

## *Original Paper*

# Addressing a Structural Cause of Mental Disorders with an Economic Policy Reform

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### **Abstract**

*This paper contributes to the etiology of several mental disorders by taking into consideration the social and personal influence the economy has on each individual. Within the neoliberal paradigm, involuntary unemployment is used as a policy tool to achieve price stability. Hence, permanent existence of involuntary unemployment is inherent to neoliberal economic policy. While research suggests a strong negative impact of involuntary unemployment on mental health, this paper argues that unemployment within the neoliberal paradigm in many ways even worsens the anyhow negative impact. In light of the destructive forces of involuntary unemployment combined with an individualistic zeitgeist as well as in light of the benefits associated with continuous access to meaningful employment, this paper suggests the implementation of a Job-Guarantee as a means to address a structural cause of mental disorders, particularly depression and anxiety.*

### **Keywords**

*mental disorders, unemployment, job-guarantee, labor economics*

### **JEL-Codes**

*E12, J21, J28*

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## **1. Introduction**

According to the World Health Organization, mental disorders are one of the most important public health challenges in Europe. Recent estimates find that 110 million people in Europe are affected by mental disorders. The most prominent among them being depression with 44.3 million and anxiety with 37.3 million documented cases (WHO, 2019). While mental disorders are considered multidimensional phenomena, the scientifically recognized causes range from individual attributes to socioeconomic and

environmental determinants (Beck & Alford, 2009; Henningsen, Jakobsen, Schiltenwolf, & Weiss, 2005; Susser, Schwartz, Morabia, & Bromet, 2006). This paper investigates the etiology of mental disorders in the neoliberal paradigm and sheds particular attention on the role of involuntary unemployment, that is, unemployment of people seeking work that pays a wage in the national currency (Mosler, 1997). In the late 1970s, the economic paradigm shifted from the *Keynesian Consensus* to *Neoliberalism*. Since then, Neoliberalism has been persisting as the most dominant policy in the western hemisphere (Senker, 2015; Venugopal, 2015). In the neoliberal paradigm, the economy is envisioned as a natural entity that functions best if left to itself, i.e., left to the individuals and the (free) market forces. Regulation and market interference by the government would only lead to disturbance of the natural market allocation process. Furthermore, the role of the government is reduced to that of a moral arbiter, whose primary concern should be to ensure a level playing field to the economic actors (Bourdieu, 1998a; Hall & Jacques, 1983; Mitchell & Fazi, 2017; Palley, 2005; Venugopal, 2015). Hence, the neoliberal policy is characterized by deregulation, cuts to social welfare programs, privatization and a less active approach to fiscal policy (Mitchell & Fazi, 2017; Mitchell, Wray, & Watts, 2016; Palley, 2005). As the economic policy in use, Neoliberalism as well shapes the set of attitudes and beliefs that are communicated to the individuals living a neoliberal society. This, so called, belief system is characterized by a high value given to individualism—everyone takes care of him- or herself—and the notion that an individual living in a neoliberal society can reach any set goal, if he or she works hard enough to achieve it (Adams, Estrada-Villalta, Sullivan, & Markus, 2019). The etiological investigation, illustrated in this paper, reveals a structural cause that underlies depression and anxiety: involuntary unemployment (which is inherent to neoliberal economic policy) and the causal attribution of involuntary unemployment to the level of the individual (which is a product of the neoliberal belief system).

The review of the existing body of research suggests a strong relation between involuntary unemployment and mental disorders—in particular depression and anxiety (Beck & Alford, 2009; Goldsmith, Veum, & Darity Jr, 1997; Murphy & Athanasou, 1999; Sheeran, Abrams, & Orbell, 1995; Sverke, Hellgren, & Näswall, 2002). This paper suggests that involuntary unemployment is inherent to the neoliberal economic policy since the unemployment rate is recognized as a policy tool to achieve price stability. Thus, the paper discusses in how far the highly individualistic, hypercompetitive belief system, which is an integral part of neoliberal societies, leverages the adverse impacts of permanent involuntary unemployment on mental health. Consequently, neoliberalism seems to embed an internal contradiction that appears highly relevant to the etiology of mental disorders. While neoliberal economic policy uses unemployment as an economic tool, the neoliberal narrative, at the same time, insists that the sole responsibility for involuntary unemployment lies on the individual. Neoliberalism traps the unemployed in a situation of permanent involuntary joblessness but induces a social zeitgeist

that makes them incorrectly attribute the cause of their unemployment to themselves—often resulting in an unjustified self-blame.

