

Leading Article

Economic recession: The effects on children and adolescents

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Introduction

Sri Lanka is currently facing its worst economic recession in history. According to data from the Central Bank, the Inflation Rate in Sri Lanka has increased to 29.8% in April from 18.7% in March 2022¹. The rising costs, prolonged power cuts, and shortages in gas, as well as fuel, have led to a decline in wholesale and retail trade, food and beverages, health and education services. The services Purchasing Managers Index (PMI) in Sri Lanka had fallen to a 7-month low of 51.3 in March 2022¹. The Sri Lankan rupee has lost more than a third of its value since a flexible exchange policy was implemented by the Central Bank in March 2022¹. The resulting increase in prices affected the ability of citizens to meet their basic living expenses, leading to increasing food insecurity and a decline in welfare.

Economic crises result in deterioration in the labour market, increased unemployment rates, pay cuts, poor working and living conditions, and difficulties in obtaining essential items, all of which could lead to increased stress and psychological problems. Higher rates of mental health problems, including depression, anxiety, substance use and suicide, as well as increased rates of physical illnesses such as cardiovascular and respiratory problems, have been reported among adults during economic downturns^{2,3}. Although much attention has been paid to the

psychosocial impact of the economic crisis in adults, the effects on children and adolescents have received less attention. This article aims to discuss the psychosocial impact of the ongoing economic crisis on children and adolescents and suggest possible interventions to mitigate these effects.

Effects on children and adolescents

Child development

Early child development depends on nurturing care, which includes responsive caregiving, adequate nutrition, good health, security, safety and opportunities for early learning⁴. Economic downturns impact nurturing care through creating a home environment that is less conducive for child development. For example, increased parental stress and longer working hours result in reduced sensitivity of parents to the child's emotional and physical needs, providing the child with fewer opportunities for exploration and less cognitive stimulation. All these can affect the childhood developmental outcomes.

In addition, economic recession will increase the number of people living in poverty. According to the Department of Census and Statistics, one out of six people in Sri Lanka were multidimensionally poor even prior to the economic crisis⁵. These rates are expected to rise further as a result of the current crisis. Poverty is one of the most important risk factors for poor developmental outcomes. Recent studies have demonstrated smaller white matter, cortical grey matter, and hippocampal and amygdala volumes in children who have been exposed to poverty during early childhood. These point towards a biological basis for the poor developmental outcomes in children living in poverty⁶. Furthermore, unsupportive parenting, poor nutrition, and high levels of traumatic stress experienced by children in poverty also contribute to the poorer developmental outcomes⁷. Reduction in household income is associated with reduced child socialization which negatively influences a child's cognitive development.

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Evidence from studies carried out during previous economic recessions show a 30% or higher loss of year-to-year income to directly affect preschool children's cognitive test scores⁸. Some studies also demonstrate decreased parental income and parental job loss to be associated with poor verbal ability of children at 3 years⁹. Therefore, interventions to support optimal child development, especially in vulnerable families, should be a priority during an economic recession.

Mental health

Economic adversity is associated with elevated stress, higher risk of behavioural problems, reduced social competence and poor cognitive ability in children and adolescents¹⁰⁻¹³. These negative outcomes are mediated through increased parental stress, change in the marital relationship and changes in the quality of parenting. The family stress model suggests that economic hardship leads to economic pressure within the family, which in turn increases parental emotional distress, depression and anxiety. Parental distress leads to increased marital conflicts, which then "spill-over" into interactions with their children¹⁴. This results in harsh, inconsistent parenting, decrease in sensitive and supportive parenting behaviours, less parenting competence, poor parent-child communication and decreased efforts in parenting. These changes ultimately lead to elevated emotional and behavioural problems in their children. Reduced parent-child communication during an economic crisis is also a risk factor for child suicides and is identified as a contributory factor to the rise in youth suicide rates during an economic downturn¹⁵. Financial difficulties *per se* cause additional stress to children and adolescents. In a survey carried out among children and adolescents during past recessions, 30% of the children were found to be worried about their family finances and suffered from sleeplessness, headache and abdominal pain as a result¹⁶. There is also evidence that the negative mental health effects of economic adversity may persist for several years, with higher rates of violent crimes, substance abuse and chronic health problems, in affected children and adolescents in later life¹⁷.

