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For immediate release

Mental health problems threaten the knowledge economy

Developing countries should study possible pitfalls in the race for economic growth

In a knowledge economy, people work increasingly with their heads instead of their hands. This makes mental health a crucial component of economic growth. However, the knowledge economy leads to high levels of stress and mental health problems. By damaging its ‘mental capital’ the knowledge economy undermines the basis for its own success. These are some of the conclusions of the report ‘Mental Capital’ by Rifka Weehuizen, researcher at UNU-MERIT - a joint research and training centre of United Nations University, and Maastricht University in the Netherlands.

The study: “Mental Capital: a preliminary study into the psychological dimension of economic development,” was commissioned by the Dutch Council for Health Research.

Weehuizen notes that while this report deals with the situation in the Netherlands, the same is happening in all modern economies.

“My research focuses on the Netherlands, but all modern knowledge economies are damaging their human capital to some extent. It is a result of the pressure to be ever more productive. In the industrial sector you can achieve that by putting in more and better machines, but in the service economy the main way to achieve this is by making people work more and more intensely. By giving workers autonomy they have to effectively self-manage and self-regulate, which is much more efficient from the firm’s perspective, but which adds substantially to the load and pressure of the worker.”

In the modern knowledge economy – in which increasing numbers of people are working in the services sector - workers need to be autonomous, flexible, adaptive, and able to continuously deal with new circumstances, tasks and knowledge. The increased interaction with customers and colleagues that this requires means that workers need to regulate their emotions and feelings. Research shows that this is difficult for many workers, and it is leading to greater levels of stress and mental health problems.

Mental health is also a major problem in economic terms. In the Netherlands stress and work pressure are the cause of 29 % of sick leave and of 30 % of work disability. Thirty percent of the cost of health care in the Netherlands is directly or indirectly related to mental health problems like work related stress, burn out, depression and other ailments. According to the

World Health Organisation (WHO) about 4 % of gross national product (GNP) in countries such as the Netherlands is lost due to the direct and indirect costs of mental health problems.

This may help to explain why ever growing numbers of people in the leading economies appear to be less happy in spite of their increased wealth (the 'happiness paradox'). The study found that what drives economic growth is not necessarily good for the mental health of people. But mental health is essential for further growth, which leads to the question of what the net result will be of our attempts to grow even more. Even from an economic perspective this may not be the optimal strategy.

Policy measures

Governments should therefore invest more in the mental capital of their economies by putting more money into treatment of mental health related problems and, even more important, into prevention.

Weehuizen's research shows that even in a small country like the Netherlands this would result in savings of billions of euros.

"Each euro spent on treatment of mental health related problems saves 20 to 30 Euros in future costs, that would occur without effective treatment. Prevention is even more cost effective. Research shows that currently 45 to 70 % of people with mental health related problems in European countries do not receive effective treatment."

She outlines a long list of needed measures: Parents and education should be teaching young people more coping skills. Self-awareness and cognitive, social and emotional skills have to be increased to make workers better able to function in the knowledge economy. The human resource departments of companies should extend their policies to prevent mental health problems. Quite often they only react, after the problems have arisen. Mental resilience of workers is a critical success factor of an organisation.

Weehuizen also points out that this is not only an issue for rich countries such as the Netherlands. Many developing countries are facing poverty and conflict - major stress factors that are leading to mental health problems and a lack of self-efficacy.

"People learn that they do not control their own fate, and this does not give them the optimal psychological profile for economic development which requires optimism, trust and taking risks. The mental capital of developing countries is something we should think more about."

"More generally, if the development strategies adopted by rich countries have not resulted in healthy economic development, meaning maximally contributing to the well-being of people, then developing countries should be wise to find out why this is so, before blindly trying to follow the same path."

An English summary of the report will be available shortly. The Dutch version is available at: <http://www.cos-toekomstverkenningen.nl/>

'Mentaal Kapitaal: een verkennende studie naar de psychologische dimensie van economische ontwikkeling' (Mental Capital: a preliminary study into the psychological dimension of economic development) by Rifka Weehuizen was commissioned by two Dutch organizations: COS (Committee of Sector Councils) and *Raad voor Gezondheidsonderzoek* - RGO (Council for Health Research).

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About UNU-MERIT

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[UNU-MERIT](#) is a joint research and training centre of United Nations University, based in Tokyo, Japan, and the University of Maastricht in The Netherlands. It integrates the former UNU-Institute for New Technologies (UNU-INTECH) and the Maastricht Economic Research Institute on Innovation and Technology (MERIT).

UNU-MERIT provides insights into the social, political and economic contexts within which innovation and technological change is created, adapted, selected, diffused, and improved upon. The Institute's research and training programmes address a broad range of relevant policy questions dealing with the national and international governance of innovation, intellectual property protection, and knowledge creation and diffusion.

[United Nations University](#) (UNU) is an international community of scholars engaged in research, postgraduate training and the dissemination of knowledge aimed at resolving the pressing global problems of human survival, development and welfare, in line with the purposes and principles of the Charter of the United Nations.

Established in 1976, [Universiteit Maastricht](#) (Maastricht University) is the youngest university in the Netherlands. It has gained a reputation at home and abroad for its unique "Problem-based learning" approach. Approximately 12,000 students and 3,250 staff currently study and work within the University's seven faculties.

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