Assessment and recommendations

Mental ill-health is a fast-growing problem which costs the Swedish economy more than EUR 7 billion every year through lost productivity, social benefits and healthcare. With mental ill-health accounting for 60% of all new disability claims, it has become the leading cause of labour market exclusion among the working-age population in Sweden; and especially among young people. People with mental disorders are poorly integrated in the labour market. Many of those who are employed struggle in their jobs and those who become unemployed receive inadequate support and have poor chances of reintegrating in the labour market.

Policy makers and service providers in Sweden recognise the need to take steps to tackle mental ill-health but current action is inadequate despite the magnitude of the mental health burden. A more comprehensive effort and a long-term commitment is needed to prevent problems from arising in the first place and to respond more effectively when they do occur.

Investing in mental health needs to start at an early age

Mental health problems often begin early in life. If left unaddressed in school and during the transition from school to employment, they can have major negative consequences in adulthood. Swedish school health services are under-resourced to help pupils in coping with behavioural and psychological problems, and waiting times to see a psychologist are too long. Recent initiatives to increase the number of psychologists and expand resources towards school health care are promising. However, it would be essential to strengthen guidelines for school social workers, nurses and psychologists on how to deal with students who encounter mental health problems.

Securing employment is an important part of the transition into adulthood and an important element of overall well-being. This is particularly important for young people who are neither in employment, nor in education or training (NEET) whose life chances are poorer than those of their peers. Among the NEET, young Swedish men are twice as likely to suffer from a mental disorder and the likelihood of young women suffering from depression or anxiety is even higher. Greater efforts are needed to identify and support this group in order to facilitate their transition from school to work.

Tackling early withdrawal from the labour market among young people is one of the key challenges facing Sweden. Currently, over a third of all new disability claims are from people in the age group 15-24. Following the reforms to the disability benefit scheme for adults, a comprehensive reform is now required for the corresponding scheme for young people under the age of 30, including an increased focus on vocational rehabilitation and active measures. Disability benefit entitlement for youth with a disability for prolonged schooling should be replaced by a study grant. Youth-friendly employment policies and measures to boost labour demand should be pursued to prevent long-term unemployment and the risk of early dependence on disability benefits.

Managing large-scale mental health problems at the workplace

Mental disorders are the most common work-related health problem in Sweden. As an employer, understanding what causes stress and when it is likely to occur is critical in managing mental health in the workplace. The current framework under the Working Environment Act on how to identify psychological risks is potentially useful, but small enterprises struggle with implementing risk assessments. For employees underperforming at work due to psychological disorders, occupational health services should play a greater role in addressing their needs and supporting their return to work after a period of sick leave. Providing supervisors and line managers with training, on clinical and occupational aspects of mental ill-health, would improve their ability to respond confidently and in a timely fashion to employees suffering from mental disorders.

Support and incentives for employers to retain workers appear to have weakened with the latest sickness reforms. The Social Insurance Authority (SSIA) therefore needs to be watchful that the large number of persons returning to work after a long period of sickness absence does not face the same problems again due to a lack of action by the employer. Financial incentives should be readjusted if inflows into sickness benefit bounce back up in the future. It is essential that all those in contact with people on sick leave focus on achieving realistic employment goals as quickly as possible, and communicate effectively with each other where appropriate.

Preventing labour market exclusion and benefit dependency

The substantial reduction in the number of persons on long-term sickness and disability benefits has been a major achievement of the recent reforms introduced in Sweden. That said, these reforms have yet to prove that these outcomes will be sustainable in the long-run; that they will ultimately lead to higher levels of employment; and that those who left the system will not re-enter the sickness benefit system. This is a concern particularly for those with

a mental disorder and those who have fallen sick while unemployed as the evidence suggests that these reforms have been less effective for this group.

Further action is warranted in a number of areas to meet remaining challenges. First, institutional and individual incentives need to be strengthened. Lack of hard financial incentives is a factor for weak co-operation between the SSIA and the public employment service (PES). Coupled with non-obligatory participation requirements in "contact meetings", this is likely to subvert the effects of the Rehabilitation Chain. Such a passive approach in particular is undesirable for persons with a mental disorder for whom maintaining labour market attachment in the early phase of their sickness spell could encourage a quicker move back into the labour market. Second, the SSIA needs to boost follow-up support measures to workers with mental health problems returning to their previous jobs by strengthening its links with employers and either building internal capacity for vocational rehabilitation or outsourcing services that offer combined psychological and employment support. Third, reintegration measures in co-operation with the PES need to improve for the long-term sick. At the moment, systematic support is only offered to those who have exhausted their sickness benefit entitlement (after 2.5 years of benefit payment) through the so-called Work Introduction Programme. This programme has strong features (*e.g.* it is mandatory) but at this stage it is difficult to achieve employment outcomes. Knowing that re-employment probabilities fall rapidly with the duration of sickness absence, similar PES support should be offered much earlier, with or without a corresponding cut in the maximum sickness benefit payment period

