

## Chapter 1

# Key Trends and Outcomes

*What are the main challenges which sickness and disability policy makers in Denmark, Finland, Ireland and the Netherlands will need to address in the future? This chapter highlights the key outcomes and trends in these countries during the past 10-15 years in four areas: labour market integration of people with disability and workers with reduced work capacity; financial resources of those people; costs of sickness and disability benefits schemes; and exclusion and inclusion errors of those schemes. In addition, it addresses two macroeconomic challenges: population ageing and future labour supply shortages, and the impact of changing labour market requirements on workers' health. These external challenges need to be taken into account if sickness and disability policy systems are to be reformed successfully.*

This first chapter provides a summary of the most important sickness and disability trends in Denmark, Finland, Ireland and the Netherlands during the past 10-15 years. Outcomes in the following six areas are discussed:

- Labour market integration of people with disability: employment and unemployment.
- Financial resources of people with disability: income and poverty.
- Costs of disability benefit schemes: public spending and benefit dependence.
- Exclusion and inclusion errors: disability benefit recipiency and disability prevalence.
- Demographic challenges: population ageing and future labour supply shortages.
- Impact of labour market requirements: work and health.

These key trends indicate where structural reforms in the sickness and disability area will be most needed. It will be seen that the challenges arising from these trends are not the same in the four countries. However, in addressing these challenges, reforms in all countries will need to be designed so as to improve outcomes in a given area (*e.g.* to increase outflows from disability benefits) without worsening those in other areas (*e.g.* to increase financial insecurity or flows into other benefits).

## 1.1. Employment and unemployment of people with disability

### A. Macroeconomic environment and labour market trends

The countries reviewed share a number of common economic and social features but diverge in others (Table 1.1). All four are members of the European Union and, with a working-age population of between 2.4 and 10 million people, constitute small open economies. A considerable number of people are receiving disability benefits, around 6-8% of the working-age population in all four countries. However, the share of persons among the working-age population describing *themselves* as having a disability affecting them in their daily activities is much higher, around 14-17% in Ireland and the Netherlands and as high as 21-24% in the two Nordic countries.

All four countries have undertaken or are currently considering major sickness and disability policy reforms against the background of a favourable economic situation. During the past six years, real GDP grew continuously, employment rates increased and unemployment rates remained below OECD average or decreased in such a direction (Finland).

At 4.7%, annual growth of real GDP was particularly high in Ireland. Growth was close to OECD average in Finland (2.9%), and below that average in Denmark and the Netherlands, mainly due to a slow-down in the first three years of the decade. That said, growth is projected to slow down in all four countries over the next two years, especially in Ireland (OECD, 2008a).

Employment rates increased in all four countries in the past six years but particularly in Ireland (plus 4.5 percentage points). They are now above the OECD average of 67% in all

Table 1.1. **Favourable economic and employment trends in the past six years**  
GDP and labour market indicators, 2000-2007

	Denmark	Finland	Ireland	Netherlands	OECD average
<i>Population figures (thousands)</i>					
Working-age population 2006 <sup>a</sup>	3 205	3 163	2 398	9 975	
Disabled persons (self-assessed) 2006 <sup>a</sup>	667	747	326	1 678	
Disability benefit recipients 2007 <sup>b</sup>	235	270	155	831	
<i>Macroeconomic indicators</i>					
GDP per capita 2007 in USD PPPs <sup>c</sup>	36 192	34 226	40 716	38 554	31 684
Annual GDP growth 2000-2007 (%) <sup>c, d</sup>	1.7	3.1	4.7	1.8	2.9
<i>Labour market indicators (age 15-64)</i>					
Employment ratio					
2000	76.4	67.0	64.5	72.1	65.6
2007	77.3	70.5	69.0	74.1	66.7
Unemployment rate					
2000	4.5	9.9	4.4	3.1	6.3
2007	3.6	6.9	4.6	3.7	5.7
Long-term unemployment <sup>e</sup>					
2000	20.0	29.0	33.1	43.5	31.4
2007	18.2	23.0	30.3	41.7	29.1

a) Data for Denmark and Ireland refer to 2005.

b) Data for Denmark and Ireland refer to 2006.

c) Data for Ireland and the OECD average refer to 2006.

d) Data for Ireland and the OECD average refer to the period 2000-2006. The OECD average is an unweighted average.

e) Long-term unemployment is the percentage of the total unemployed who have been out of work continuously for more than one year. The 2000 figure refers to 1999 for the Netherlands.

Source: Table 1.10, OECD.Stat Reference Series and OECD database on Labour Force Statistics.

four countries. While the increase was less marked in the Denmark and the Netherlands, these two countries continue to have some of the highest employment ratios across the OECD area.

Unemployment rates of around 4% in Denmark, Ireland and the Netherlands are well below the OECD average. The recent small increase in unemployment in the Netherlands is projected to be reversed in the coming years and the decline in Finnish unemployment – still above OECD average but far from the two-digit levels recorded ten years ago – is projected to continue while unemployment in Ireland is expected to grow again in the next two years (OECD, 2008a). About one unemployed out of five are long-term unemployed in Denmark, one out of four in Finland, one out of three in Ireland but still almost one out of two in the Netherlands.

Current and prospective labour shortages are a main concern in all four countries. This includes expected increasing demand for skilled labour, especially in Finland. Immigrant workers accounted for an important share of recent employment growth, especially in Denmark and Ireland where this share was over 50% (OECD, 2007a). Between 2000 and 2005, the annual inflow of foreign workers has approximately doubled in each of the countries with only Ireland showing signs of a reduction at a high level in the last two years (OECD, 2007a).

Most recent OECD projections for the years up to 2009 expect the labour force participation rate to remain stable in the four countries, in line with the development of the OECD average (OECD, 2008a). Overall, while there are signs of a smoothing down in the coming years, the macroeconomic frame and the labour market situation in the first decade of the 2000s are encouraging in all four countries, setting a good basis for further reforms.

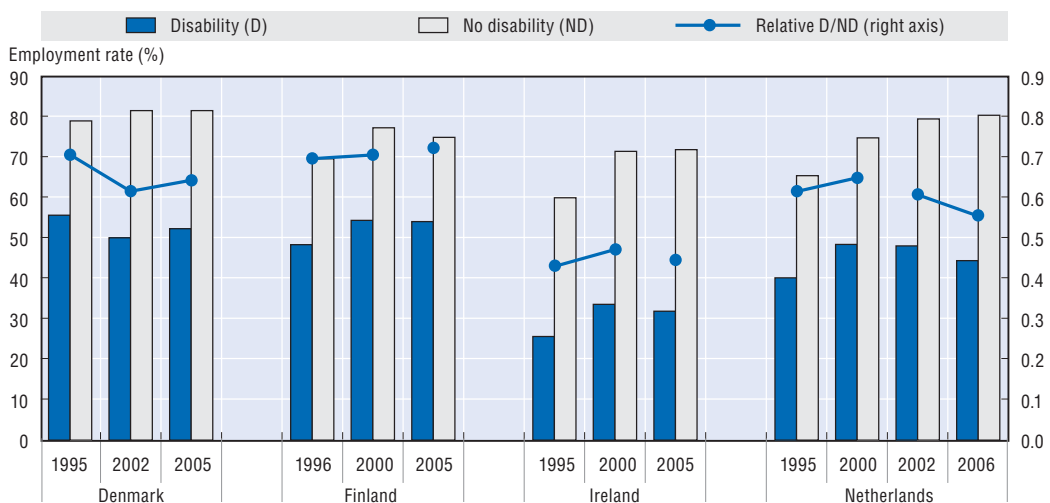
## B. Employment levels

Good labour market and macroeconomic performances are likely to have “spill-over” effects on the employment integration of people with disability. It can be expected that, in a situation of enduring economic growth, high overall employment and low unemployment, persons with reduced work capacities will have greater opportunities to find a job.

Against the background of the favourable macroeconomic indicators in recent years in the four countries highlighted above, employment outcomes for people with disability are still somewhat disappointing. They have consistently lower employment rates than their peers without disability, especially in Ireland where less than one-third of them have a job.<sup>1</sup> For comparison, 45% of people with disability have a job in the Netherlands and 52 to 54% in the two Nordic countries (Figure 1.1). This compares to employment rates of about 50% in Luxembourg and Switzerland, 45% in Norway and the United Kingdom, 40% in Australia and less than 20% in Poland, for the countries reviewed recently (OECD, 2006b, 2007b). Employment rates of people with disability in Denmark and Finland are therefore higher than in all other countries reviewed, while Ireland has among the lowest levels.<sup>2</sup>

Figure 1.1. **In Denmark and Finland, one in two people with disability are employed but only one in three in Ireland**

Employment rates of people with and without disability, working age, mid-1990s to mid-2000s (percentage)<sup>a</sup>



a) Definition of disability on self-assessment basis: existence of a chronic health problem or disability and long-term limitations in daily life activities [Denmark, Finland, Ireland (all years), Netherlands (1995, 2000)]; “work disabled” (Netherlands 2002, 2006): suffering from a long-lasting complaint, illness or disability which impedes carrying out or obtaining a paid job.

Source: Denmark: LFS; Finland, Ireland: ECHP for 1995/96 and 2000 and national estimates based on EU-SILC for 2005; Netherlands: ECHP for 1995 and 2000, LFS for 2002 and 2006. ECHP estimates were provided by ESRI. Due to differences in data collection and definitions, results based on EU-SILC 2005 are not strictly comparable with those based on ECHP 1995 and 2000.

Also in relative terms – employment rates of people with over those without disability – employment performances are positively linked to the absolute employment level of people with disability. The ratio is about 0.65-0.7 in the two Nordic countries, 0.55 in the Netherlands, but 0.45 in Ireland.<sup>3</sup> Again, this compares to ratios of 0.6-0.7 in Luxembourg and Switzerland and 0.3 in Poland.

Trends over the past ten years also differ across the four countries. Employment rates of people with disability increased during the late 1990s rather significantly (by 6-8 percentage points) in all four countries except Denmark where they fell. In the more recent years, trends were more disappointing: employment rates among people with disability increased only slightly in Denmark, mostly due to an extension of subsidised employment, but stagnated in Finland and fell in Ireland and the Netherlands.

Age and education determine employment differentials between persons with and without disability much more than gender (Table 1.2). Employment differentials are slightly lower for men in Denmark and the Netherlands and slightly lower for women in Finland – but differences are small. On the other hand, there is a strong correlation between the relative employment rates of persons with disability and age. In Denmark, younger people with disability even have a similar employment rate than their peers without disability while employment of older people with disability is only half the level of those without. The same pattern, though less pronounced, appears in Finland and the Netherlands. Lower educational attainment is also associated with lower relative employment rates of people with disability, and gaps are similar to those of older people. On the other hand, employment rates of persons with disability with higher education still lag 15 to 30% behind those of their peers without disability. The gaps in these differentials have not become smaller over the past three to four years.