During an economic downturn, the healthcare budget is re-structured, with significant cuts to public mental health services. Previous literature describes economic recessions to be associated with loss of acute mental health in-patient beds, occupational therapy clinics and rehabilitation services¹⁸. The affordability of private mental healthcare is also likely to decrease due to financial constraints, which would result in a shift of patients from private to public mental health services¹⁹. This is likely to lead to an increase in

waiting time for mental health services during periods of recession. Increased mental health burden with limited access to services is likely to worsen the mental health outcomes for children with mental health problems.

Physical health

Economic downturns are also known to affect the physical health of children and adolescents. Children born in the midst of an economic crisis were found to have poorer birth outcomes including higher rates of low birth weight and preterm delivery²⁰. The effects of economic fluctuations were found to be stronger during the first and third trimesters. Poorer maternal nutrition and higher maternal psychological distress were postulated as possible reasons for poorer birth outcomes during economic downturns.

Increased infant mortality rates during times of recession have revealed mixed results. One study demonstrated a 10% reduction in the GDP to be associated with a 2% rise in infant mortality rates. A study carried out in Peru during the 1988-1990 economic crisis found the infant mortality rate to rise by 2.5%²¹. A similar study in Indonesia carried out during the 1998 economic crisis found a 1.4% increase in the infant mortality rate²². However, some countries such as Argentina and Mexico have not experienced such an increase. This difference across countries may be due to the difference in the depth of the financial crisis and the extent to which the financial allocations for healthcare changed during the crisis.

Increased prevalence of malnutrition among children has also been described. In Cameroon, the prevalence of malnutrition in children younger than 3 years had increased by 7% during the 1991-1998 economic downturn²³. Risk of malnutrition was higher in children with baseline lower socio-economic status group and lower maternal educational attainment lot. During the Great Depression, rates of malnutrition in children in the USA was as high as 30%, with a further 20% meeting criteria for undernutrition²⁴. Studies in Indonesia have found higher rates of stunting, wasting and anaemia among children during the period of recession²⁵.

Previous literature has shown that preventive health care is especially vulnerable to budget cuts, and that the impact of financial crises on health promotion and preventive services is high. Past reports suggest that disruption of financial allocation to healthcare in the face of an economic crisis may cause a reduction in vaccination coverage and a rise in communicable diseases in children. A study done in Colorado found a 6% reduction in vaccination of 2-year-olds during

the economic crisis²⁶. Studies done during the economic downturn in Greece found that parental age, education level and occupation were associated with incomplete vaccination during an economic crisis²⁷.

Child maltreatment

There is ample evidence linking economic hardship to child maltreatment. Children in lower socio-economic households are 3 times more likely to be abused and 7 times more likely to suffer from neglect²⁸. Poverty-stricken caregivers are more likely to experience negative life events, mental health problems, substance use and live in sub-standard living conditions, all of which can contribute to higher rates of child abuse and neglect.

Previous studies carried out during periods of economic recession have revealed that the cumulative stresses associated with economic hardships can increase the risk of child maltreatment at times of economic downturn. A rise in the number of child abuse cases presenting to hospitals has been found in the USA and increased referrals to child protection services have been noted in Lithuania and Scotland during previous economic recessions^{29,30}. Studies from Thailand and Vietnam have demonstrated that mother's longer working hours, with children being left unattended, is a risk factor for child maltreatment during an economic crisis. Labour migration during times of economic recession is also known to lead to child abandonment³⁰. Financial restructuring with reduced allocation of resources to child protection and welfare services can further add to the problem by restricting the provision of protective services for vulnerable children.

Education and academic performance

Economic downturn can affect education *via* several means. Firstly, reduced parental income makes it difficult for parents to cover the basic costs of education, leading to reduced school enrolment and higher school drop-out rates. In addition, parents may have to work for longer hours to meet the higher financial demands, resulting in reduction in the time they can assist children in their schoolwork³¹. This may lead to poorer academic achievement in children and adolescents. Previous studies during the Great Recession have shown that children's achievements in mathematics, English language and arts, all dropped during this period³².

Economic recession can also reduce the quality of education due to the constraints imposed on state and local funding for schools. Funding limitations can lead to reduced recruitment of qualified educators, which can adversely affect the academic outcomes. Higher

rates of teacher absenteeism have also been noted during periods of economic crises, as teachers engaged in other part-time employment to meet their financial needs³¹.

