not clear in terms of health whether it is best to focus on protecting services, support education and training or have area based solutions. As one participant reflected:

So do you spend the money on education and support young people – and we know this is economic related, so is an equality kind of issue, or do you spend it on the hospital or whatever –the transport? Do you accept economically that long term trends in where industry is placed are to do with economic decisions about locality, the nature of the workforce – what you can pay them? ... In the presentation, we saw that a lot of industries go into some of the worst affected areas and they come out again. So are they viable long-term for those kind of industries or do we say that we are actually educating young people if we put resources to actually take jobs elsewhere and provide the transport links for them to be able to do that – so this is a real thing.

Whilst these discussions will undoubtedly take place it seemed to be more important that decisions are made in the round, and out of the usual silos, than thinking that these are mutually exclusive options. The need for 'joined up thinking' was also applied to thinking about area-based investments where, because funds come from different government pots for regeneration, grant schemes for companies and so on, little is known about the nature of those investments or whether from a sustainability position whether the right kinds of investments are being made in particular areas. In order to make these kinds of decisions it was argued that we should be asking the bigger questions about what these investments are for:

And it is about well being. So recessions may come and go but what kind of society are we looking to be? ... The recession has made us think about that.

Underpinning these concerns was the need for evidence and evaluation but also in the context of the need for evidence now. It was highlighted that policy interventions take time and the development of theoretically informed interventions which are subject to experimental design evaluations even longer. One Welsh Assembly Government representative laid out the problem now for Assembly Government ministers who will have to make decisions. They, including the Minister for Health and Social Services, will not just want to know that 'we've got problems' but what we do about it. Three broad questions need to be addressed if we are able to get any further. The first one is what is the likely cost of the downturn related health problems? For instance what will be the economic impact of the rise in mental health problems? The second one is what is the benefit of any given intervention? For instance, what would be the benefit of putting more stress advisors in GP practices and where is the information on that? The third question is if we cut a service that is there at the moment, what is the impact and what are the knock on effects elsewhere in the system?

It was acknowledged that there is an important role for academia in Wales to fill the gap for the Assembly Government in terms of what works. Conducting evaluations are important but it is not a short term solution. If the Assembly Government is going to use research evidence they may need to make better use of the tools available that they don't use well enough such as health impact assessment. Greater use of tools like that, an Assembly Government representative argued, could actually make quite a difference in thinking about their investments in the near future

However the need for evaluation was still stressed in terms of assessing the health impact of the interventions that may be used to address the impact of the recession and its associated aftermath. Responding to the presentation it was highlighted that some active labour market interventions have been detrimental to health, suggesting that these interventions and programmes should be looking at the impacts on health as well as whether people are more likely to be employed. The lack of evaluation of community based interventions was also highlighted. This may be particularly important if there are investments in community based regeneration initiatives. Work by local authorities in strengthening resilience in communities, for instance, may need to be evaluated to test the extent to which these approaches make a difference to population and individual health as well, as we were reminded, to inequalities in health.

## **8.6 Conclusion**

Overall, participants felt that the findings resonated with their own experiences and/or perceptions. However whilst the study goes so far in terms of suggesting general ways of working and using evidence and evaluation it highlights the need for very specific and detailed modelling of the impact of particular spending options in order to be of any real value to decision making. In addition there is a need to break down traditional silos both to consider impact more generally and to consider policy impacts on health. It was also felt that there was a need to look at ways of pooling resources to provide services, support and resources for recovery at a local level, although it was acknowledged that there are structural constraints that make this difficult.

Whilst there was a general agreement that mental health and supporting young people into satisfying work was a priority this workshop did not go far in suggesting ways to ensure the best health outcomes for the most vulnerable people. However it has provided a starting point. One note of caution is that there were important gaps in terms of representation in the dialogue. In particular there was no representation from education and training or from primary care although both areas were discussed in terms of their importance to public health through difficult economic times.