**Table 1.2. Employment differentials are much higher for older and less educated persons**

Relative employment rates of people with, over those without disability, by gender, age and education, 2002-2006<sup>a</sup>

	All	Gender		Age group			Educational attainment			
		Men	Women	20-34	35-49	50-64	Below secondary	Upper secondary	Tertiary	
Denmark	2002	0.61	..	..	0.86	0.65	0.49	0.50	0.67	0.79
	2005	0.64	0.65	0.63	0.89	0.70	0.51	0.51	0.70	0.79
Finland	2005	0.72	0.71	0.74	0.86	0.82	0.62	0.58	0.78	0.84
Ireland	2005	0.44	..	..	..	..	..	..	..	..
Netherlands	2002	0.61	0.62	0.60	0.75	0.66	0.55	0.51	0.71	0.78
	2006	0.55	0.57	0.54	0.70	0.59	0.53	0.46	0.64	0.70

a) Definition of disability on self-assessment basis: see Figure 1.1.

Source: Denmark: LFS; Finland, Ireland: national estimates based on EU-SILC; Netherlands: LFS.

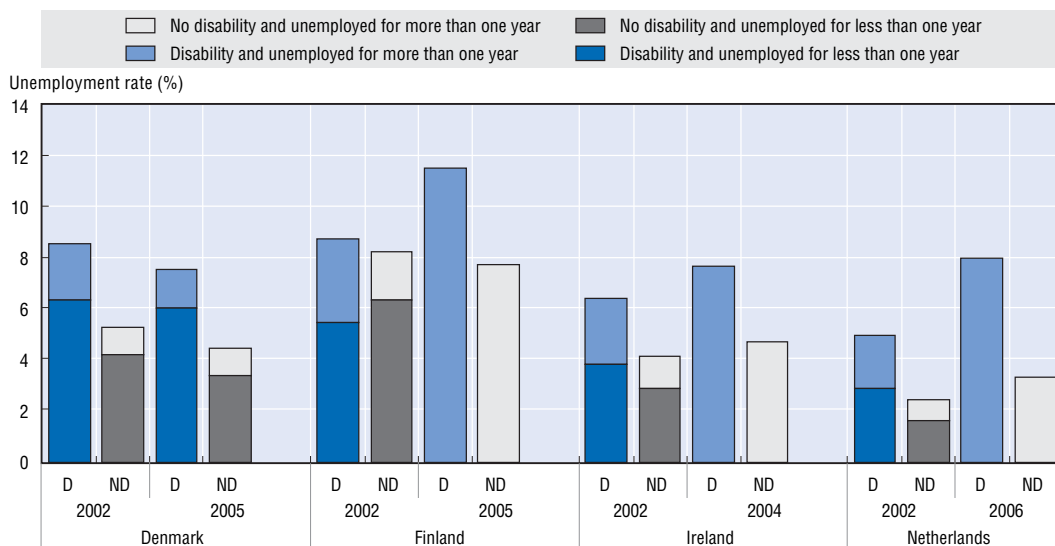
The employment outcomes discussed above refer to persons who self-assess their disability status according to standardised survey questions on health conditions and their impact on activities of daily living. Not all of these people – in fact, only a minority (see Section 1.4) – claim and receive disability benefits. Available evidence from national registers suggests that employment rates of disability benefit recipients are much lower: above 20% in the Netherlands (UWV); between 26% among younger recipients and 13% among older recipients in Denmark (Ministry for Social Welfare); and some 11% overall among recipients of earnings-related disability benefits in Finland, more precisely 5% of those receiving a full benefit and more than two-thirds of those receiving a partial benefit (preliminary results of the 2008 Disability and Work Survey of the ETK).

### C. Unemployment and inactivity

Unemployment rates of persons with disability are higher than those of persons without disability in all four countries (Figure 1.2).<sup>4</sup> The difference is particularly pronounced in the Netherlands, where unemployment rates of people with disability are more than twice as high as those of persons without disability and where this differential has increased over the past years. At the latest date available, unemployment rates among people with disability stood at 8% in Denmark, Ireland and the Netherlands, but almost 12% in Finland. These rates have been increasing over the past years in Ireland and, particularly, Finland and the Netherlands where this trend is likely to be related to recent reforms (see Chapter 2). On the other hand, unemployment rates of persons with disability decreased in line with overall unemployment in Denmark.

Figure 1.2. **Higher and longer unemployment among the population with disability**

Unemployment rates of persons with (D) and without disability (ND), 2002 to around 2005<sup>a</sup>



a) Definition of disability on self-assessment basis: existence of chronic health problem and long-term limitations in daily life activities.

Source: National LFS, except for Finland 2002 (EU-LFS). No data by unemployment duration in national LFS for Finland, Ireland and Netherlands, duration shares for 2002 have been estimated on basis of EU-LFS 2002. Finland 2005: D/ND shares of unemployment estimated on the basis of EU-SILC 2005.

In general, long-term unemployment is more common among people with disability; it concerns about 20% of all unemployed persons with disability in Denmark, and about 40% in the other three countries. In Denmark the share of long-term unemployed people with disability actually fell, both absolutely and with regard to people without disability.

Despite the higher risk of unemployment, people with disability also have higher shares of inactives among the non-employed population in all four countries, ranging from 81% in Finland to 95% in Ireland, compared to 68% (Finland) to 90% (Ireland) for people without disability (Table 1.3). Related to the higher family-related inactivity of women (which is much less pronounced in Denmark), this is a better measure of disability-related labour discouragement for men for whom people with disability have 12-17 percentage point higher inactivity shares in all four countries.

**Table 1.3. Higher shares of inactivity among non-employment for people with disability**

Share of inactives in percentage of non-employed population, by gender, around 2005<sup>a</sup>

		All	Gender	
			Men	Women
Denmark	Disability (D)	91.0	90.4	91.4
	No disability (ND)	79.3	76.6	81.1
	<i>D/ND</i>	<i>1.15</i>	<i>1.18</i>	<i>1.13</i>
Finland	Disability	80.5	77.6	83.3
	No disability	68.3	61.0	74.6
	<i>D/ND</i>	<i>1.18</i>	<i>1.27</i>	<i>1.12</i>
Ireland	Disability	95.1	93.6	96.4
	No disability	89.8	80.7	94.4
	<i>D/ND</i>	<i>1.06</i>	<i>1.16</i>	<i>1.02</i>
Netherlands	Disability	93.0	91.2	94.3
	No disability	85.7	79.1	89.1
	<i>D/ND</i>	<i>1.09</i>	<i>1.15</i>	<i>1.06</i>

a) Definition of disability on self-assessment basis: see Figure 1.1. Data refer to 2004 for Ireland and 2006 for the Netherlands.

Source: National labour force surveys (Denmark, Ireland Netherlands); EU-SILC (Finland).

Employment policies for people with disability are targeted mostly at those who would wish to work – unemployed but also inactive persons. Some indication of the share of inactive people with disability who, despite their disadvantage, wish to take up a job is available for two countries from the EU Labour Force Survey. Table 1.4 shows that, overall, the share of working-age people with “permanent” disability reporting a wish to work is pretty low: 12% in Denmark and 7% in Finland compared with an EU average of 21%. These levels are also much lower than those found for the other seven countries reviewed in OECD (2006b, 2007b) with the exception of Luxembourg. The percentage of inactive persons with disability wishing to work further depends on age and decreases sharply for the older age group (50-64) to levels around 5%.

**Table 1.4. Only a minority of inactive persons with disability want to work**

Percentage of inactive persons permanently disabled who say they want to work, by age group, 2004/2005<sup>a</sup>

		Total	20-34	35-49	50-64
Denmark	Men	12.5	33.4	19.5	4.8
	Women	10.9	30.9	18.3	4.5
	Total	11.6	32.1	18.8	4.6
Finland	Men	7.0	17.2	12.0	4.5
	Women	7.0	14.6	11.5	5.1
	Total	7.0	16.1	11.8	4.8
OECD Europe <sup>b</sup>	Men	21.8	29.7	27.5	17.3
	Women	20.0	30.7	27.7	14.4
	Total	20.9	30.1	27.6	15.8

a) Figures refer to the average of 2004 and 2005. No data available for Ireland and the Netherlands.

b) Data are the weighted average of EU19 (excluding Ireland and the Netherlands), Iceland, Norway and Switzerland.  
Source: EU Labour Force Survey 2004 and 2005.

## 1.2. Financial resources of people with disability: income and poverty

### A. Relative income levels

On average, people with disability have less financial resources than those without in all four countries, but relative income levels appear to be much lower in Ireland than in the other three countries. Figure 1.3 shows trends in equivalised disposable incomes: this indicator is best suited for international comparisons, because it takes into account all household incomes net of taxes but corrects for differences in household size<sup>5</sup> and refers only to persons with disability. On that basis, average income levels are close to 90% of those of persons without disability in Denmark, Finland and the Netherlands, but less than 70% in Ireland. For comparison, relative incomes stand also at some 70% in Australia and the United Kingdom, 80% in Poland, and 85-90% in Luxembourg, Norway, Spain and Switzerland (OECD, 2006b, 2007b).<sup>6</sup> For those countries for which data are available, incomes of persons with severe disability are 7-10 percentage points below those of persons with moderate disability.

Over the past ten years, relative incomes remained pretty stable in Denmark and slightly decreased in the Netherlands while they fell considerably in Ireland, from a level similar to that of the other countries down to 68%. This suggests that Irish people with disability did not enjoy the same improvements from the booming economy as their peers without disability. This relative drop concerned predominantly the incomes of people with

Figure 1.3. **Relative income levels of persons with disability are lower in Ireland than elsewhere**

Average equivalised incomes of persons with disability over those without (percentage), 1995-2005<sup>a, b</sup>



a) Definition of disability on self-assessment basis (existence of chronic health problem and long-term limitations in daily life activities), except for Finland (time series 1995-2005): administrative definition (adm. data), i.e. persons with legal certificate giving raise to tax deductions/allowances due to disability, and for the Netherlands 2004: "work disabled" definition: suffering from a long-lasting complaint, illness or disability which impedes carrying out or obtaining a paid job.

b) Income concept: disposable household income per equivalent person, except for Netherlands 2004: disposable household income.

Source: Denmark: SFI database; regarding the estimates for Denmark, see also footnote 10; Finland: IDS (Income Distribution Statistics); Ireland: national estimates based on ECHP and EU-SILC; Netherlands: Secretariat estimates based on ECHP (1995, 2000) and EU-SILC (2005) and LFS (2004). ECHP estimates were provided by ESRI. Due to differences in data collection and definitions, results based on EU-SILC 2005 are not strictly comparable with those based on ECHP 1995 and 2000.



moderate disability which fell by some 15 points in the late 1990s while those of people with severe disability did not move much. Trend data for Finland are available only according to a much stricter administrative disability classification: persons receiving tax allowance/deductions due to work incapacity reasons. According to these data, relative incomes decreased during the late 1990s and remained stable since then.