However, all children are not equally affected by economic downturns. Family socio-economic status, parental education and age of the child can all contribute to the effect of economic crises on education. Previous studies from Indonesia and Costa Rica have shown that the drop in school enrolment was highest in children from poorer families and those enrolling in secondary school³¹. School dropout rates were higher in families where parents suffered job-loss and lower in children of educated parents. There is also evidence to suggest that students who worried about their family's financial status had poorer academic performance.

The adverse effects of economic recession on education are shown to be long lasting. Evidence from studies carried out during the Great Recession indicate that students who experienced the Great Recession during their school-age years suffered long-term economic declines, compared to students least impacted by the Great Recession.

Child labour

During an economic downturn, parental unemployment and rising cost of living may force parents to turn towards child labour. This may result in children who previously worked part time or after school, having to undertake longer working hours and even children who previously did not engage in labour to enter the workforce. Studies from low-income countries such as Tanzania, Argentina and Venezuela during the period of economic recessions have shown a marked increase in the rates of child labour³³. For example, in Tanzania, there had been a 10% increase in the number of mean hours children worked per week during the economic downturn. In Venezuela, the number of children engaged in labour increased by 5% during the economic depression³³.

Several factors such as the age of the child, family income, parents' educational level, family size and make up, all play a role in determining whether a child will be pushed to engage in labour during a financial crisis³⁴. For example, children in secondary school are at a higher risk of leaving school to engage in child labour than primary school children. In addition, individual country characteristics, such as their policy responses to economic crises are also a deciding factor. During the Central America coffee crisis in 2000-2001, the rates of primary school enrolment in Nicaragua increased, with a slight decline in the child

labour rates, which was explained by the social safety net programmes such as food aid, food-for-work and temporary employment, carried out by the Nicaraguan government³⁴. It highlights the importance of government policies in reducing child labour during an economic recession.

Children's participation in protests

Over the recent months, mass scale island-wide protests have been carried out against the current government in Sri Lanka. It is a common sight to see children, from infants to adolescents, participating in these protests. However, children's participation in protests is a very controversial issue. Risk of violence is a real possibility in any protest and there are instances where seemingly benign protests have ended up in violence. Children are especially vulnerable in such situations as they are smaller in stature and are more likely to get injured in case of violence or stampedes³⁵. In addition, children lack the cognitive maturity to understand complex social issues and thus are often brought to the protest by their parents who use their children as tools to further the interests of the adults. Some experts believe that involving children in protests, when they are not capable of grasping the issue, as manipulative and abusive³⁵.

However, there is evidence that participation in protests makes children aware of their rights and the rights of others and that those who participate in such protests are more likely to be involved with their community and participate in democratic processes later on in life³⁵. Given the difference in cognitive capacity, maturity and social roles in children of similar age, it is not possible to set a minimum age for participation in protests³⁵. A variety of factors such as the child's cognitive development, capacity to understand the issue at hand and their wish to participate, need to be taken into account when considering whether a child or an adolescent participates in protests.

Interventions to mitigate the effects on children and adolescents

Given the magnitude of the impact of the economic crisis on children and adolescents, the policy makers and all professionals working with children should act collaboratively in order to minimise the impact on this vulnerable population.

Professionals working with children should be aware of the high levels of family stress during periods of recession and its negative impact on children. There is evidence that interventions focused at improving family functioning, such as improving parental psychological well-being, couple relationships and

parenting practices, are helpful in preventing the negative psychological impact on children¹⁴. Hence, early identification of families in distress and referring them for supportive mental health or other community services is an important step in reducing the impact on children.

The public mental healthcare system should develop strategies to handle the increased demand for mental health services during an economic crisis. The primary health care system's capacity to identify, refer and follow-up those with mental health problems should be strengthened.

Initiatives done at individual school level may help in reducing the impact on education. For example, some Indonesian schools, during their financial crisis, responded to increased financial costs by relying more on writing on blackboards and reading out test questions instead of using printed material³¹. Offering scholarships to children languishing in extreme poverty, reduction of school fees and relaxing uniform requirements, were some of the interventions launched by the Indonesian government, which were proven to be effective in reducing school drop-outs³¹. Furthermore, widespread media campaigns highlighting the benefits of educational attainment is also demonstrated to be effective in maintaining educational outcomes³¹.

Promoting surveillance and research into the psychosocial effects of the current crisis will help in making evidence-based policies in the local context. Finally, policy makers should be educated about the negative health consequences at times of economic recession and measures should be taken to protect the funding for health services.

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