As of today, Europe is characterized by a significant average unemployment rate of 7,1%, the Eurozone is even suffering from an average unemployment rate of 7.8%—not to mention extraordinarily high levels of youth unemployment (17%) (Eurostat, 2020). Shedding light on the destructive force of involuntary unemployment with regards to the mental health of the persons afflicted as well as presenting a structural cure seems highly relevant to the European context. In this light, the paper furthermore proposes a way to eliminate unemployment as a structural cause of mental disorders by implementing a new economic policy reform, the *Job Guarantee (JG)*.

This paper contributes to the existing body of research on unemployment and mental disorders by applying an economic perspective on its causes and the intellectual contradictions inherent to the neoliberal approach to unemployment. It, as well, extends the economic literature on job guarantee schemes, which is currently dominated primarily by an economic analysis, with a psychological assessment of such a reform proposal.

## **2. Involuntary Unemployment and its Impact on Mental Health**

The body of research on involuntary unemployment and its psychological consequences for the individuals afflicted dates as far back as to the great depression in the 1930s when the United States (US) suffered from mass unemployment (Eisenberg & Lazarsfeld, 1938; Jahoda, Lazarsfeld, & Zeisel, 1933). As a policy response to the economic crisis, Franklin D. Roosevelt, US president at that time, initiated the New Deal legislation. The New Deal was a brought reform package intended to counteract the prevailing recession and incorporated a public employment scheme that lifted millions of workers out of unemployment into public jobs (Tcherneva, 2015). The New Deal is, until today, a well-known example for a public job creation scheme. Harry Hopkins, who was then one of the most influential advisors to Roosevelt, reports that during the creation of this reform package he was well-aware of the significant relation between (un)employment and mental wellbeing (Hopkins, 1999).

For most individuals, basic life requirements as well as the desire for social participation are met through their employment (Tcherneva, 2017). Work is considered one of the fundamental parts of human existence and an important factor that gives individuals the opportunity to participate in society (Modini et al., 2016). Consequently, the right to work has been integrated into the Universal Declaration of Human Rights (article 23) (UN General Assembly, 1948). Research suggests that the value individuals ascribe to their job does not only depend on their income, but also on its social inclusion into and contribution to the community (Tcherneva, 2017). Both can satisfy the individual's intrinsic motivation for creative urges, promote self-esteem and provide space for self-realization. Next to these personal factors, their workspace is for many individuals an important source for social

contacts and a feeling of belonging. Access to employment is positively related to mental health (Bedell, Draving, Parrish, Gervery, & Guastadisegni, 1998; Honey, 2004). As a meta study by Modini et al. (2016, pp. 333-335) finds:

“A number of cross-sectional and longitudinal studies have found that engagement in the workforce is associated with better mental well-being, lower prevalence of depression and lower incidence of suicide. [...] Accumulated quantitative and qualitative evidence demonstrates that having a job is associated with a greater sense of autonomy, improved self-reported well-being, reduced depression and anxiety symptoms, increased access to resources to cope with demands, enhanced social status and unique opportunities for personal development and mental health promotion.”