How do these income levels compare to those of other economically vulnerable groups in the countries? For example, income levels for single parents are at about 50% of that of the total population in Ireland, about 60% in the Netherlands and 70% in the two Nordic countries (OECD average 65%). For persons aged 75 years and over, these levels are 60% in Ireland, 70% in the two Nordic countries and 85% in the Netherlands (OECD average 78%) (OECD, 2008b). Levels of relative incomes of persons with disability are, therefore, somewhat higher than those of these two groups at risk in all four countries.

Income levels of people with disability are much higher when they have a higher educational attainment (Table 1.5). With tertiary education, they exceed the levels of average income of the total working-age population, especially in Finland. Also having a job is associated with income levels close to the total average level. Except for Denmark, income levels are lowest for those people with disability who are unemployed, rather than those who are inactive. Income levels of older people with disability are 15-20 points higher than for the younger except in Ireland where they do not vary across age groups.

**Table 1.5. Unemployed and lower educated people with disability have the lowest financial resources**

Income levels of people with disability in percentage of average income of working-age population, 2005<sup>a, b</sup>

	All	Gender		Age group			Educational attainment			Labour force status		
		Men	Women	20-34	35-49	50-64	Below secondary	Upper secondary	Tertiary	Employed	Un-employed	Inactive
Denmark	88	89	88	73	87	96	75	91	107	99	73	74
Finland	91	92	90	80	90	95	80	85	118	106	63	76
Ireland	71	69	73	74	70	71	60	80	113	93	48	62
Netherlands	87	89	86	78	84	92	80	86	104	101	69	81

a) Definition of disability on self-assessment basis (existence of chronic health problem and long-term limitations in daily life activities).

b) Income concept: disposable household income per equivalent person, except for Netherlands 2004: disposable household income.

Source: Denmark: SFI database; regarding the estimates for Denmark, see also footnote 10; Finland: IDS (Income Distribution Statistics); Ireland: national estimates based on EU-SILC; Netherlands: Secretariat' estimates based on EU-SILC.

## **B. Incidence of low incomes and poverty risks**

To which extent do the lower income levels coupled with distributive patterns of earnings, transfers and other incomes lead to increased poverty risks among the population with disability? First, and foremost, a higher percentage of people with disability fall in the lower income deciles and a correspondingly lower percentage in the richer deciles; this picture is particularly pronounced in Ireland (Table 1.6). While, by definition, one-tenth of the total working-age population falls in the lowest decile, 22% of all persons with disability in Ireland do so compared to 10-15% in the other three countries.<sup>7</sup> These percentages increase to 54% among the poorest three deciles in Ireland, 42% in Denmark, 40% in the Netherlands and 37% in Finland. In Denmark, Ireland and the

**Table 1.6. More persons with disability among the lowest income deciles, especially in Ireland**

Cumulative percentages of persons with disability in lower and higher income deciles (deciles based on incomes of the total working-age population)<sup>a, b</sup>

		Lowest decile	Two lowest deciles	Three lowest deciles	Three highest deciles	Two highest deciles	Highest decile
Denmark	1995	14	29	41	22	15	7
	2002	16	32	43	23	15	6
	2005	15	31	42	20	13	6
Finland	1995 (adm. data)	13	29	44	19	11	6
	2000 (adm. data)	13	27	40	20	13	6
	2005 (adm. data)	13	31	45	19	11	5
Ireland	2005	12	25	37	26	17	8
	1995	13	30	43	21	12	6
	2000	19	34	47	16	11	4
Netherlands	2005	22	41	54	14	9	3
	1995	12	25	37	23	16	8
	2000	12	26	39	24	15	8
	2004 (LFS)	18	32	43	20	13	6
	2005	10	28	40	21	14	7

a) Definition of disability on self-assessment basis (see Figure 1.3).

b) Income refers to disposable household income per equivalent person (equivalence elasticity = 0.5), except for Netherlands 2004 (disposable household income).

Source: Denmark: SFI database; regarding the estimates for Denmark, see also footnote 10; Finland: IDS (Income Distribution Statistics); Ireland: national estimates based on ECHP and EU-SILC; Netherlands: Secretariat estimates based on ECHP for 1995 and 2000, EU-SILC for 2005, and LFS for 2004. ECHP estimates were provided by ESRI. Due to differences in data collection and definitions, results based on EU-SILC 2005 are not strictly comparable with those based on ECHP 1995 and 2000.

Netherlands, a greater number of persons with disability is clustered between the lowest and second-lowest decile, some 15 to 20%. In turn, just 14% of people with disability in Ireland are part of the richest 30% of the working-age population, compared to some 20% in Denmark and the Netherlands and as much as 26% in Finland.

As concerns trends, relative income positions for persons with disability have remained remarkably stable in Denmark, Finland and the Netherlands. In Ireland, on the other hand, the share of people with disability in all lower income segments has continuously increased in the decade between 1995 and 2005, with a corresponding decrease of the share in all higher income deciles.

Table 1.7 details the incidence as well as relative risks of the population with disability in the lower income segments. By convention, two low-income thresholds are shown: 50% and 60% of the median income of the total working-age population.<sup>8</sup> Poverty rates, defined in these terms, are lowest in the Netherlands: 6% of people with disability have incomes below 50% of median income,<sup>9</sup> and 12% below 60% of median income. These rates are somewhat higher in Denmark<sup>10</sup> and Finland, with 8-12% of persons with disability falling below the lower income cut-off, and 22-25% below the higher income cut-off. And they are substantially higher in Ireland, with 25% of people with disability having incomes less than 50% of the median and 37% less than 60%. With regard to the total working-age population, this means that disability does not increase the poverty risk under both thresholds in the Netherlands. It increases the risk in Denmark and Finland – but only under the higher poverty threshold. And it doubles the poverty risk under both thresholds in Ireland.

**Table 1.7. Being employed reduces otherwise higher poverty risks among persons with disability**

Poverty rates and relative poverty risk for persons with disability, by labour force status<sup>a, b</sup>

	Denmark		Finland		Ireland		Netherlands	
	1995	2005	1995	2005	1995	2005	1995	2005
A. Low-income threshold 50% of total median income								
Poverty rate of persons with disability	10	12	4	8	12	25	9	6
Total relative risk rate	1.10	1.17	0.76	1.04	1.34	2.15	1.20	0.84
Risk rates by labour force status								
Employed	0.48	0.55	0.27	0.66	..	0.75	..	0.84
Unemployed	2.17	3.19	2.00	1.41	..	3.79	..	1.82
Inactive	1.63	1.71	0.79	1.14	..	2.73	..	0.78
B. Low-income threshold 60% of total median income								
Poverty rate of persons with disability	20	25	12	22	25	37	14	12
Total relative risk rate	1.23	1.45	1.25	1.59	1.54	2.10	1.21	1.04
Risk rates by labour force status								
Employed	0.55	0.64	0.26	0.59	..	0.88	0.81	0.80
Unemployed	2.27	2.40	2.23	1.76	..	2.85	2.63	1.84
Inactive	1.90	2.33	1.39	1.90	1.75	2.65	1.44	1.13

a) Poverty rates: percentages of disabled persons in households with less than 50% and 60% of the median adjusted disposable income. Relative poverty risk: group-specific poverty rate divided by overall poverty rate for the working-age population.

b) Definition of disability on self-assessment basis (existence of chronic health problem and long-term limitations in daily life activities), except for Finland: administrative definition.

Source: Denmark: SFI database; regarding the estimates for Denmark, see also footnote 10; Finland: IDS (Income Distribution Statistics); Ireland: national estimates based on ECHP and EU-SILC; Netherlands: Secretariat estimates based on ECHP and EU-SILC. ECHP estimates were provided by ESRI. Due to differences in data collection and definitions, results based on EU-SILC 2005 are not strictly comparable with those based on ECHP 1995 and 2000.

The share of persons clustered between the two low-income cut-off lines of 50% and 60% median income gives some hint on the severity of the low-income situation. A higher percentage of people falling between these two benchmarks indicates that smaller increases in income are needed to push these people above the 60% poverty line. In Ireland, this concerns one-third of people with disability with low incomes, while in Denmark and the Netherlands it concerns around half and in Finland as much as 63%.

Employment is a most important factor for reducing poverty risks. In all four countries, employed persons with disability have poverty rates which are below the average of the total working-age population. This pattern is particularly pronounced in the two Nordic countries. It should be noted that employment substantially reduces poverty risks among people without disability, too. However, the counter-factual – inactivity and in particular unemployment – has a much more detrimental effect on the income position of persons with disability, especially in Denmark and Ireland.

Over the past ten years, poverty rates of persons with disability decreased in the Netherlands. They increased slightly in Denmark, but they doubled in Finland (though from a fairly low level) and in Ireland. The increase was faster than for the population without disability in the latter three countries. Furthermore, relative poverty risks increased for all groups among the population with disability, including those with below-average risks: those with a job and those with higher education (data not shown).

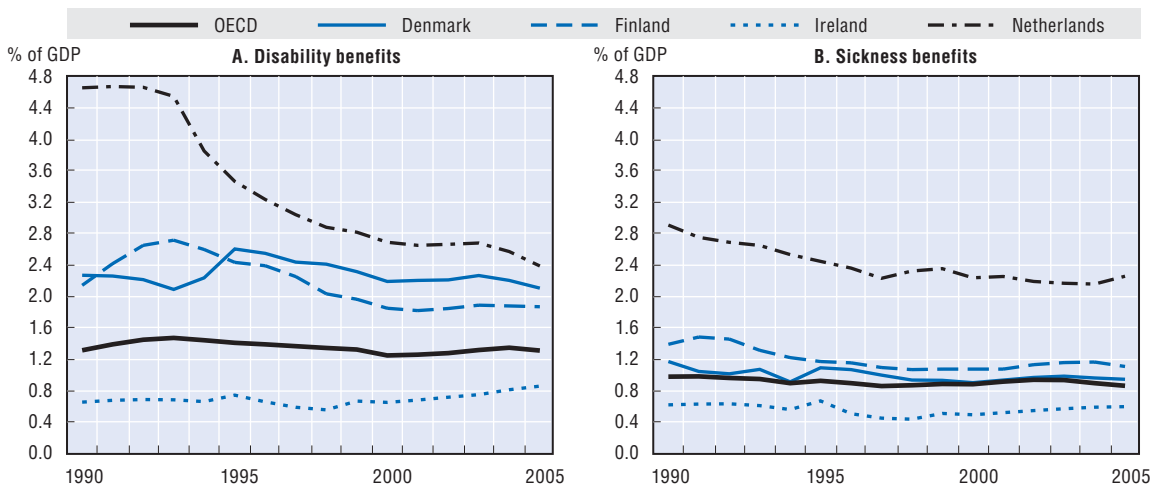
### 1.3. Costs of disability schemes: public spending and benefit dependence

#### A. Amount and composition of public spending

Moderating the high costs of sickness and disability is one of the key policy concerns – in some countries, however, more than in others. The Netherlands are outstanding in two respects: By 2005, spending on disability benefits was still significantly higher than in the other countries, with 2.4% of GDP more than double the OECD average.<sup>11</sup> At the same time, this country achieved to bring down spending on disability benefits by half since 1990 (Figure 1.4). This compares to spending of just below 2% of GDP in the two Nordic countries, which is also above OECD average. After a falling trend in the late 1990s, spending took up again in both countries at the beginning of the 2000s, especially in Denmark, to become stable in the more recent years. Spending was lowest and significantly below OECD average in Ireland, where it remained at a stable 0.5-0.6% of GDP throughout the 1990s and slightly took off in recent years.