## 9 CONCLUSIONS AND RECOMMENDATIONS

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### 9.1 Summary conclusions

This review has highlighted just how complex and contested the research evidence is for assessing the likely health impact of the recent recession and its aftermath in Wales. The way in which economic downturns impact on people's health depends on the nature, depth and extent of any particular recession, on co-existent economic (monetary and fiscal) and social policies, on pre-dominant socio-cultural values, on the level of formal and informal welfare and on demographic changes in the labour market. Many of the studies in this review focused on particular places in particular countries at particular moments in history. The few studies that have taken a cross national perspective and/or historical perspective are rare. Understanding the interaction of recession in different contexts is important. For instance studies that highlight higher negative impacts on men, due to increased personal and household financial strain and/or loss of role and status may not have taken into account of the increasing feminisation of the workforce and changes in the meaning and importance of work for women in terms of both financial security and social role. Similarly at a local level the experience and impact of mass unemployment will be different in areas where labour markets are recovering and where they are stagnant or deteriorating. The nature of the impact locally may also be different if increased unemployment is due to the loss a single major employer or where job losses are more dispersed.

However, the evidence suggests a deterioration in health for those who become long term unemployed or who enter into a cycle of low paid insecure employment and unemployment, with negative mental and physical health impacts likely to accumulate over the life-course. In addition the negative mental health impacts are likely to be significant for many in the short term and for more vulnerable groups over the long term. It is also important to acknowledge that the impact on some places will be more severe in the long-term than in the short-term. As the Audit Commission report highlights the economic recession may be short lived but the subsequent social recession may last years and be particularly persistent in some areas (McKee et al 2010). The people interviewed in Blaenau Gwent, and comments from participants in the policy dialogue, indicate that for people in many towns and villages in the de-industrialised South Wales Valleys they are still living in the shadow of the last recession so that the consequences of this one have not been felt as yet.

Similarly the health consequences for many individuals may be greater later in their lives as the scarring of youth unemployment may mean the accumulation of disadvantage through the cycle of ill-health, insecure low paid employment, poverty, inadequate housing, and so on. As this review has been finalised there has been a change of UK government which, although UK parties are committed to cuts, is committed to larger scale cuts to public expenditure over a shorter period of time. These are likely to impact on the services and support available as well as on employment – as public sector redundancies appear inevitable. The current administration in Westminster emphasizes the need for a small state and a ‘Big Society’ where individuals and ‘communities’ become the source for the development of a stronger and more self-reliant society. This will provide challenges and opportunities in Wales to interpret aspects of this ‘idea’ in ways that will be different in England. In particular the ‘the new mutualism’ is an idea that is developing in some sectors in Wales. For instance through the transfer of local authority owned housing stock to social housing associations, some of which are run on mutualist principles provides an opportunity to rethink how residents may own and rebuild their neighbourhoods. Similarly the Community Cohesion strategy in Wales reflects some of the ideas of the ‘Big Society’ which could be interpreted and operationalised in ways that are beneficial to health.

In addition to the literature review we conducted interviews with frontline staff and managers in Cardiff and Blaenau Gwent. We found differences in the way these places have been affected by the economic downturn so far as well as how they anticipate the future for residents and health and social support service users. As highlighted earlier, whilst in Blaenau Gwent there was a strong sense that people and the services that support them have been dealing with the fall out of previous recessions there was also a concern that the current fragile infrastructure to keep people afloat may be threatened by anticipated public services spending cuts. Although it was felt that Cardiff, particularly being a capital city, could recover more quickly and that the infrastructure for sustaining the support services for more vulnerable populations was less at risk, it should not be forgotten that Cardiff has very poor people and very disadvantaged micro-neighbourhoods. One lower level super output area (LSOA) is more disadvantaged than any in Blaenau Gwent. The case-study research, as some participants in the policy exchange highlighted, had an important limitation in that it may have made too much of some of the differences between the areas. The lack of qualifications has a similar impact for individuals in both areas. However some of the greatest inequalities, at a local authority level, are in Cardiff which may create other problems such as increased levels of conflict. Inequality and the perception of inequality can itself create problems that are relevant to health.

## 9.2 Recommendations

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The following recommendations have been drawn from the research and informed by the policy dialogue. The recommendations are broad at this stage and are intended to support an approach to future decision making rather than being specific about what should be protected, what cut and which resources pooled.

