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Tariffs and economic uncertainty threaten public health

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The ongoing trade wars have led to unprecedented levels of global economic uncertainty. Based on existing research, this is likely to affect various health outcomes, so how should policy makers respond?

The recent threat and introduction of tariffs by the US government has caused severe economic turbulence globally. Tariffs can increase prices, disrupt trade, cause stock market volatility, threaten jobs and businesses that rely on exports, and affect economic growth, among others. The US job market is slowing down as firms facing uncertainty grew cautious about the future and pulled back on hiring (<https://www.ft.com/content/f98caaf8-545b-41cb-abdf-d9ea674799fc>). As it stands, tariffs that were imposed on imports to the US have been adapted or postponed, only to be further increased and even halted by courts before being reinstated, leaving people and stock markets in limbo. As a result, the volatility of global stock markets has increased, with businesses within and outside of the US facing increased uncertainty and people left worried about the future of inflation and other key economic indicators. It is thus not surprising that the US and Global economic policy uncertainty indexes have reached unprecedented levels (<https://www.policyuncertainty.com>).

Uncertainty is not the same as fluctuations in actual economic conditions, and it does not necessarily coincide with economic downturns. Although it is under debate whether unemployment produces pro-cyclical effects on population health (that is, if there is a change in mortality during recessions),¹ evidence consistently points to the deterioration of certain health outcomes in periods of economic uncertainty²⁻⁷

So, what do the current high and sustained levels of economic uncertainty (<https://www.policyuncertainty.com>) mean for population health? Previous studies provide clues for what might lie ahead. According to a growing body of literature, economic uncertainty is associated with cardiovascular mortality, mental health and motor vehicle collisions.²⁻⁷ Cardiovascular mortality rises in periods of elevated economic uncertainty, possibly due to the role of stress in triggering acute cardiovascular episodes. Indeed, research suggests that an increase in economic uncertainty by one standard deviation is associated with a 1.1% increase in cardiovascular mortality, independently of unemployment.² Research has shown that lower stock market returns are correlated with hospitalisations for psychological conditions.⁸ Similarly, a 1% increase in the economic policy uncertainty index corresponds to 11–24.4 additional monthly suicides in the US,³ with similar findings

reported globally.^{4,6} Economic uncertainty has also been linked to mental health disorders worldwide.⁷ Finally, feeling uncertain about the future or worrying about financial issues might distract drivers by impacting their emotional state, sleep duration and/or alcohol consumption; thus, economic uncertainty is also associated with motor vehicle collisions.⁵ The relationship between economic uncertainty and general health outcomes persists when controlling for unemployment.

Current levels of economic uncertainty might trigger similar health outcomes to those noted above globally, given that the ongoing trade wars are likely to affect most countries directly or indirectly. Public health authorities and policy makers must be aware of the consequences of heightened uncertainty on human health in order to respond appropriately. The effectiveness of interventions can be increased through a better understanding of when health outcomes are most pronounced during economic uncertainty, and of who is at the greatest risk. While health effects in times of uncertainty will be widely felt, these are likely to affect some population groups more than others. Indeed, the self-employed face a larger increase in suicide risk in periods of increased economic uncertainty⁶ — perhaps due to the expected fluctuation in income compared to those on a fixed salary — thus highlighting the importance of safety nets, especially for groups disproportionately exposed to economic uncertainty. During uncertain times, simply knowing that support is available in case of negative personal financial developments may reduce the stress and pressure related to cardiovascular disease or poor mental health. Such safety nets include income support and emergency grants, uninterrupted healthcare coverage after experiencing joblessness, and labour market participation programmes. Evidence points to consequences being short-term, often observed in the first days or weeks following increased levels of economic uncertainty.^{2,5} Therefore, policies that take economic uncertainty into account must be carefully designed and appropriately focused. For example, policy makers should direct resources towards preventing the anticipated increases in specific health outcomes in such periods, by stepping up efforts such as mental health support hotlines, or campaigns about the symptoms of heart attacks or strokes and how to deal with them. It is also important to raise awareness of the risk of driving while distracted due to economic uncertainty, which could prevent people from driving under certain circumstances, or enable them to be particularly vigilant. These interventions are needed globally, in the context of the current climate. Overall, as trade wars intensify and already burdened health services may face increased demand during this period of global economic turbulence, it is important to intensify prevention measures to mitigate further negative health outcomes.

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Competing interests

The authors declare no competing interests.