Figure 1.4. **Falling trend in spending on disability benefits in the late 1990s but a slight rise lately**

Annual spending on disability<sup>a</sup> and sickness benefits<sup>b</sup>, percentage of GDP, 1990-2005



a) Denmark: disability pension; Finland: disability pensions from various schemes; Ireland: invalidity pension, disability allowance and illness benefit after two years; Netherlands: disability pensions from various schemes.

b) Includes public and mandatory private spending on sickness benefits. Shares of public sickness benefit spending are 77% in Denmark, 40% in Finland, 100% in Ireland (illness benefit in the first two years and sickness benefits for civil servants); and 54% in the Netherlands.

Source: Social Expenditure database and data supplied by national authorities.

In the two Nordic countries, spending on sickness benefits constitutes less than half that on disability, while in Ireland and the Netherlands it is almost equal to that on disability. In Denmark, Finland and Ireland, sickness spending is rather similar to the OECD average of about 1% of GDP. Again, the Netherlands stand out with a very high spending share, twice the OECD average. Nevertheless, spending on sickness benefits showed a decreasing trend in the Netherlands while it remained rather stable around the OECD average in the other three countries.

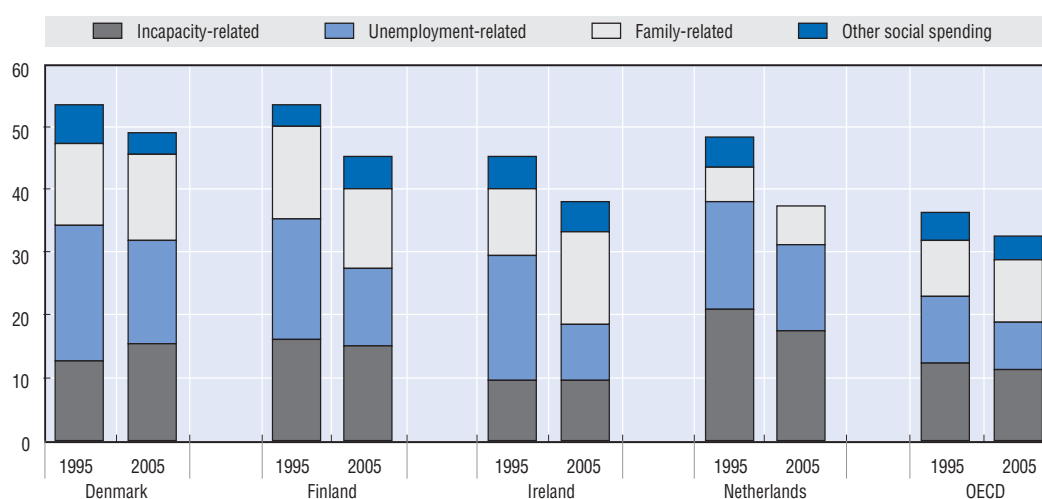
Adding expenditures on occupational injury benefits and services to those on disability and sickness benefits raises total public spending on incapacity-related schemes to around 4% of GDP in the two Nordic countries, i.e. a level close to that of the Netherlands,

and to 1.5% in Ireland (OECD average 2.5%). This is a considerable commitment of resources – especially when compared with other working-age related public social expenditure.

Today, incapacity-related public spending is as important as unemployment-related expenditures in Denmark (each of the two categories account for some 16-17% of total social expenditures), Finland (13-15%) and Ireland (9-10%) (Figure 1.5). This has not been the case in the past: in 1995, unemployment-related expenditures were considerably higher in these three countries. On the other hand, incapacity-related spending is much higher than unemployment- but also family-related public spending in the Netherlands: it accounts for as much as one fifth of total public social expenditures.<sup>12</sup>

**Figure 1.5. Incapacity-related spending increasingly as important as unemployment-related spending**

Annual non-health working-age spending,<sup>a</sup> by type, percentage of total public social expenditures, 1995 and 2005



a) Incapacity-related spending includes public disability and sickness benefits as well as services for people with disability. Unemployment-related spending includes unemployment benefits and active labour market programmes for the unemployed; family-related spending includes family allowances, parental leave benefits and child and childcare services; and other spending mainly includes social assistance and housing benefits.

Source: OECD Social Expenditure database.

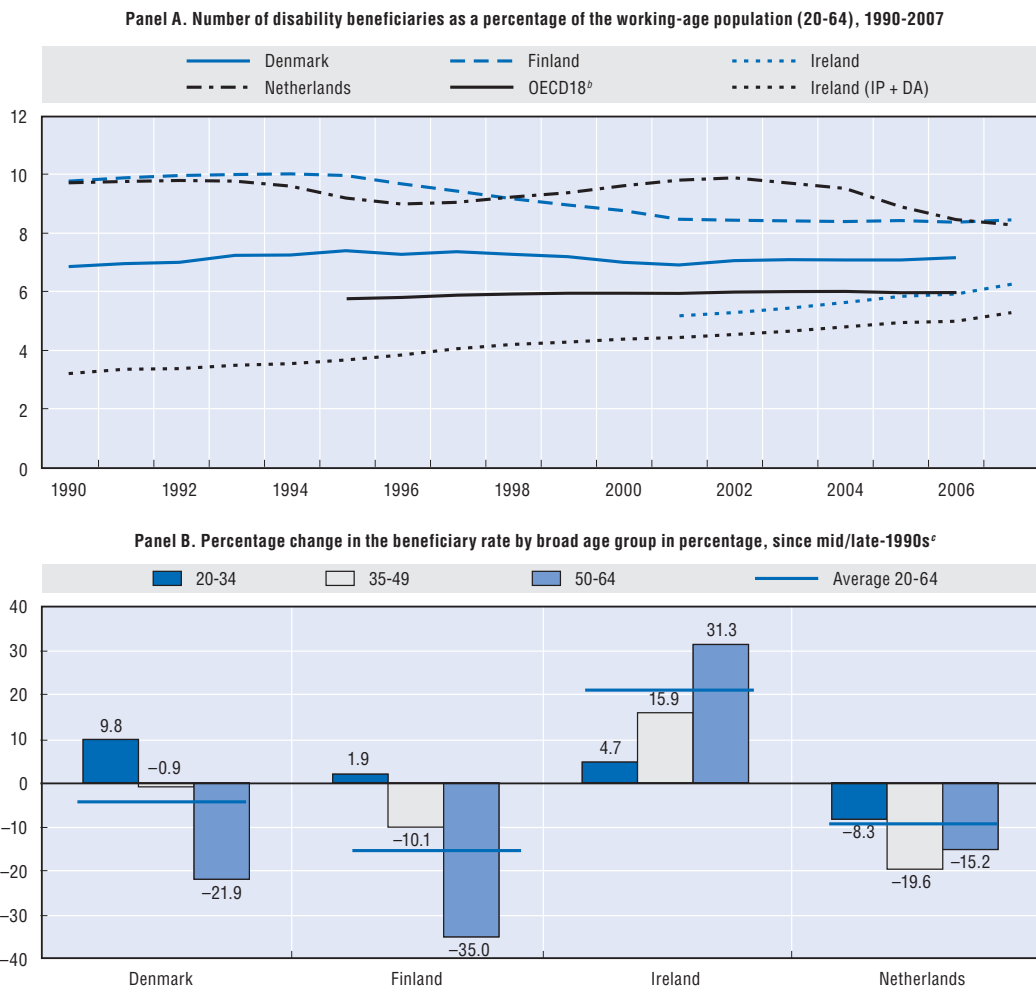
## B. Trends in benefit recipiency

Trends in benefit recipiency rates among the working-age population vary across the four countries (Figure 1.6, Panel A). In Denmark, the beneficiary rate oscillated around 7% for the past 15 years. In Finland, the share of disability beneficiaries decreased from 10% to 8.5% in the late 1990s and remained stable since 2001. The Netherlands recorded a steady decrease in beneficiary rates since 2002. Ireland was the only country where disability beneficiary rates increased steadily throughout the whole period, up to currently 6%. That said, by 2007 all four countries recorded levels superior to those found across 18 OECD countries in 2006.

Changes in beneficiary rates during the past ten years have been driven mostly by the older age groups except in the Netherlands where it has been driven by both prime-age adults and older age groups. This is in contrast to the experience of the four countries reviewed in 2007 (Australia, Luxembourg, Spain and the United Kingdom) where changes

Figure 1.6. **Disability benefit rolls are increasing in Ireland but have fallen recently in the Netherlands**

Benefit recipiency rates 1990-2007 and change in the beneficiary rate by broad age group (percentage)<sup>a</sup>



DA = disability allowance; IP = invalidity pension.

- a) Beneficiaries: disability pension (Denmark); persons receiving statutory earnings-related pension and/or national disability pension (Finland); disability allowance, invalidity pension and persons on illness benefit for over two years (Ireland); the longer time series (IP + DA) excludes illness benefit; Wajong, WAO and WIA (Netherlands).
- b) OECD18 is an unweighted average comprised of: Australia, Austria, Belgium, Denmark, Finland, Germany, Ireland, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.
- c) Period covered is 1995-05 in Denmark, 1995-2007 in Finland, 1999-2006 in Ireland and 1999-2007 in the Netherlands.

Source: Data supplied by national authorities: Statistics Denmark (Denmark), ETK (Finland), Department of Social and Family Affairs (Ireland), MEV 2007 (Netherlands).

