HEALTH IMPACT OF ECONOMIC RESTRUCTURING AND UNEMPLOYMENT IN EUROPE

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Objectives and Methods In a large trans-European study, supported by the European Commission, involving France, Hungary, Sweden and the United Kingdom, examining the impact of downsizing on physical and mental health, comparisons were made of the unemployed with survivors of the downsizing and with those who subsequently found new work.

Results The unemployed had the poorest general self-rated health, the lowest levels of “happiness” and were the most deeply affected by depression. With respect to the downsizing itself: (1) 15–20 percent of the unemployed moved into long-term unemployment; (2) about half of the downsized population were not offered financial compensation; (3) retraining was offered to a small minority (10–15 percent); (4) 30–50 percent of downsized subjects experienced decreased income and benefits; (5) 25–50 percent did not receive advanced notification of the downsizing; (6) the majority of the downsized population experienced the change as painful, 40–50 percent perceived the downsizing to be chaotic, more than 40 percent of the subjects denied that the downsizing process was “transparent and understandable”.

Conclusions Findings indicate that the downsizing method may be as important to the health of workers as the fact of the downsizing itself. It seems clear that the better planned, more transparent, more democratic and more useful (in terms of the actual economic functioning of the firm), the lower the health toll on the employees. It is important that even the survivors of the downsizing (i.e., employees who remain at work) suffer damage to their health, and therefore incur healthcare costs to the society.