Conversely, it is reasonable to expect that unemployment has adverse impacts on mental health. Several interview-based longitudinal studies support this conclusion as they find that unemployed individuals have lower psychological and physical well-being than their employed counterparts (Chen et al., 2012; B. Claussen, 2016; Jones, 1991; McKee-Ryan, Song, Wanberg, & Kinicki, 2005; Winkelmann & Winkelmann, 1995). Depression and anxiety are the diseases that both constitute most of the mental disorders in Europe and are the ones most commonly related to involuntary unemployment (WHO, 2019). The study by Jones (1991) pays special attention to the link of unemployment and depressions measured by the well-established CES-D depression scale (Radloff, 1977), finding that unemployment is negatively related to symptoms of depression (Jones, 1991). B. Claussen (2016) followed a cohort of unemployed Norwegians in a longitudinal study design over 5 years measuring the mental health status by both the Hopkins Symptom Checklist (HSCL) (Derogatis, Lipman, Rickels, Uhlenhuth, & Covi, 1974) and the General Health Questionnaire (GHQ) (Goldberg & Hillier, 1979) as psychometric tests. The observation shows that depressive symptoms, anxiety and somatic symptoms of those who experienced little employment during the 5 years worsened, while those that were reemployed gained mental recovery. The study by Clark and Oswald (1994) who used the British Household Panel Survey, which provides information on the “mental distress scores”, finds a strong positive effect of unemployment on mental distress.

Not having a job limits the individual’s chances for feelings of achievement, accomplishment, and satisfaction that result from performing a meaningful work, receiving decent income and contributing to one’s family or even the broader community (Briar, Feidler, Sheehan, & Kamps, 1982; Dolan, 2006; Strong, 1998). Price, Friedland, and Vinokur (1998) suggest that job loss and unemployment is related to so called “secondary stressors” such as worry, uncertainty, and financial, family, and marital difficulties. Jones (1991) finds that unemployment has a negative effect on the individuals participation in a social network measured as contacts with friends, which itself is negatively associated with depressive symptoms. This was found to be especially pronounced in the first phase of being unemployed as the initial shock and anxiety prevented the individuals from interacting with their

friends (Jones, 1991). Several studies even find a link from unemployment to suicidal behavior suggesting the depressive symptoms resulting from social exclusion, status loss, income loss, reduced self-esteem and insecurity as a causal explanation (Blakely, Collings, & Atkinson, 2003; Lin & Chen, 2018; Milner, Page, & LaMontagne, 2013; Price et al., 1998).

Unsurprisingly, research shows that the social, non-financial costs of unemployment exceed the financial costs by far (Carroll, 2007; Watts & Mitchell, 2000; Winkelmann & Winkelmann, 1995). Using data on life satisfaction for 1984 to 1989 from the *German Socio Economic Panel* for a multivariate analysis of the determinants of satisfaction and including the relative loss of income in the regression, Winkelmann and Winkelmann (1995) even find that for the German context at least 71% of the costs of unemployment are non-financial.

### **3. Involuntary Unemployment in the Neoliberal Paradigm**

Despite its adverse mental, social and, of course, financial consequences for the afflicted, involuntary unemployment is inherent to the neoliberal policy which dominates economic thinking in Europe since the end of the 1970s (Mitchell, 2015; Mitchell & Fazi, 2017; Palley, 2005; Senker, 2015). Before the neoliberal dominance in the political and economic sphere, governments were committed to achieve full employment, which was considered a desirable policy aim that fiscal and monetary policy were tailored to (Mitchell & Muysken, 2008). With the rise of neoliberalism, however, the governmental commitment to full employment has been replaced by a strong focus on price stability. In order to secure price stability, the government makes use of a buffer stock of involuntary unemployed, a “reserve army of unemployed” as Marx and Bourdieu put it (Heinrich, 2012; Bourdieu, 1998), to suppress demands for higher wages and hence prevent inflation (Bourdieu, 1998a; Ehnts & Höfgen, 2019; Mitchell & Muysken, 2008; Tcherneva, 2018). In the economic literature, this is referred to as the logic of the *non-accelerating inflationary rate of unemployment (NAIRU)*. Once the actual unemployment rate would fall below the *NAIRU*, neoliberal policy prescribes the government to initiate countermeasures in order to slow down the economy and keep the actual unemployment rate close to the *NAIRU* threshold (Ball & Mankiw, 2002; Mankiw, 2020). In other words, a government operating within a neoliberal paradigm makes sure that there is a sufficient amount of involuntary unemployment to be used as a policy tool in order to pursue its economic aims. Consequently, the existence of involuntary unemployment is inevitable and systemic to neoliberalism. By design, serious full employment can never be reached within the neoliberal paradigm. Given the consciously created scarcity of jobs, it remains true that each of the job seekers could potentially find a job, but surely not all of them can—no matter how skilled, trained, competitive and employable they are. Harvey (2000) uses the parable of 100 dogs that are sent on a field to search 95 bones to demonstrate the fallacy of

reducing unemployment to the individual level—no matter how skilled each of the dogs is at least 5 dogs will return boneless from the field.