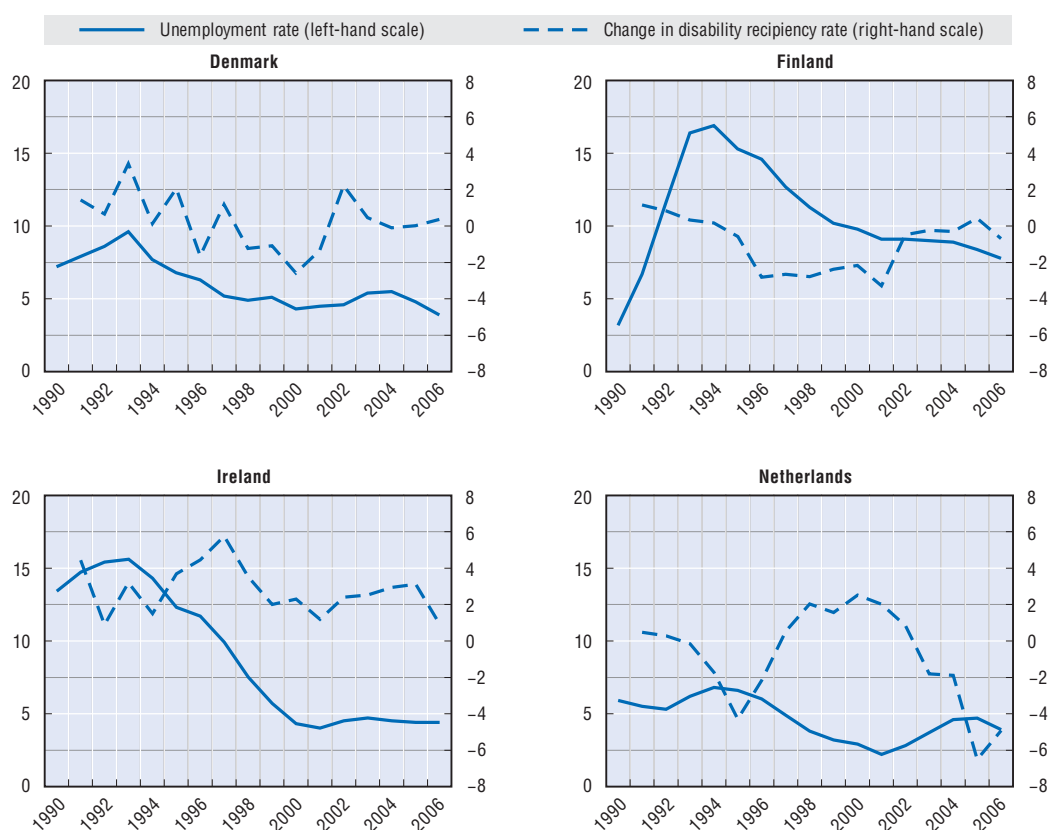
were to a larger extent attributable to younger people. For instance, in Denmark and Finland the beneficiary rate of people below 35 increased while it fell for people over 49, by as much as one-fifth (Denmark) and one-third (Finland), respectively (Figure 1.6, Panel B).

The data above do not reflect the full picture on dependency on health-related benefits in all countries. In Denmark, in particular, other benefits such as rehabilitation benefits are frequently used, with more than 11% of the working-age population receiving some type of health-related benefit – a share that is higher than in both Finland and the Netherlands and many other OECD countries.

To what extent are changes in disability reciprocity rates explained by “substitution” between benefits, in particular between disability and unemployment benefits? Figure 1.7 plots the development of the unemployment rate (ILO definition) since 1990 against percentage point changes in the disability reciprocity rate. This suggests that there is indeed a strong statistical relationship between these two schemes in Finland and the Netherlands, a weaker relationship in Ireland and practically no relationship (except in 2002-2003, the first year after the disability reform) in Denmark. The fall in unemployment seems to have resulted in higher disability reciprocity rates to some degree, and *vice versa*.

Figure 1.7. **Some substitution between disability and unemployment in Finland and the Netherlands**

Unemployment rate and percentage point changes in disability beneficiary rate, 1990-2006<sup>a</sup>



a) Beneficiaries: disability pension (Denmark); persons receiving statutory earnings-related pension and/or national disability pension (Finland); disability allowance, invalidity pension and persons; Wajong, WAO and WIA (Netherlands).

Source: Data supplied by national authorities: Statistics Denmark (Denmark), ETK (Finland), Department of Social and Family Affairs (Ireland), MEV 2007 (Netherlands). OECD Labour Force Statistics.

### C. Average benefit levels

The second key factor in explaining spending trends is developments in average benefit levels. It appears that trends in disability beneficiary rates are to some extent mirrored by trends in levels of average disability benefits and this contrasts the pattern identified in the four countries reviewed in OECD (2007b), Australia, Luxembourg, Spain and the United Kingdom. Table 1.8 summarises the development and relative level of average disability benefits over the period 2001 to 2006. On the one hand, in Denmark and



**Table 1.8. Average disability benefits grew faster than wages in Denmark and Ireland, but lagged behind in Finland and the Netherlands**

Annual average growth rates of average disability benefit, gross wage and take-home pay (in real values), 2001-2006<sup>a</sup>

	Annual average growth real values, <sup>b</sup> 2001-2006 <sup>c</sup>			Disability benefit, 2006		
	Disability benefit	Gross earnings	Take-home pay	% of minimum wage	% of gross earnings	% of take-home pay
Denmark	2.3	0.8	1.6	*	41	68
Finland	0.7	2.9	3.6	*	35	50
Ireland	5.9	1.8	2.3	57	35	40
Netherlands	-1.5	0.6	-1.1	100	40	62

a) Data for Denmark refer to the disability pension, for Finland to persons receiving statutory earnings-related pension and/or national pension (full or partial), for Ireland to invalidity pension recipients and to WAO/WAZ recipients for the Netherlands. Disability benefits reported as gross values. Gross earnings refer to the average worker earnings, take-home pay to net earnings of an average worker (see OECD, 2008c).

b) Deflated with private consumer price index (PCPI).

c) Years 2000-2005 for Denmark and 2000-2006 for the Netherlands.

Source: Data supplied by national authorities; OECD (2008), *Taxing Wages 2006-2007*.

especially Ireland the real average value of disability benefits increased much faster than corresponding wage indicators. In both countries the annual growth was some three times higher than that of gross earnings. Nevertheless, in Ireland, this increase in benefit levels was not sufficient to counter the drop in disposable household incomes and the rise in poverty levels.

On the other hand, in Finland and the Netherlands, the annual average growth rate of disability benefits lagged behind that of net and gross wages. In the Netherlands, the real value of WAO/WAZ payments even fell, by about 1.5 points annually between 2000 and 2006. It should be noted that changes in average benefit figures do not necessarily mirror changes in persons' income levels. Changes in average benefit levels can be the result of a number of developments: changes in the composition of beneficiaries, *e.g.* with regards to age; changes in the share of people on partial benefits; and, also, benefit reforms.

There are fewer differences as to the relative value of the average disability benefit across countries. In all four countries, the average benefit is "worth" between 35 and 40% of average gross earnings.<sup>13</sup> It is an open debate whether these constitute levels which can possibly lead to "benefit traps" for some of the beneficiaries (see Chapter 4). Due to different income tax regimes, there are more differences with regard to benefit levels relative to net earnings (take-home pay), which span from 40% in Ireland to 68% in Denmark. Where minimum wages exist, they are set at around the same level as the average disability benefit (Netherlands) or much higher than this (Ireland).

## 1.4. Exclusion and inclusion errors: disability benefit reciprocity and disability prevalence

### A. Understanding the concept of "disability"

The number and composition of people describing themselves as "disabled" due to a health condition is not identical to those who claim and receive an incapacity-related benefit. Estimating the extent of "disability" is therefore far from being straightforward. In contrast to the contingency "unemployment" for instance (having a job or not; searching and being available for work or not), disability status is rarely dichotomous and much more a matter of degree. Disability can be defined as a self-assessed status or else as a legal



status based on administrative sources, *e.g.* benefit receipt or holding a legal disability certificate. Often, and perhaps inaccurately so, these two definitions are referred to as “subjective” versus “objective” disability. All four countries under review use data and indicators derived from both self-assessed and administrative definitions.

None of the above definitions and measures is “superior” to the others; rather, they measure different though related phenomena. Throughout this report, both types of measures are analysed. In general, when mention is made of “disability prevalence”, this refers to *self-reported* disability status, while “disability reciprocity” (current numbers and inflows into disability) is calculated on the basis of *administrative* definitions, *i.e.* reciprocity of disability benefit.

Beneficiary rates according to registers amount to between 6% (Ireland) and 8.5% (Netherlands) (column A of Table 1.9). Household surveys estimate a larger share of disability benefit recipients in the working-age population as do administrative registers, especially in Ireland (column B). In the latter country this is mainly due to the fact that the survey includes all sickness benefit recipients in the estimate. In the two Nordic countries, surveys estimate 1 to 3 percentage point higher beneficiary rates and in the Netherlands, survey estimates are even slightly lower than registers. On the other hand, “subjective” definitions on the basis of own-assessed health lead to much higher disability rates (columns D to F): between 12% in Ireland and as much as 34% in Finland. That said, due to variations in actual questions asked, even among the self-assessed category using very similar definitions, estimates may vary between surveys, as can be seen when comparing results for Finland and the Netherlands in Columns D and F. Finally, estimates for a sub-set of self-assessed disability derived via work-related status – those specifying their status as

**Table 1.9. Disability benefit receipt and disability prevalence: two different concepts**

Number of working-age persons with a disability as a percentage of the working-age population, 2005 (or closest)

	Administrative disability status			Self-assessed disability status				
	Beneficiaries (registers)	Beneficiaries (survey)	Legal status (survey)	Health definition: EU-SILC	Health definition: National LFS	Health definition (EU-LFS 2002)	Work status definition (EU-LFS)	Search for work definition (EU-LFS)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Denmark	7.1	10.4	..	14.0	20.7	20.6	7.1	6.4
Finland	8.4	9.6	9.9	23.6	..	33.7	6.9	6.8
Ireland	6.0	12.1	..	13.6	..	11.7	3.3	0.4
Netherlands	8.5	7.2	..	19.2	16.8	26.4	5.0	6.1

.. : Data not available.

Source and definitions: (A) Denmark (2005): disability pension; Finland (2006): persons receiving statutory earnings-related or national disability pension; Ireland (2006): disability allowance, invalidity pension and persons on illness benefit for over two years; Netherlands (2006): Wajong, WAO and WIA benefit; (B) Denmark (2005): LFS 2005, disability pension (or early retirement); Finland (2005): EU-SILC 2005, national estimates ; Ireland (2005): EU-SILC 2005, national estimates; Netherlands (2005): EU-SILC 2005, Secretariat's estimates; (C) Finland (2005): IDS (Income Distribution Statistics), Persons with legal certificate giving raise to tax deductions/allowances due to disability; (D) Denmark (2005) and Netherlands (2005): EU-SILC, Secretariats estimates; Finland (2005) and Ireland (2005): EU-SILC 2005, national estimates (persons with a chronic health problem and limited in daily activities for at least six months); (E) Denmark (2005): LFS 2005 (persons with a long-standing health problem or disability); Netherlands (2006): LFS (work disabled: suffering from a long-lasting complaint, illness or disability which impedes carrying out or obtaining a paid job); (F) EU-LFS 2002 *ad hoc* module on employment of people with disability: existence of a long-standing health problem or disability; (G) EU-LFS 2005: persons who give as main status "permanently disabled"; (H) EU-LFS 2005: persons who are not looking for work because of illness/disability.

“permanently disabled” (column G) and those not looking for work because of illness or disability (column H) – result in estimates of disability which are below administrative definitions. They range between below 1% in Ireland and 6-7% in the other three countries.