Another big challenge facing the disability system following comprehensive reform is to ensure adequate social protection. With increasingly tighter access to the disability benefit system, it is imperative that the authorities monitor and follow up rejected claimants so that they do not fall out of the social protection system completely, with an increased risk of poverty.

Policy makers also need to shift their attention to tackling mental health problems among the unemployed, in particular the long-term unemployed. Ways should be sought to identify mental health support, for example, through the use of job-profiling tools. Job-search programmes should be supplemented with counselling and motivational programmes early on to break the vicious cycle between mental ill-health and unemployment.

Early access to integrated work-focused support and treatment

Recent initiatives to enhance co-operation between the employment and the health sector still have a long way to go to achieve the desired integrated service delivery, with common employment goals, that has the best prospect

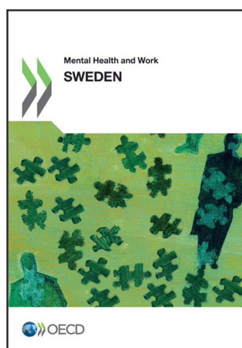
of keeping people in work. Substantial efforts need to be made in this regard. In the short-run, the National Board of Health and Welfare should adopt a key role in endorsing employment as an integral part of the recovery process through greater dissemination of evidence on work-focussed treatment. Better financial incentives (*e.g.* outcome based funding) are needed to improve the outcomes of the Rehabilitation Guarantee through which psychological treatment is offered to recipients of sickness benefit recipients. In the long-run, both the health and the employment system could build vocational and clinical capacity respectively within their own areas of responsibility, as seen in other OECD countries *e.g.* United Kingdom. An underlying challenge for the health system is to improve the treatment gap by reinforcing mental health services in primary care. General practitioners (GPs) need adequate training in mental health so they can recognise symptoms of physical as well as mental illness and treat patients accordingly (or refer them to a specialist, if necessary).

Summary of the main OECD recommendations for Sweden

Key policy challenges	Policy recommendations
1. Improving access to mental health services in schools	• Increase mental health resources for youth, including of school health services. • Implement guidelines for school nurses, school social workers and school psychologists.
2. Ensuring successful transition into the labour market for NEET with mental health problems	• Consider setting up a "youth agency" or use existing Navigator Centres in order to systematically identify and connect the NEET group with necessary services. • Have sufficiently resources Youth Clinics all across Sweden to provide low-threshold mental health interventions. • Provide co-ordinated employment and health services to vulnerable youth through *e.g.* the Navigator centres.
3. Reducing early dependency on disability benefits	• Abolish granting activity compensation for prolonged schooling; instead consider a study grant for youth with disability in special schools. • Adopt a more active approach with greater focus on employment measures.
4. Strengthening incentives for employers to prevent mental illness and retain sick employees	• Make longer-term sick leave more costly for the employer. • Occupational health specialists should provide on-the-job coaching and continuous support for employees with mental disorders. • Provide training to supervisors and managers to enable them to support employees with mental disorders.

Summary of the main OECD recommendations for Sweden *(cont.)*

Key policy challenges	Policy recommendations
5. Ensuring labour market attachment and facilitating rapid return to work for sickness benefit recipients with a mental disorder	• Make PES responsible for the payment of sickness benefit of the unemployed. • Introduce mandatory meetings with the PES for the long-term unemployed sick. • Offer mandatory PES support to the long-term sick systematically much earlier, not only after exhaustion of the 2.5-year sickness benefit entitlement. • SSIA should follow-up workers with mental disorders returning to their previous jobs.
6. Addressing mental health problems among the unemployed	• Supplement job-search programmes with psychological and motivational support. • Target the Job-Coach programme to those with a mild mental disorder.
7. Joining-up mental health care and employment services	• Mutually integrate vocational and clinical services. • National Action plan on mental health should include employment outcomes. • NBHW should promote employment as a part of the treatment process. • Increasing incentives to improve outcomes of the Rehabilitation Guarantee. • Provide e-learning support for GPs and healthcare professionals in primary care.



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