#### **4. Unemployment, Self-Blame and Mental Health: Why Unemployment in a Neoliberal Belief System Fosters Depression and Anxiety Even More**

Neoliberalism has become the hegemonic discourse with major influence on ways of thought and political-economic practices to the point where it is today part of the commonsense way society interprets and understands the world (Harvey, 2007). The essence of the neoliberal paradigm, which has been studied intensively in the social science literature, is based on a highly individualistic worldview (Bourdieu, 1998b; Peters, 2001; Senker, 2015). The individual, who is assumed to be a rational, utility-maximizing, independent actor, is valued as more important than society as a whole – a view best reflected in the well-known quote of Margaret Thatcher (1987), former prime minister of the United Kingdom and great advocate of the neoliberal economic policy (Moore, 2013):

“And, you know, there’s no such thing as society. There are individual men and women and there are families. And no government can do anything except through people, and people must look after themselves first”.

From that it follows that according to the neoliberal paradigm the individuals are responsible for their own fate and should only be rewarded based on their personal efforts. This leads to the deeply entrenched belief that a government should be of minimal size and restrain from interfering in the private sector—doing so would be counterintuitive to the basic premise that only an individuals’ effort and merit should determine its success. The issue of involuntary unemployment has been transformed from a macroeconomic issue, to a microeconomic issue—either the job seeking individual’s wage demands are too high, or it lacks employability, e.g., personal or technical skills (Hail, 2018; Keen, 2011; Tcherneva, 2017). Macroeconomics is thereby understood as the analysis of the behaviour of aggregates, such as employment, total income, total production or inflation. Microeconomics, on the contrary, is the study of the behaviour of individual economic actors, such as private persons (households) or firms (Mitchell, Wray, & Watts, 2019). After this shift in the understanding of unemployment, the government can no longer be made responsible for an individual’s involuntary unemployment. The typical neoliberal countermeasure to compensate for an individual’s downfalls is the reference to trainings and workshops for the unemployed in order to improve its employability.

The neoliberal narrative of exaggerated individualism and self-responsibility, which translates unemployment into an individual issue of employability puts an additional mental burden on those afflicted. The deeply entrenched belief that everyone can succeed in the labor market if the person only works hard enough leads the unemployed into a trap of self-blame. As suggested by Briar et al. (1982) and Peterson, Schwartz, and Seligman (1981) self-blame, which increases with the duration of unemployment, is considered as a basis for depressive symptomology. On top, the individualistic

narrative implies that the unemployed are lazy, unskilled or weak – otherwise they would not be unemployed according to the narrative. Research suggests that this has an adverse impact on an individual's self-esteem, which is described in the psychologic literature as an internal perception of how competent an individual is to work, live, love and grow (Goldsmith et al., 1997; Pettersson, 2012; Shamir, 1986; Sheeran et al., 1995). In this light, self-esteem is related to the perception of one's achievements in a material, emotional and ethical sense based one's efforts and confidence in its own quality of actions (Dolan, 2006; Johnson, 1997). While employment enables a person to experience achievements, positive feedback and autonomy, being unemployed brings along a feeling of rejection and negative feedback—both related to the dismissal and the process of searching for a new job. The fact that unemployment is perceived as an individual's downfall clearly increases the adverse effect unemployment has on the self-esteem of the person afflicted (Jones, 1991). A great amount of research suggests that, a reduction in self-esteem levels, e.g., caused by involuntary joblessness, increases the likelihood of depression and anxiety (Battle, 1978; Brown, Bifulco, Veiel, & Andrews, 1990; Evraire & Dozois, 2011; Greenberg et al., 1992; Roberts, 2006; Rosenberg, 1962; Sowislo & Orth, 2013; Watson, Suls, & Haig, 2002).