Recommendations are at macro, meso and micro levels and have been grouped for convenience under the headings of preventing ill health, responding to ill health, pooling resources, anticipating health impact, and future research and evaluation.

### ***Preventing ill health***

**1 The Department for Public Health and Health Professions (DPHHP) needs to argue strongly for public health outcomes to be considered in all policy areas within the Welsh Assembly Government. Resources should be focused on those social and economic determinants that support good health and prevent avoidable illness.**

Whilst this appears to be a rather broad and obvious recommendation it is not clear that public health has had a strong voice in other policy areas. The DPHHP should identify the mechanisms and approaches (such as Health Impact Assessment – see below) that ensure that public health goals are placed on a parallel footing with those of economic recovery. Approaches to health inequalities and social and economic equity should be linked at the highest level.

**2. There is a need for flexible active labour market programmes that support people entering, re-entering or staying in satisfactory employment in parallel to maintaining and generating good health.**

As well as being good for the economy having a job is, on the whole, better for a person's health than being unemployed. However jobs which are low paid, insecure and have low decision latitude are associated with poor mental and physical health. It is also recognised that there is an element

of dual causation in that as well as unemployment being a threat to health, ill health is also a threat to employment. Research indicates that some of these programmes have been detrimental to health, particularly in areas where the likelihood of finding satisfactory work is slim. Therefore an active labour market programme is required which is flexible enough to be tailored to individual need and the local contexts in which job seekers live.

Interventions should ensure that they aim to build self –esteem, confidence, competence, optimism, skills and, where necessary, build or maintain supportive social networks. Approaches should also be appropriate to particular local contexts. For people living in areas where there is little satisfactory work a dual strategy of supporting people to maintain self esteem where employment fails to materialise as well as identifying non-paid or state- paid socially valuable activities that replace the latent functions of work, develop skills and potentially benefit local neighbourhoods needs to be developed. Interventions which are seen as opportunities to provide cheap labour without any individual or local benefit are unlikely to benefit health. There is a need for these interventions to be evaluated in terms of their health benefit as well as their employment outcomes (see below).

### **3. Employers should be encouraged to develop strategies and approaches that address uncertainty, anxiety and job stress.**

Research suggests that people still in employment may be under stress and not just those who are unemployed. Employers should manage concerns about future downsizing and possible redundancies in an open and transparent way. Where possible, HR departments should offer careers advice and training to highlight potential alternative careers and opportunities. Changes to working hours and work demands should be kept to a minimum where possible. Interventions to support people at risk of becoming unwell due to stress should be considered. This may protect people at risk of involuntarily and permanently exiting the labour market. Counselling and advice should be made available, or at least the need for this support to be recognised and acknowledged, for employees who are experiencing other disadvantage as a result of the economic downturn. For instance, a spouse may have been made redundant, they may face mortgage repossession, other members of the family may face difficulties and so on.

### **4. Protect and develop services intended to support vulnerable children and young people**

The review highlights that the transition from education to employment, further education or training is pivotal for long term secure employment and health. This economic downturn has had a particularly heavy impact on young people. Services that support vulnerable young people into employment, training and education need to be protected and enhanced. In some areas inadequate cheap transport has been a barrier and needs to be addressed. Those not in employment, education or training and children with significant social needs, such as children who are, or have been, supported by the social care system, may need more intensive and targeted support.

Initiatives which support children and young people, who are at risk of economic exclusion in the future, such as Flying Start, should be supported. The Welsh Assembly Government in partnership with Public Health Wales, the third sector and local communities should identify what is working at a neighbourhood level to support children and young people make successful transitions from early years, through compulsory education to employment, further education or training.

#### **5. Address personal debt through the regulation of doorstep lenders, promoting other sources of credit and protecting advice services**

With financial strain being a key mechanism through which unemployment and low pay impacts on the health of individuals and their families the extent of debt is worrying. Given that Blaenau Gwent, according to one report, has the highest levels of household financial strain, the protection of debt support services and the need for interventions to avoid debt seems clear. Reports of doorstep lenders were highlighted in Blaenau Gwent and a recent MIND report on debt and mental health (MIND 2008) suggests that it is widespread. The value of alternative sources of credit, such as credit unions, should be promoted. However barriers to using credit unions, such as social embarrassment, should also be addressed. It should also be recognised that for many people the lack of any financial assets and unsustainable debt means that advice and support services will be essential to avoid a further slide into poverty and the knock on effects on mental health.

