Mental illness and the labour market
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Effects of a economic downturn

• 1997, a year of economic prosperity
• 1999, affected by a world-wide recession
• Unemployment in Sweden increased from 6 to 9 percent
• Employed got in-work tax benefits and interest rates were low

www.oecd.org/els/disability
The super labour force

- Who wants to hire a sick or disabled person?
- Mental illness may signaling "weekness"

- High unemployment rates yields a large stock of potential employees
- The selection effect is higher during an economic down-turn
The super labour force

• A Swedish trade union survey reveals:
  • 7 percent of the employers are positive to employ persons of SI or DI.
  • 13 percent are willing to employ long-term unemployed
  • 50-60 percent of the employers are unwilling to employ long-term unemployed or persons on SI or DI.
Conclusions

• An economic down-turn may not yield an overall increased mental illness

• Persons unemployed and on SI or DI are having worse mental health

• The million dollar question is: who wants to employ a mentally ill person?