



## **Mental health and employment-related issues to feature in the European Semester process**

*Recommendations from European Mental Health Alliance – Employment & Work*

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This document presents suggestions for further reflection by the European Commission to look in more detail **whether and how mental health dimension of employment, equal opportunities on the labour market and work-life balance** provisions in the EU Member States are considered **throughout the European Semester process**.

In addition to the major impact on people's lives and enjoyment of human rights, it is increasingly evident that mental health problems are also a major public health issue. In the EU Member States, the **cost of mental health problems is estimated to be between 3% and 4% of GDP**. A substantial body of evidence is now available on specific work-related risks that can negatively affect both mental and physical health with an associated knock-off effect on business performance and society at large (WHO, 2008). In the last decade or so, a **growing incidence of work-related mental problems has been observed, linked to increased absence from work (and growing presenteeism), and early retirement due to mental illness in most European countries** (European Framework for Action on Mental Health and Well-being, 2016).<sup>1</sup> From as early as 2000, EU-OSHA (2000) reported that studies suggest that between 50% and 60% of all lost working days have some link with work-related stress leading to significant financial costs to companies as well as society in terms of both human distress and impaired economic performance.

While it is only in very recent years that the Semester process has seen a greater emphasis placed on social dimension (including health) of the annual cycle of monitoring of economic and fiscal sustainability of key policies, it **systematically disregarded impact of insufficient attention given to mental health neither within mainstream healthcare system nor linked to labour market participation**.

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<sup>1</sup> [https://ec.europa.eu/health/sites/health/files/mental\\_health/docs/compass\\_2017workplace\\_en.pdf](https://ec.europa.eu/health/sites/health/files/mental_health/docs/compass_2017workplace_en.pdf)

Work-related stress is the second most common work-related health problem in the European Union (EU-OSHA 2002) and half of European workers consider it to be common in their workplace. Although 79 % of European managers are concerned about stress in their workplaces, only less than 30 % of workplaces in Europe have procedures for dealing with it (EU-OSHA 2010). Substantial body of evidence mounts to support **growing burden of workplace- and employment-related mental health conditions on financial sustainability not only of healthcare, but also social protection and disability assistance system**. EU-OSHA (2014) reports that the total cost of mental ill health in Europe is €240 billion/per year of which €136 billion/per year is the cost of reduced productivity including absenteeism and €104 billion/per year is the cost of direct costs such as medical treatment. Another study by Matrix (2013) estimated that the total costs of work-related depression alone in the EU-27 are nearly €620 billion per year. The major impact is suffered by employers due to absenteeism and presenteeism (€270 billion), followed by the economy in terms of lost output (€240 billion), the health care systems due to treatment costs (€60 billion), and the social welfare systems due to disability benefit payments (€40 billion). If adequate prevention system to avoid these conditions was put in place in EU Member States substantial costs could be saved and, more importantly, would have an important, positive impact on people's mental health.

Further productivity gains could be achieved through **better recruitment, reintegration and retention of people with mental problems**, who are only too often far away or at greater risk of job loss from the mainstream labour market (OECD, 2012). This has worsened in the recent economic climate. 55% of people with mental health problems make unsuccessful attempts to return to work, and of those who return, 68% have less responsibility, work fewer hours and are paid less than before (Mental Health Foundation, 2007; OECD, 2012). Also, the shares of sickness absence and early retirement for mental health problems have increased across Europe over the past few decades, as further Eurobarometer study shows (European Commission, 2010).

When it comes to **in-work mental health problems**, the ESENER survey (EU-OSHA, 2010, 2015) showed that within the EU, work-related stress is of some or major concern in nearly 80% of establishments. At the same time, less than 30% of organisations in Europe have procedures for dealing with workplace stress. The issue has been also insufficiently integrated into national level policies dealing with health, social inclusion and labour markets.

While work-related stress is a rather universal phenomenon across the EU, EU-OSHA (2009) reports that there are **significant differences in stress prevalence across Europe**. The highest levels of stress were reported in Greece (55%), and in Slovenia (38%), Sweden (38%), and Latvia (37%), and the lowest levels were noted in the United Kingdom (12%), Germany, Ireland, and the Netherlands (16%) as well as in the Czech Republic (17%), France and Bulgaria (18%). We would therefore **recommend the former group of countries to be specifically looked into when exploring national situation to base the European Semester analysis process on**.

It has been calculated that **each case of stress-related ill health leads to an average of 30.9 working days lost** (Mental Health Foundation, 2007). A mentally unhealthy workforce saps economic gains out of business and additional recruitment and training costs may be incurred by employers (McDaid,

2007). Chronic sickness absenteeism may also lead to an increased workload and in remaining team members, or poor performance due to being unwell while at work (e.g. Aronsson, Gustafsson, & Dallner, 2000; McDaid, 2007). It remains difficult to measure although some studies suggest that negative costs of presenteeism (working while unwell) may be as much as five times greater than the costs of absenteeism alone (Sanderson & Andrews, 2006).

Our in-depth analysis of the 2018 European Semester cycle (Country Reports and Country Specific Recommendations) revealed no explicit reference to “mental health” and closely related set of issues. Various indirect relationships can be inferred by looking at how EU MS address various occupational and organisational hazards of psychosocial nature (work-related stress and burn-out), work-life balance arrangements (length of parental leaves and remuneration, flexible working arrangements, leaves of adequate length and remuneration), types of work contracts (non-standard/precarious/temporary, level of remuneration), level of integration between health and social and employment support on mental wellbeing and related productivity and absenteeism. Given the fact that mental health-related problems tend to start early in working-life, a closer look at transition from educational to labour market of young workers should be considered. Following a similar line of life course rationale, mental wellbeing of older working population and transition to retirement years could be better focused on – for the sake of better mental health, which will also allow for longer working lives.

**In summary, we recommend the European Commission to consider in the preparation of the European Semester:**

- Mental health dimension systematically included in national, regional and local strategies on active support to employment, including employability and job retention;
- Recognise in the Country Reports and Country-Specific Recommendations the positive impact of adequate work-life balance arrangements on mental health outcomes, society and economy at large;
- Mental health dimension systematically included in national, regional and local strategies on secure and adaptable employment, including linked to mental health burden of informal care, precarious and non-standard labour contracts;
- Mental health integrated in healthy, safe and well-adapted work environment, across life course (youth, working-age, older workers) and transition periods.