### ***Responding to ill health***



## **6. Models of effective mental health support at primary care and community levels should be identified**

The strongest evidence for negative health impact during economic downturns is on so called mild to moderate mental health problems, although increased suicide is also associated with economic downturns. The demands on primary care services are therefore likely to increase. There was a call from one mental health representative in the policy dialogue for cognitive behavioural therapy (CBT). Although the evidence for its effectiveness appears to be strong (eg Haby et al 2005) other forms of social 'prescribing' should be explored as well. In this context the public health role of primary care in supporting people into secure work or appropriate non-work activity should be explored through a review of the literature and of existing models.

Furthermore it is recognised that some people, particularly middle aged men, are reluctant to approach health services for a mental health problem. A cross-cutting approach is therefore needed to ensure that support does not depend on individual presentation to primary care services. For instance, mental health strengthening approaches can be embedded into active labour market interventions (see above) and as a part of neighbourhood regeneration, volunteering and community cohesion programmes.

### ***Pooling resources***

## **7. Public Health Wales should lead a partnership which includes the health services, local authorities and the third sector to identify mechanisms which pool resources across localities for maximum health benefit.**

It is inevitable that services across Wales in health and other sectors will be cut and these have the potential to impact negatively on health. The impacts are likely to affect deprived people and places in particular. It is therefore essential that a robust mechanism is developed to ensure that the relevant sectors work together to identify ways of pooling resources for maximum health impact. The pooling of resources needs to be at different spatial levels according to need and resource. Public Health Wales is the most appropriate organisation to lead this partnership.

### **Anticipating health impact**

## **8. Health Impact Assessment (HIA) approaches should be adopted as part of public spending review processes**

Decisions on public spending will impact on society in ways which will be unintended and may therefore impact both directly and indirectly on health. Consideration of the potential impact on health should be considered at all levels when reviewing spend on public services. As in recommendation 1 the DPHHP should argue strongly for a consideration of how decisions across the Welsh Assembly Government will impact on health (intended and unintended, positive and negative), and how they will be distributed in the Welsh population. Potential short, medium and long term impacts should be considered for people and places in Wales and mitigation actions identified to minimise any risks to health and to maximise health benefits particularly with regard to vulnerable groups. The economic costs and benefits of decisions should be quantified where possible.

This is an opportunity for Welsh Assembly officers in relevant policy divisions to deliberate collectively on the impacts that these decisions will have and health impact should be a key cross-cutting consideration. Evidence should be used and interpreted, where possible with relevant academic partners. Levers to involve local academics may be the Research Excellence Framework (REF) in which universities are required to demonstrate the impact their research has had on society.

## ***Future research and evaluation***

### **9. Active Labour Market Programmes should be evaluated in terms of their impact on health.**

The review has highlighted the lack of evaluation of interventions to support people into or at work. Since evidence suggests that some approaches, particularly ones that focus on job search support alone, can be bad for health, learning from what works will provide benefits now and for the future. Given that contextual and individual factors can mediate health impacts in ways that are not clearly understood it will be important to use methods which link an understanding of how the programmes work for particular population groups in particular contexts to the achievement of health and employment outcomes.

## **10. Impacts of social and economic change need to be monitored**

Research that tracks, monitors and provides feedback on the effects of economic change over the following years to establish where the impacts are felt at individual and geographical levels should be undertaken. The Welsh Assembly Government in partnership with the Office for National Statistics (ONS) and the Wales institute of Social & Economic Research, Data & Methods (WISERD), which links researchers across Wales, provides a potential vehicle to achieve this. As well as providing quantitative data on health outcomes, methods which provide longitudinal qualitative data on how people living across Wales cope with social and economic changes will provide a better understanding of how social and economic change impacts on health and well being. Research which takes a life-course perspective should also be considered to assess the extent to which experiences of the economic downturn now may impact on quality of life, health and life chances in the future. Feedback mechanisms will be important to provide opportunities to identify interventions to prevent ill health if necessary.

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