Moreover, the concept of employability in a neoliberal economy is strongly linked to the idea of competitiveness, i.e., being more employable than other jobseekers. In interplay with the individualistic ideology, this creates a (hyper)competitive environment, which triggers egoistic behavior and puts performance pressure upon individuals (Kessler, Turner, & House, 1988). Given the fact that neoliberal economic policy relies on the permanent existence of unemployment for the sake of price stability, it is inevitable that the competition for scarce jobs creates winners and losers. For those afflicted by unemployment, this is supposedly tough to cope with as it puts them into a position of inferiority which they normally strive to avoid—and, even more importantly, which the neoliberal narrative tends to discriminate. Not only experience people affected by (potential) job losses frustration by the dismissal itself, but even more in the continuous effort and negative feedback through failing to find new jobs (Murphy & Athanasou, 1999). Especially the process of seeking new employment is characterized by rejection and negative feedback, e.g., by not being shortlisted for a job position or being rejected for job interviews (Murphy & Athanasou, 1999). Several studies suggest that this is likely to result in frustration, depression, anxiety and resentment (Gilbert, McEwan, Bellew, Mills, & Gale, 2009; Kessler et al., 1988; Linn, Sandifer, & Stein, 1985; Murphy & Athanasou, 1999).

Next to the feeling of inferiority, the permanent scarcity of jobs, the absence of the government's commitment to full employment, the prevailing power asymmetry and individualistic and hypercompetitive mindset contribute massively to a feeling of insecurity (Hellgren, Sverke, & Isaksson, 1999). This is, supposedly, even worse in regions that are plagued by comparatively high levels of unemployment as rising unemployment spreads among the individual's social network and triggers

anxiety (Sverke et al., 2002). It becomes evident that the structural violence of involuntary unemployment and its side effects in many ways induce feelings of inferiority and insecurity, both of which contribute to depression and anxiety (Bordea, 2017; Ferrie, Shipley, Newman, Stansfeld, & Marmot, 2005; Hellgren et al., 1999; Sverke et al., 2002).

Arguably, it is not only the existence of involuntary unemployment itself but also its side effects that influence mental health. One of the side effects is the existing power asymmetry on the labour market that is biased towards the employers. Given that neoliberal policy leaves a significant number of job-seeking workers permanently idle while jobs are construed as scarce, employers experience a much higher bargaining power than employees do. This leads to the situation in which employees accept working conditions, which actually are unacceptable. Plus, the bargaining power asymmetry has—in combination with the many labour market deregulations and the destruction of labour unions—put downward pressure on wages and hence contributed to the remarkable increase of income and wealth inequality (Daniels & McIlroy, 2009; Mitchell et al., 2019; Palley, 2005). Moreover, the cuts in social welfare, the shrinkage of public employment and the scarcity of available jobs in the private sector force a degree of flexibility and mobility upon the unemployed that has negative implications for their private life, e.g., if they need to commute or even move in order to find new employment, all of which is related to stress and insecurity and is negatively associated with depression and anxiety (Hammen, 2005; Tennant, 2001).

As Friedrich Engels, an economic philosopher of the 19<sup>th</sup> century, writes in the context of the early days of capitalism, the free-market, highly individualistic philosophy threatens to create a society in which people care for nothing but self-interest and advancement (Marx & Engels, 1970). The entrenched belief that success is mainly determined by an individual's effort feeds into this and fosters an environment in which mental disorders are perceived as weakness, which in turn induces people to delay searching for professional help or treatment of the disorder thereby worsening the degree of the disorder and its impact on overall health of those affected (Bunting, Murphy, O'Neill, & Ferry, 2012; McLaughlin, 2004).

