



The investment of the generation: the role of finance ministries in improving mental health

Even prior to the COVID-19 pandemic, the world was not equipped to respond to the mental health needs of populations around the world. Poor mental health costs the world economy US\$1 trillion a yearⁱ due to reduced economic productivity and direct cost of care - more than cancer, diabetes, and respiratory diseases combined - and mental health and substance use conditions are the global leading cause of years lived with disability (YLDs).ⁱⁱ These are losses of human capital that no country can afford. Now COVID-19 is worsening this situation.

But applying a Human Capital approach can solve this challenge. Finance ministries are uniquely placed to address mental health needs by promoting a cross-societal solution, generating prosperity and helping end the COVID-19 pandemic. For every US\$1 invested in scaled-up treatment for common mental health issues such as depression and anxiety, there is a return of US\$4-5 in improved health and productivity.^{iii iv} No other area of health can match investment in mental health in terms of the breadth of the positive potential economic impact across society and the numbers of people affected.^v

The current low mental health resource levels and the potential enormous positive impacts makes mental health ripe for catalytic investment. To ensure sustainability and allow for a cross-governmental approach, this funding should come from domestic financing, and where needed from catalytic investment by international donors such as the World Bank.

Key recommendations

- Public mental health expenditure should be 5% of total public health expenditure in low- and middle-income countries and 10% in high income countries in line with global recommendations;
- To end the COVID-19 pandemic quickly and to build systems more resilient to future public health emergencies, mental health needs to be placed at the centre of national and global COVID-19 response plans;
- Mental health services need to be integrated throughout government areas of responsibility including, but not limited to, health, education, welfare, and justice systems, and the workplace.
- In health systems, financing for mental health needs to be decentralised from the costly and ineffective tertiary level institutions, to less costly and more effective primary and community health facilities underpinned by good referral systems. This will facilitate low-cost and highly effective psychosocial approaches and address the needs of various marginalised groups.

Mental health is a public good and is interwoven throughout society. Supporting good mental health promotes the ability of everyone to fully participate in society, whether in their social networks, workplaces, schools, communities or families. The potential impact of good or poor mental health on society is enormous and not yet fully understood. The return on investing in mental health and wellbeing goes well beyond the financial gains.



The problem

Mental health and economic performance are interlinked. Globally, close to 1 billion individuals are living with a mental disorder, it is estimated that in some economies as many as 21% of the working population has some form of mental health issue at any given time.^{vi} Despite these numbers, many do not have access to care. It has been estimated that 76–85% of those living a mental disorder do not receive treatment in low- and middle-income countries.^{vii}

An estimated 12 billion productive days are lost each year due to depression and anxiety alone. As a result, the global economy loses about \$1 trillion every year in productivity due to depression and anxiety — more than cancer, diabetes, and respiratory diseases combined — and mental health and substance use conditions are the global leading cause of years lived with disability (YLDs) (22.9%)^{viii} contributing to economic output losses of \$2.5-8.5 trillion globally, a figure which is projected to nearly double by 2030.^{ix} These are losses of human capital countries cannot afford, particularly in times of economic uncertainty.

Mental health issues limit people's opportunity to work and earn an income. This fall in productivity results in significant output losses for the economy, and reduces local economic reinvestment normally produced by spending of wages. Over time, poor mental health also carries significant costs for national health systems,^x which are facing challenges from growing, diversifying and ageing populations, rising prevalence of chronic illnesses, use of expensive technologies, and the COVID-19 pandemic. Poor mental health also has broader economic costs to society with issues such as substance misuse leading to increased rates of crime and incarceration.

Despite this high disease burden and economic impacts, mental health continues to suffer from historic underinvestment. Globally, government mental health expenditure is less than 2% of total government health expenditure.^{xi} This equates to a global median annual government mental health expenditure of just US\$2.50 per capita, with wide geographical variation and disparity, such as in low-income countries where annual expenditure is just US\$0.02 per capita.^{xii}

COVID-19 is causing further concern — for governments, companies and individuals. WHO evidence released this month stated that 33% of countries have reported complete or partial disruption across at least 75% of specific Mental, neurological and substance use-related interventions/services. This level of disruption was the highest within countries in the community transmission stage of COVID-19 (44%).^{xiii} Early evidence already demonstrates higher rates of distress, depression and anxiety in affected populations,^{xiv} and, mental ill health typically rises during economic recession. Therefore, mental as well as physical resilience in the face of uncertainty is critically important. Individuals, business and society as a whole need to ensure sufficient investment in addressing mental health now and in the future as we face global uncertainty — some national governments have realised this, shown leadership and are acting quickly.^{xv}

Further, if not properly considered, mental ill health, through various means, can increase risks of viral spread such as COVID-19 (e.g. through pursuing more risky behaviours that put themselves potentially at greater risk of infection), or lead to 'reservoirs' of continued infection where neglected populations such as those in mental institutions or the homeless are unable to access public health measures, including being less likely to take up vaccinations themselves^{xvi} or for children they are responsible for,^{xvii} which will significantly hamper the efforts to fight the COVID-19 pandemic. With appropriate planning and investment, measures to address population mental health can contribute to efforts to slow the spread of transmission.



