



*IDEA anti COVID-19 # 20*

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# Health consequences of economic crises

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## Summary

- In this article, we provide a summary of key findings from existing research on the relationship between countries' economic performance and people's economic activity on the one hand and their health and mortality on the other.
- The blanket restrictions imposed on day-to-day life as a swift defense mechanism in the face of the rapid spread of the Covid-19 pandemic saved many people from illness and death. On the other hand, these measures had and will continue to have a strong negative economic impact, which in turn has a negative impact on people's health and livelihoods, too. Decisions about the intensity and duration of blanket restrictions must take both these effects into account and attempt to achieve a balance between them. To do so, however, it is essential that those making the decisions have at least basic knowledge of the extent of both these impacts. Yet estimates of these effects in the context of Covid-19 are not yet available.

In the foreseeable future, we can expect the epidemiological models to be able to offer us—based on the experience and data we have gained thus far—more reliable estimates of the basic parameters of Covid-19, such as its fatality rate and the influence of various restrictive measures on its transmission. Yet hand in hand with this it is also important to develop more accurate models of the economic impacts and to incorporate impacts on health into them. Until that is done, all that is available to us is our experience from previous economic recessions and crises.

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- A wide range of past research has shown that economic growth has significant impacts on the physical and mental health of the population, including on the death rate. The mechanisms by which long-term economic growth trends affect health are, however, different from the mechanisms by which short-term fluctuations in the economy affect health. The extent of economic cycles' and temporary crises' impacts on health depend substantially on the quality of the given country's social and health care systems. This is why we focus primarily on studies that are based on data from EU countries, whose health and social care systems are more similar to those in the Czech Republic than, for example, the USA.
- Research has shown that long-term economic growth over many decades leads to greater quality of life and higher life expectancy, i.e. it reduces the death rate. Medium-term economic fluctuations that result from the regular economic cycle may also reduce the overall death rate in the population, for example when the positive impacts of fewer transport accidents, lower work strain or more intensive preventative health measures prevail.
- By contrast, very deep and lengthy recessions have negative health impacts. Economic worries and stress among the population are often connected with increases in alcohol consumption and drug use and higher rates of mental illness and suicide. What that means is that the overall health impacts of the economic crisis caused by the Covid-19 pandemic will substantially depend on governments' abilities to support an economic growth restart soon enough.
- A significant study from the USA has shown that, both in standard recessions and in long-term recessions, substantial health impacts happen when middle-aged men find that their career expectations unexpectedly shattered for a long time. Structural changes in employment, such as a long-term loss of jobs suited to a particular type of qualification, are evidently one crucial mechanism in the emergence of negative health impacts. It is thus advisable to take this fact into account when considering possible requalification programmes and occupational psychological therapy.