### **5. Involuntary Unemployment by Design and Paradigmatically Inflicted Self-Blame: a Toxic Contradiction That Fosters Depression**

The two former parts reveal a logical inconsistency inherent to the neoliberal approach. The neoliberal view in which involuntary unemployment is reduced to an individual problem is in logical contradiction with the *NAIRU* approach. The fact that neoliberal economic policy uses a buffer stock of involuntary unemployed as a means to achieve price stability means that whatever the afflicted individuals do in terms of improving their personal employability e.g., by participating in trainings, lowering wage demands or accepting more flexible working conditions, a part of the labour force will



always remain jobless (Mitchell & Muysken, 2008). It is a self-contradiction: on the macroeconomic level neoliberal policy ensures that there are victims of involuntary unemployment, while on the microeconomic level the neoliberal belief system blames these victims for not being employable when, in fact, in most of the cases the real reason for their involuntary unemployment is the scarcity of jobs (Ehnts & Höfgen, 2019). Moreover, this reveals that the people in job trainings aimed at improving their employability get prepared for jobs that do not exist. This means, jobseekers as well as those that are in insecure employment conditions try to achieve the actually impossible.

While this contradiction is covered in the economic school of thought referred to as *Modern Monetary Theory* it is widely neglected in both the economic mainstream as well as in the psychological research on unemployment and its link to mental disorders (Ehnts & Höfgen, 2019; Wray, 2015). The recognition of this contradiction, however, enables a new analytical viewpoint on the etiological assessment of prominent mental disorders. Moreover, it unveils social and economic policies as new domain that can be used as a means to cure them.

## **6. The Job-Guarantee: A Solution to the Structural Cause Behind Depression and Anxiety for Individuals in the Work Force**

While psychological studies usually put forward implications that are mainly concerned with how individuals could cope with their mental disorders or prescribe the implementation of better health services in order to treat the symptoms, a study by Winkelmann and Winkelmann (1995) reaches a policy prescription that addresses one of the structural causes of mental disorders, i.e., employment generating policies. As Winkelmann and Winkelmann's (1995) panel data analysis finds that the majority of the costs of joblessness are non-financial, they conclude that the benefits of employment generating policies would exceed those of mere income compensations. In fact, the research conducted on the benefits of continuous and meaningful employment supports the prescription of employment generating policies. Modini et al. (2016) find that the available evidence supports that work can be beneficial for an employee's wellbeing, especially if the employee finds favorable workplace conditions. The benefits become even more apparent when compared with the detrimental mental health effects of involuntary unemployment (Modini et al., 2016).

Continuous employment and job security, however, are not only a means to avoid the destructive force of involuntary unemployment but also a means to foster the recovery process of persons that are already subject to mental disorders. According to Mueser et al. (1997) the benefits of employment for mental health also hold for people with mental illnesses, particularly those affected by anxiety. The study finds that for people with severe mental illnesses employment is associated with better functioning in a range of different non-vocational domains. This is supported by Murphy and Athanasou (1999) who investigated 16 longitudinal studies and find that levels of distress fall once a

person becomes reemployed. B. r. Claussen, Bjørndal, and Hjort (1993) concluded that in their research, those who were re-employed were less than half as likely to experience depression compared to those who remained unemployed. The research of Scheid and Anderson (1995) confirms this finding, but stresses that the concrete design of the job, its supervision and the workplace conditions have a crucial influence on the actual realization of the potential benefits, which should be taken into account when designing employment generating policies. Strong (1998) explains the benefits of employment for people with mental illnesses by the generation of a feeling of belonging and contribution that has meaningful impact for the recovery process of the afflicted persons.

In this light, this paper builds on the economic reform proposals of a *Job Guarantee* (JG) as a means to tackle one structural root of mental illnesses. As Ehnts and Höfgen (2019) explain:

“The JG (or “employer of last resort”) involves the government making an unconditional job offer to anyone who is willing to work at a socially acceptable minimum wage and who cannot find work elsewhere. It is based on the assumption that if the private sector is unable to create sufficient job opportunities then the public sector has to stand ready to provide the necessary employment. This creates a buffer stock of paid jobs that expands (declines) when private sector activity declines (expands). [...] The JG is a bottom-up approach and intends to combine the wish for continuous employment with the needs of local communities. Accordingly, the JG is locally administered and focuses on the creation of jobs that serve the public purpose.”