Addressing the problem: the return on investment

Scaling up treatment for mental disorders can generate meaningful health, social and economic benefits. For every US\$1 invested in scaled-up treatment for common mental disorders such as depression and anxiety, there is a return of US\$4-5 in improved health and productivity.^{xviii} ^{xix} This can be much larger when including the full returns to individual's lives and their communities, businesses, economies, and society at large.^{xx}

It is widely recognised that health is a good investment.^{xxi} Indeed, this is the basis for the World Bank's Human Capital Project, which argues that investment in people (including in their health) is a key component of building an increasingly prosperous and sustainable society. Investment in people pays off, "ensuring that people accumulate the health, knowledge and skills needed to realize their full potential and that they can put those skills to use across the economy".^{xxii} The phrasing is critical, because healthcare should be seen precisely as an investment — an opportunity to increase national well-being and prosperity — and not as a cost.^{xxiii}

Mental health investment can be very low-cost. To provide a comprehensive package of schizophrenia, depression, epilepsy, and alcohol use interventions implemented across Africa and South Asia found that delivery of such interventions would require just US\$3–4 per year per capita, while an earlier assessment anticipated costs of US\$2 per year per capita in low-income countries and US\$3–4 in middle-income countries which would return coverage levels of 80 percent of cases with psychosis and bipolar disorder, and 25–33 percent of cases with depression and risky drinking.^{xxiv}

There are numerous examples of significant returns on mental health investments. In the UK the early identification of postnatal depression delivers a net saving of nearly GBP 383 per mother-infant pair, and psychosocial group therapy for older people in Finland has led to an average net reduction in health care costs of EUR 943 per person per year.^{xxv}

Increasing expenditure on mental health to the recommended 5–10% of total health expenditure^{xxvi} would increase coverage by 40–80%, depending on resource setting.^{xxvii} This would represent a substantial growth in resources committed to mental health (~2x growth for HICs and ~10x growth for LICs). To ensure sustainability and allow for a cross-governmental approach this funding should come from domestic financing, and in some cases from catalytic investment by international donors.

Focus areas for particular attention include efforts that combat the mental health treatment gap and improve access to mental health services.^{xxviii} Proposed strategies or priorities in achieving such include reducing stigma, building mental health system capabilities (both in terms of treatment and research) globally, implementing prevention programs, and growth of public health systems to provide better access to treatment.^{xxix}

This, however, should not just be limited to and the responsibility of the health sector. The most progressive and effective approaches to improving the mental health of all are cross-sectoral, integrating mental health promotion and treatment into education, justice and welfare systems, and workplaces to name just a few key areas.

Of course, it must be kept in mind that cost-effectiveness is but one of numerous criteria that must be assessed when prioritizing mental health investment. Prioritizing cost-effective interventions may not always be fair or equitable.



The time to act is now

“We are already seeing the consequences of the COVID-19 pandemic on people’s mental well-being, and this is just the beginning. Unless we make serious commitments to scale up investment in mental health right now, the health, social and economic consequences will be far-reaching”

Dr Tedros Adhanom Ghebreyesus,
Director-General of the World Health Organization

The mental health care gap should concern us all. Resources spent on mental health should not be seen as a cost. They are truly investments that can generate a high return for the economy and protect the effectiveness of how health system resources are spent. Moreover, many of the interventions are already phenomenally cost-efficient, and will become increasingly cost-efficient with deeper digitisation and more effective task-shifting.

Some Finance Ministers are already leading their countries and the world. In New Zealand mental health received the biggest funding and investment boost on record, receiving NZ\$1.9bn in 2019. “Mental health is no longer on the periphery of our health system. It is front and centre of all of our wellbeing.” — Grant Robertson, Finance Minister New Zealand.

The economic impact of poor mental health is too large to be ignored. Scale-up and integration of mental health across government systems is urgently needed to accelerate economic growth. Given the context of COVID-19, investment in mental health (and health in general) will be critical to return economies to sustainable growth.

The world is realising the urgency and need to act now. In April 2020, more than 1000 experts, business leaders, renowned scientists and those working on the frontline from over 40+ countries have released an open letter calling on world leaders to protect and scale up mental health support in all COVID-19 responses both now, and for the future.^{xxx} This letter echoed the call to action on mental health by the UN Secretary General at that time. In July 95 member states of the UN answered to this call and committed to putting mental health front and centre of their responses to, and recovery from, the COVID-19 pandemic.^{xxxi}



ENDNOTES

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