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ECONOMICS, WELLBEING, AND MENTAL HEALTH: A REGIONAL ANALYSIS OF SOCIOECONOMIC IMPACTS AND POLICY IMPLICATIONS

Abstract:

Increasing awareness of the influence of socioeconomic conditions on mental health has brought this issue to the forefront of policy and research agendas—not only within the healthcare sector, but also among economists, policymakers, and fiscal authorities seeking robust economic evidence to guide decision-making. Mental ill health imposes a substantial economic burden as it leads to reduced productivity and greater demand for healthcare services. At the same time, individuals facing economic hardship are more vulnerable to mental health problems due to heightened exposure to adverse conditions such as social exclusion, limited access to protective resources like education, or through complex feedback loops involving poverty, the cost of treatment, and employment instability. Following these hypotheses, understanding the determinants of mental illness from the economic point of view is essential for improving public health, enhancing quality of life, and informing policies that promote population well-being. Emphasis should be placed on the need for regional strategies aimed at the prevention and management of mental disorders, particularly given the rising number of cases. This growing prevalence highlights that mental health conditions should no longer be viewed solely as individual issues, but as broader social challenges requiring collective action. According to the results of panel data estimations the paper states that regions with better valued health institutions and higher health endowments have a lower risk and a lower burden of disease.

Keywords:

mental disorders, inequality and deprivation, early detection, regional strategies