The JG, which constitutes an economic reform and a rejection of the neoliberal vision of economic policy, would erase the risk of involuntary unemployment and improve the power asymmetry in the labor market. In that sense, the JG helps the person who is last in the unemployment queue and is particularly appealing for those who create the highest hiring costs for their employers as, e.g., disabled persons. The JG is grounded in the recognition that social participation and contribution to society are inherently linked to employment and constitute meaningful and important attributes to employees (Mitchell & Muysken, 2008; Modini et al., 2016). Relatedly, the Argentinian *Jefes* program, a public employment program initiated in 2001, underlines the importance of social participation, belonging and contribution (Tcherneva & Wray, 2005). A survey on the participants’ reasons for satisfaction revealed that the participants rank “doing something”, “working in a good environment”, “helping the community”, and “learning” higher than “receiving income” (Tcherneva & Wray, 2005, p. 11). In the context of the New Deal legislation, John Hopkins said during his tenure:

“Give a man a dole and you save his body and destroy his spirit; give him a job and pay him an assured wage and you save both the body and the spirit.” (Lawson & Lawson, 2006, p. 118).

However, as the findings by Modini et al. (2016) and Scheid and Anderson (1995) suggest, the positive effects of employment are dependent on the concrete job design and the favorability of its workplace conditions. As the JG design is under control of the government, which—in contrast to the private

sector employers—neither needs to fulfill a profit motive nor has an inherent drive towards cost reduction, it can design the JG program and the entailed jobs according to the best available evidence on what defines a good job environment with respect to mental health outcomes. In accordance with Modini et al. (2016), this paper can act as a starting point for further investigations on what makes a job environment adequate in terms of mental health outcomes.

## 7. Conclusion

Joblessness deprives the individual of feelings of achievement, accomplishment, and satisfaction that result from performing a meaningful work, receiving decent income and contributing to one's family or the broader community. Consequently, the existing body of research suggests a strong relation between involuntary unemployment and mental disorders—in particular depression and anxiety. As far as the costs of unemployment are concerned, several studies point out that the non-financial costs exceed the mere financial ones.

As this paper demonstrates, neoliberalism seems to play a crucial role with regard to the etiology of mental illnesses triggered by involuntary unemployment. Neoliberal economic policy pursues price stability by leaving a certain rate of the labor force jobless, which is intended to suppress inflationary tendencies. Hence, involuntary unemployment is inevitable within the neoliberal paradigm. Jobs are construed as scarce. On the contrary, neoliberalism has entrenched a highly individualistic, hypercompetitive belief system within today's European society. In many ways, this leverages the adverse impacts of involuntary unemployment on mental disorders, particularly depression and anxiety. More concretely, involuntary unemployment within a neoliberal doctrine negatively affects self-esteem and can be related to stress, self-blame, performance pressure, egoism as well as to feelings of insecurity and inferiority—all of which negatively impact mental disorders.

Neoliberalism seems to embed an internal contradiction that appears to be highly relevant to the etiology of mental disorders. While neoliberal economic policy uses unemployment as a means for price stability, the neoliberal narrative, at the same time, insists that the sole responsibility for involuntary unemployment lies on the individual. Neoliberalism traps the unemployed in a situation of permanent involuntary joblessness but induces a social zeitgeist that makes them falsely attribute the cause of their unemployment to themselves.

As the review of the existing research shows, the benefits of continuous access to meaningful employment are substantial and exceed the mere avoidance of the costs of unemployment. As recognized in several studies, employment can contribute to the individual's recovery from some of their existing mental diseases. In order to address involuntary unemployment as a structural cause of mental disorders, this paper proposes the implementation of a Job Guarantee. The JG builds on the very recognition that it is the government and its economic policy, which, in fact, are primarily responsible

for the level of unemployment and its social and psychological consequences for those afflicted. The JG effectively ends the permanent existence of involuntary unemployment and erases the neoliberal contradiction thereby solving one of the structural causes of prominent mental disorders for people in the work force.

This paper offers a new analytical perspective on the etiological assessment of prominent mental disorders. The domains of economic (and social) policy can and should be investigated for possible solutions to structural causes of mental disorders. In terms of further research, the literature of JG programs needs to be extended by research on the adequate job and workplace design required for persons afflicted by mental disorders to achieve maximal recovery benefits from their JG participation.

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