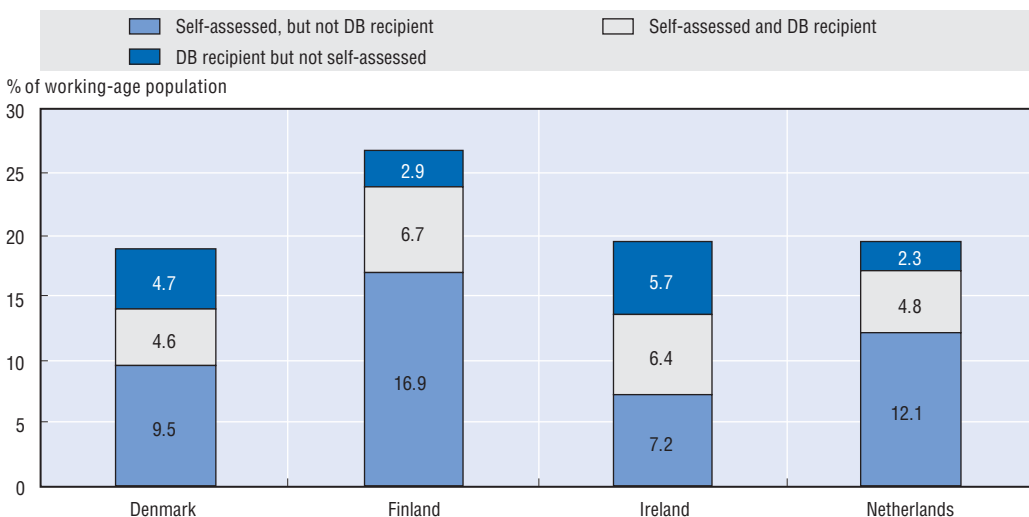
### B. Exclusion and inclusion errors

Among those who assess themselves as having a disability, many will not claim or receive disability benefits. They remain “excluded” from the benefit system, either because they are working and/or they have otherwise sufficient economic resources, *e.g.* via other household members (a central issue in family means-tested systems such as in Ireland), or else because of “true” exclusion errors such as insufficient benefit information or stigmatisation. At the same time, there may be a number of persons “included” in the benefit system who would not consider themselves as having a disability.

Figure 1.8 explores the overlap between these population groups in more detail. The total height of the bars indicates the possible extent of disability – *i.e.* people self-assessed as having a disability or disability benefit recipients, or both. This amounts to around 25% of the working-age population in Denmark and a around 20% in Finland, Ireland and the Netherlands. The middle bars show the overlap between the different disability definitions, *i.e.* people who assess themselves as having a disability and who are also on disability benefit rolls. These are between 5% and 7% of the working-age population and they constitute a minor share of the total “disability potential”, namely one-third in Ireland and just one-quarter in the other three countries.

Figure 1.8 gives some first indication on the size of “inclusion” and “exclusion” errors: people on benefit registers who do not describe themselves as having a disability on the one hand (upper bars), and people who describe themselves as having a disability but do not receive benefits on the other (lower bars). At first sight, possible inclusion errors seem to be much lower than exclusion errors in three of the four countries. Around one-third of

Figure 1.8. **Many persons with disability do not receive disability benefits and many recipients do not claim to have a disability either**  
Overlap between self-assessed and benefit recipient disability, 2005



DB = disability benefits.

Source: EU-SILC 2005, Secretariat's estimates (Denmark, Netherlands); and EU-SILC 2005, national estimates (Finland, Ireland).

persons on a disability benefit consider themselves as not having a disability in Finland and the Netherlands and about half in Denmark, while a large majority of self-assessed people with disability do not receive a disability benefit in these countries (around 70%). The exception is Ireland: both the possible inclusion and exclusion errors are around 50%.

These summary indicators capture the extent of exclusion from disability benefits at large, but not necessarily “exclusion errors”. People with disability may be covered by other social benefits or may have own earnings preventing them from drawing disability benefits. Table 1.10 therefore presents two additional estimates of exclusion errors, namely the share of persons with disability without any public social benefit, and, among those, people not being employed.

The share of people with disability without access to any public social benefit is between 20 and 25%. When turning to the strictest definition – those with neither benefits nor employment – the exclusion error falls to 8% in Ireland and the Netherlands, 2% in Denmark and merely 1% in Finland. These values are much lower than those found for a set of countries studied by OECD recently (OECD, 2007b). In general, when applying the strictest definition of exclusion error, those excluded are primarily women, especially in the Netherlands. There are two very different age patterns: in the two Nordic countries, the share of young people with disability increases for those who have neither access to any public benefit nor to employment, from 23% to 28% in Denmark and from 17% to 37% in Finland. On the contrary, in the other two countries only very few younger people with disability are found among those with neither a benefit nor a job (9% in Ireland, 3% in the Netherlands), and this situation concerns to a large majority older persons with disability.

**Table 1.10. Exclusion errors are low in all four countries and lowest in Finland**

Different estimates of exclusion errors, by gender, age and severity of disability, percentage shares, around 2005

Disability status			Percentage distribution						
			Men	Women	20-34	35-49	50-64	Moderate	Severe
Denmark	Total self-assessed disabled population	100	39	61	23	29	44	..	..
	<i>of which:</i>								
	– without disability benefit	67	39	61	29	29	35	..	..
	– without any benefit	20	43	57	24	17	60	..	..
	– without any benefit and not employed	2	35	65	28	20	52	..	..
Finland	Total self-assessed disabled population	100	48	52	17	30	52	68	32
	<i>of which:</i>								
	– without disability benefit	66	47	53	20	35	43	75	25
	– without any benefit	20	49	51	17	23	59	77	23
	– without any benefit and not employed	1	36	64	37	7	55	70	30
Ireland	Total self-assessed disabled population	100	47	53	18	34	47	63	37
	<i>of which:</i>								
	– without disability benefit	53	40	60	19	34	45	76	24
	– without any benefit	13	45	55	16	20	64	81	19
	– without any benefit and not employed	4	30	70	9	9	82	67	33
Netherlands	Total self-assessed disabled population	100	42	58	16	35	46	58	42
	<i>of which:</i>								
	– without disability benefit	72	39	61	20	34	42	67	33
	– without any benefit	24	45	55	19	23	58	77	23
	– without any benefit and not employed	8	12	88	3	12	85	66	34

Source: EU-SILC 2005, Secretariat's estimates.

Finally, exclusion seems to concern persons with moderate disability more than those with severe disability.

## 1.5. Demographic challenges: population ageing and future labour supply shortages

The number of both self-assessed persons with disability and disability benefit recipients increase strongly with age in all four countries. The process of population ageing will, therefore, “automatically” translate into higher disability rates, without any behavioural changes and other things being equal. Related to this fact are concerns about declining labour supply in the forthcoming decades due to population ageing. Mobilising under-utilised labour potential among older workers and workers with disability is sometimes seen as one of the policy answers to this challenge.

### A. Effects of ageing on recent trends among disability beneficiaries

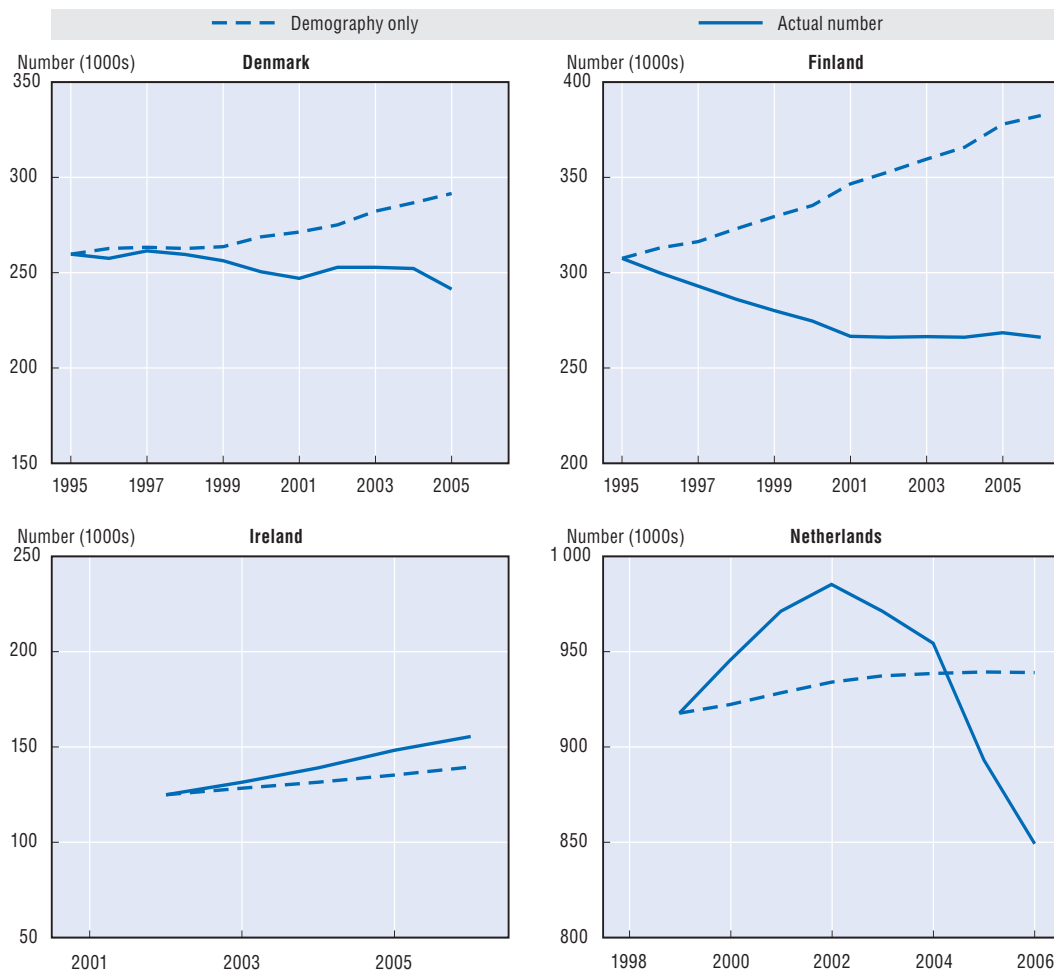
The risk of disability recipiency increases strongly with age; with people aged 50 to 64 having more than twice a probability to be in benefit receipt than the total working-age population (see Table 1.13). Differences in the age structure of the working-age population may therefore explain part of the differences in benefit recipiency rates across the four countries. Adjusting for these differences by applying an OECD average age structure would lower the actual disability recipiency rate especially in Finland (7.2% instead of 8.4%) but also in Denmark (6.6% instead of 7.1%) and the Netherlands (8.0% instead of 8.5%), but slightly increase it in Ireland which has a much younger working-age population (6.3% instead of 6.0%).

To what extent are recent trends in disability beneficiary numbers explained by changes in the population structure in each country? The “pure” effect of ageing can be explored by producing an estimated historical series of disability beneficiaries for the past decade or so for each country, multiplying 1995 (or closest) age- and gender-specific beneficiary rates by population numbers for subsequent years in each age and gender group. The difference between the estimated results and the actual beneficiary numbers is the part of the trend resulting from changes in benefit recipiency rates and therefore not explained by changes in the size of the population “at risk” but by behavioural changes, effects of policies, or both.

Demographic changes alone (dotted lines in Figure 1.9) would have continuously increased disability beneficiary rates in the past years in all countries: by some 10% in Denmark and 20% in Finland, between 1995 and 2005; by 12% in Ireland (since 2002); and by 2% in the Netherlands (since 1999). Actual developments, however, diverged largely across countries (straight lines in Figure 1.9). In Ireland, about half of the increase in beneficiary numbers since 2002 was due to changes in the population age structure, *i.e.* the relatively larger increase in the number of older workers who have a higher risk of acquiring a disability. The other half is explained by changes in the beneficiary rates themselves. The same trend appeared in the Netherlands between 1999 and 2002. However, in the past four years, actual beneficiary rates dropped substantially while the demographic pressure did not – even though the ageing trend was more favourable than in the other three countries. Likewise, in Denmark and Finland, actual beneficiary rates declined by 7% and 13%, respectively, despite the ageing of the working-age population, *i.e.* the reduction since 1995 could have been even larger in the absence of ageing.

Figure 1.9. **Recent trends in beneficiary numbers do not mirror trends in population ageing**

Observed number of disability beneficiaries and estimated number on the basis of beneficiary rates<sup>a</sup> in the first year available since 1995



a) The dotted lines labelled “demography only” show estimated numbers of beneficiaries under the assumption of constant age- and gender-specific beneficiary rates of 1995 (2002 for Ireland; 1999 for the Netherlands); the solid lines show the actual numbers of beneficiaries. All data refer to the age group 20-64.

Source: OECD Population database and beneficiary data from national insurance administrations.

## B. Demographic challenges on disability policies over the coming decades

Yet another question is how disability beneficiary rates and numbers will evolve over the coming decades as a consequence of future population ageing, all other things being equal. By using national population projections,<sup>14</sup> future trends in disability recipiency and prevalence are estimated, again assuming for illustrative purposes that rates by age and gender remain constant from 2005 onward.

Results from these projections are summarised in Table 1.11. Both the number of beneficiaries and of persons with disability is projected to increase by roughly one-third in Ireland in the very long run, i.e. by 2050, but to slightly decline (5-7%) in Finland and the Netherlands and to decline by some 10% in Denmark. Overall, therefore, the demographic pressure on disability policies could well be much higher in Ireland than in the other three countries.

**Table 1.11. Population ageing will have a larger impact on beneficiary and prevalence trends in Ireland**

Projected number of disability beneficiaries and self-assessed persons with disability, 2005-2050<sup>a</sup>  
(numbers in thousands)

	Denmark		Finland		Ireland		Netherlands	
	Disability benefit recipients	Self-assessed population with disability	Disability benefit recipients	Self-assessed population with disability	Disability benefit recipients	Self-assessed population with disability	Disability benefit recipients	Self-assessed population with disability
2005	174	404	265	776	148	308	898	1 681
2010	171	397	287	798	163	337	944	1 721
2015	172	401	275	771	173	358	938	1 707
2020	172	399	266	752	184	379	943	1 695
2025	165	387	259	735	195	397	928	1 656
2030	157	371	250	719	203	410	886	1 588
2035	150	357	245	715	209	419	837	1 529
2040	148	355	254	726	210	420	818	1 516
2045	153	363	255	727	203	410	832	1 536
2050	155	367	253	722	196	399	850	1 559

a) The results refer to the age group 20-64 for all four countries.

Source: Authors' projections based on OECD *Population database* and beneficiary data from National Insurance Administrations.

Applying specific labour-market integration targets to population and labour force projections can shed some light on the possible impact of mobilising the labour potential among persons with disability. This is done in Figure 1.10 which compares projections of the total labour force (long-dotted lines, on the basis of the above population projections) with projections of the labour force augmented by estimates of persons with disability taking up work (short-dotted lines). The scenario assumes that, by 2025, all four countries will have succeeded in integrating inactive persons with disability into the labour force by an age- and gender-specific percentage which corresponds to the EU-average percentage of persons with disability wishing to work (see Table 1.4) and to double this percentage by 2050. For example, it is assumed that by 2025, 29.7% of 20-34 year old inactive men with a disability will enter the labour force and another 29.7% between 2025 and 2050. This is assumed to be phased in annually from 2005 onward.

Figure 1.10 shows that the labour market integration of all those who would wish to work would have sizeable effects on projected labour supply, although the overall effects could well be insufficient to cope with labour shortages. By 2050, the optimistic scenario would result in a labour force which is some 5 (Denmark, Finland) to 10 (Ireland, Netherlands) percentage points higher than under the constant labour force scenario. This would close the gap to the projected growth of the total population by almost 30% in the two Nordic countries, but more than 50% in Ireland and the Netherlands.

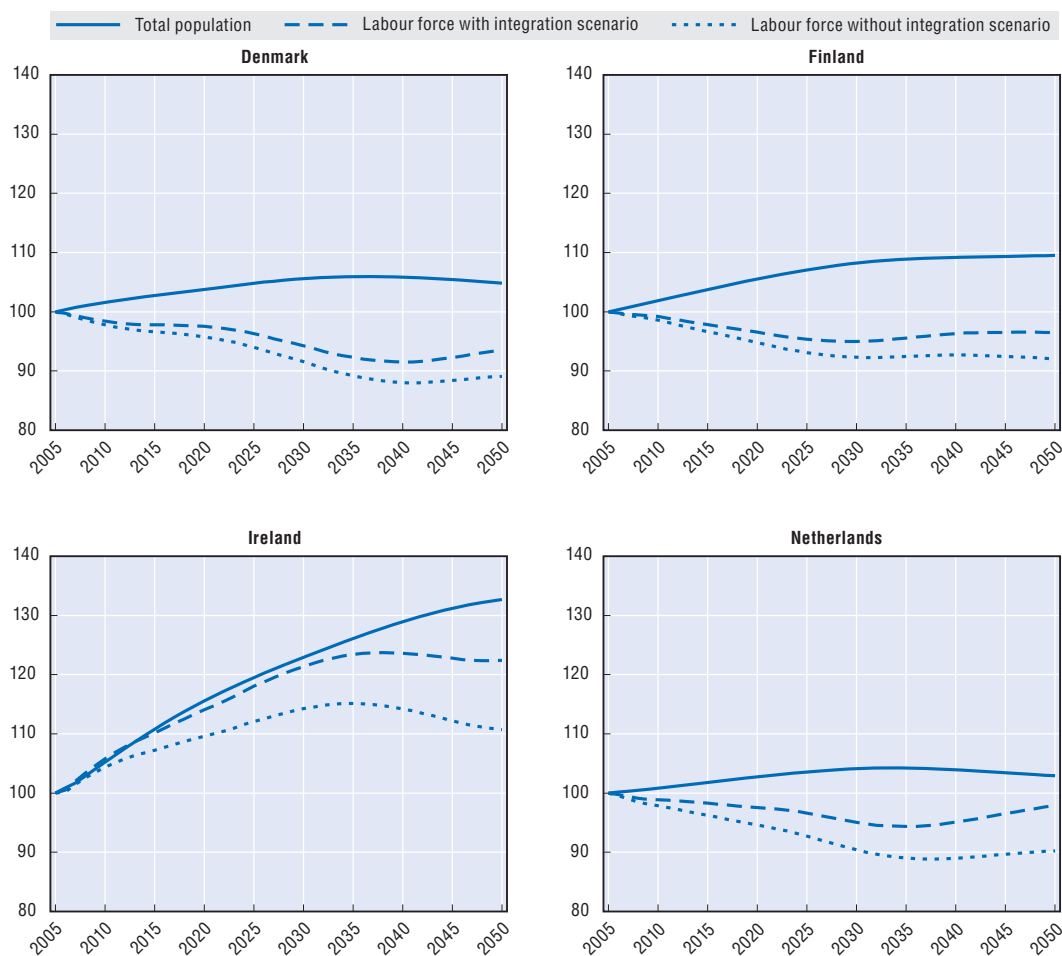
## 1.6. Impact of labour market requirements: work and health

### A. Disability and health trends in the population

As shown above, disability based on self-assessment (“disability prevalence”) concerned between 14% (Ireland) and as much as 24% (Finland) of the working-age population and, except in the Netherlands, these figures have not decreased in the past ten years. In Denmark, the prevalence rate increased by 4 percentage points, while gender, age and education differences became smaller. Disability benefit reciprocity among the working-age population is lower, between 6% (Ireland) and 8.5% (Netherlands) (Table 1.12).

**Figure 1.10. Labour market integration of persons with disability would have sizeable effects in Ireland and the Netherlands**

Projected population and labour force 2005-2050 (2005 = 100),  
labour force under pure demographic and policy reform scenario<sup>a</sup>



a) The short dotted lines assume constant age- and gender-specific disability prevalence rates as at 2005. The long dotted lines assume an annual reduction of beneficiaries until 2050 corresponding to percentages of persons with disability who say they want to work, by age and gender.

Source: OECD (2006), data supplied by national authorities and OECD *Population database*.

Gender differences in self-reported disability are relatively small (Table 1.12, Panel A.). That said, at the most recent date, disabilities are slightly more prevalent among women in all four countries. There is much more of a differential across age, with disability prevalence gradually increasing by age in all four countries, and reaching 1.5 times the overall level at age 50 to 64. That said the age differential seemed to narrow slightly in the past ten years. Educational attainment is negatively linked with disability prevalence, and this link has become stronger over the years in Ireland and the Netherlands.

Relative benefit recipiency rates by age and gender are different from those for disability prevalence (Table 1.12, Panel B.): first, relative benefit recipiency rates of older workers are much higher in all four countries than for disability prevalence – at least twice the overall rate (although decreasing in the two Nordic countries in the past ten years). Second, the gender distribution is opposite in all countries except Denmark, with more



**Table 1.12. Disability prevalence is higher for women, older workers and the low-skilled**

Trends in self-assessed disability prevalence and in disability benefit reciprocity by gender, age group and educational attainment, various years

All (20-64)			Gender		Age group			Educational attainment		
			Male	Female	20-34	35-49	50-64	Below secondary	Upper secondary	Tertiary
Panel A.	Prevalence rate	Relative prevalence (overall prevalence rate = 100)								
Denmark	1995	16.4	84	115	67	90	159	161	83	71
	2005	20.7	94	106	61	90	144	144	95	70
Finland	1996	23.4	94	106	50	83	184	152	90	64
	2005	23.6	98	102	55	87	153	142	99	74
Ireland	1995	11.8	97	103	63	91	160	144	67	(45)
	2005	13.6	95	105	48	99	157	166	66	46
Netherlands	1995	17.8	92	107	63	95	161	120	101	71
	2006	16.8	91	109	53	92	155	157	88	59
Panel B.	Reciprocity rate	Relative reciprocity (overall reciprocity rate = 100)								
Denmark	1995	7.4	83	117	21	75	280	..	..	..
	2005	7.1	90	110	24	78	232	..	..	..
Finland	1995	10.0	106	94	17	50	322	..	..	..
	2005	8.4	105	95	20	54	249	..	..	..
Ireland <sup>a</sup>	2001	5.2	108	92	49	86	233	..	..	..
	2006	6.0	102	98	46	89	236	..	..	..
Netherlands	2000	9.6	114	86	38	83	232	..	..	..
	2006	8.5	109	91	37	73	226	..	..	..

a) Age group 20-34 refers to ages 16-34.

Source: Panel A: ECHP Secretariat's estimates for 1995/96; LFS (Denmark, Netherlands), and EU-SILC Secretariat's estimates (Finland, Ireland) for 2005/6; ECHP estimates provided by ESRI. Due to differences in data collection and definitions, results based on EU-SILC 2005 are not strictly comparable with those based on ECHP 1995 and 2000. Panel B: Statistics Denmark; ETK, Finland; DSFA, Ireland; and MINSZW, Netherlands.

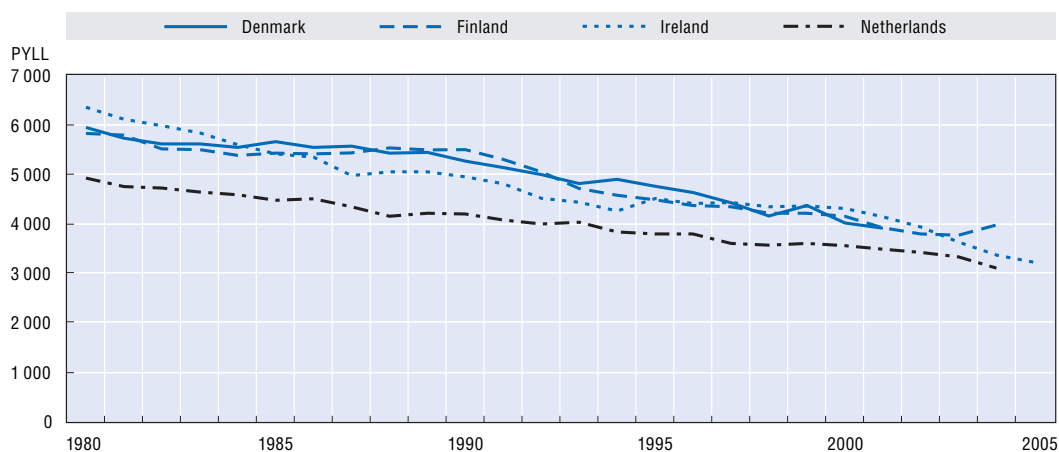
men than women receiving a disability benefit. This suggests that, for reciprocity, factors other than health seem to play a key role.

These large and persistent numbers of people with a self-assessed disability as well as disability benefit recipients have to be seen against the background of the improving "objective" health status of the population. One such indicator of this improvement is the "potential years of life lost" (PYLL). This is a summary measure of premature mortality, which provides an explicit way of weighting deaths occurring at younger ages that are, *a priori*, preventable. In all four countries this measure has fallen in the past 25 years. During the 1980s, the decrease was more pronounced in Ireland (minus 22%) than in the other countries (minus 6-15%). Since 1990, the summary measure has fallen by 25 to 30% in all four countries (Figure 1.11).

This means that subjective health or disability indicators provide quite a different trend picture of the health status than objective ones. Furthermore, developments in disability benefit receipt over time are not related to trends in either objective or subjective health indicators. Again, this suggests that these latter trends are to a considerable extent influenced by factors beyond health.



Figure 1.11. **Steadily improving health status in all four countries**  
Potential years of life lost (PYLL) until age 70, per 100 000 of population, 1980-2005<sup>a</sup>



a) The calculation of PYLL involves summing up deaths occurring at each age and multiplying this by the number of remaining years to live up to a selected age limit. The limit of 70 years has been chosen for the calculations.

Source: OECD Health Data 2007, December 2007.

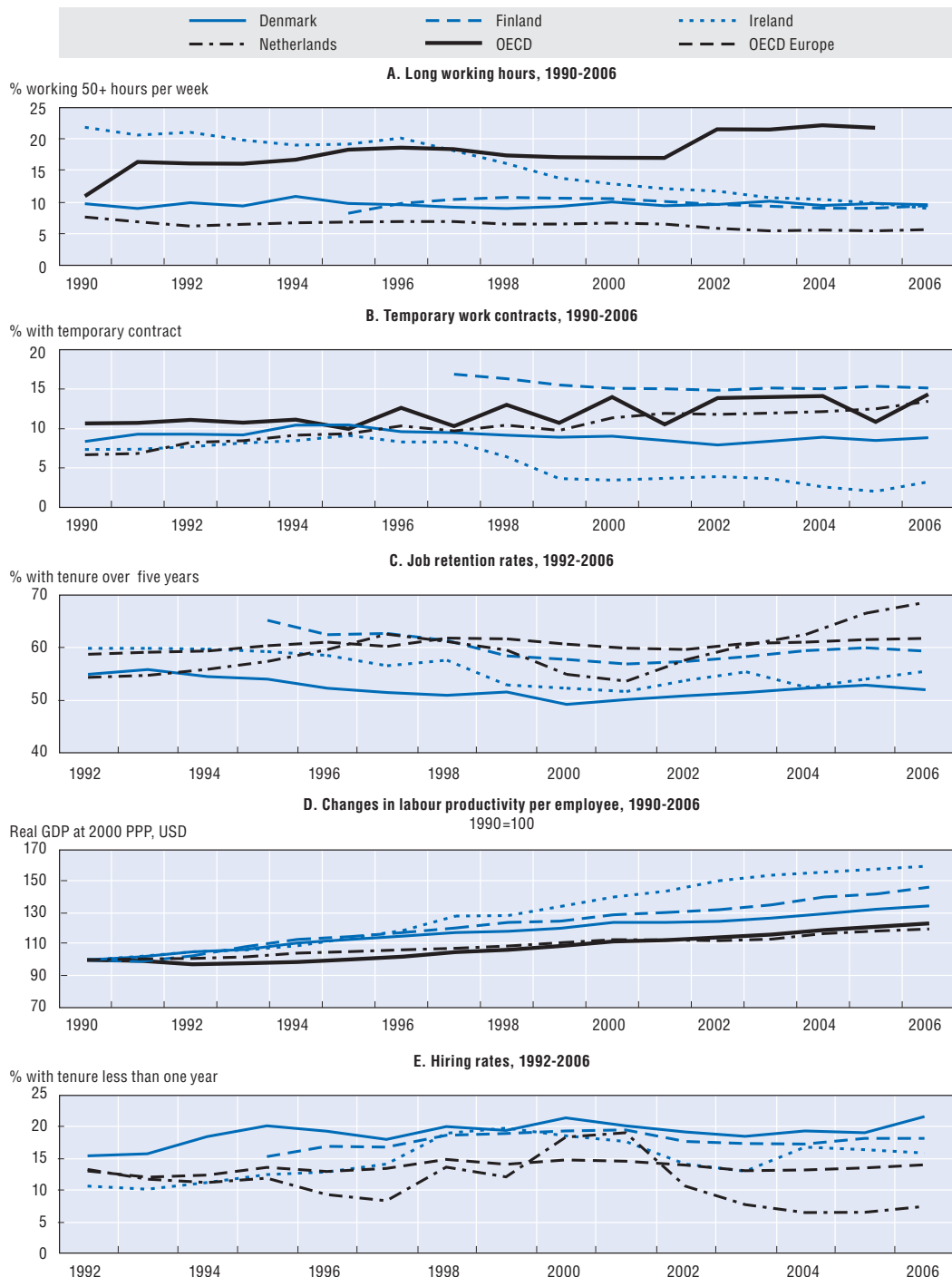
## B. Labour market requirements and health

The current restructuring of the labour market in post-industrialised economies has profoundly changed labour market requirements. In the context of continuously increasing efficiency and competitiveness, permanent core employment is said to be shrinking and workloads, work pressure and job insecurity increasing. All these pressures can affect sickness and disability prevalence via two channels: first, so-called “niche jobs” become rarer, leaving less employment opportunities for people with reduced workability because of health problems and disabilities. Second, increased work pressure and falling work satisfaction themselves can create health problems of employees and lead to disability. However, being inactive or unemployed was also shown to have a negative impact on mental health in particular (OECD, 2008d).

The impact of labour market restructuring on the actual work pressure for employees is difficult to measure, and available *objective* indicators are inconclusive (Figure 1.12). Changes in the share of employees with long working hours (as an indicator of workloads), for instance, were rather negligible in Denmark, Finland and the Netherlands, while they considerably fell in Ireland, from over 20 to below 10%. Further, their levels are below OECD average in all four countries. The share of temporary work contracts as a proxy for atypical work and job insecurity has also remained fairly stable (and again been decreasing in Ireland), as in the OECD area as a whole. Job stability, measured through five-year job retention rates, has shown a slightly increasing trend in all four countries in the past couple of years.

On the other hand, labour productivity per employee (as another indicator of work intensity) has continuously been growing and growth rates are above the level of OECD average in three of the four countries, especially in Ireland. Finally, hiring rates do not show a continuous trend in any of the countries. More recently, they have fallen significantly in the Netherlands, from almost 20% in 2000 to only 7% in 2004, which is far below the level found elsewhere.

Figure 1.12. **Inconclusive evidence on objective changes in the working environment**



Source: Panel A: OECD database on Usual Hours Worked, Panel B: OECD database on Temporary Work, Panel C and Panel E: OECD database on Job Tenure, Panel D: OECD Economic Outlook No. 80.

Comparative evidence on levels and trends in *perceived* working conditions and demands of work in EU countries suggests that the work intensity may indeed have increased. Table 1.13 shows several indicators of perceived working conditions: cognitive

**Table 1.13. Increasing levels of perceived work intensity in most European countries**

Percentage of employed persons reporting specific working conditions, 2005 and changes since 1995<sup>a</sup>

	Denmark		Finland		Ireland		Netherlands		EU15	
	Level	Trend	Level	Trend	Level	Trend	Level	Trend	Level	Trend
1.a. Main job involves complex tasks	76	+++	72	=	55	=	63	+	60	=
1.b. Main job involves learning new things	89	=	90	=	76	+	83	=	74	=
2.a. Able to choose/change order of tasks	86	=	81	=	72	+	79	=	69	=
2.b. Able to choose/change speed of work	75	-	75	=	75	=	75	-	71	=
3.a. Job involves working at very high speed	34	+++	36	+++	15	+	19	=	26	+++
3.b. Job involves working to tight deadlines	35	+++	36	+++	28	+++	25	-	28	+++
4. Satisfied with working conditions in the job	93	=	85	-	87	-	88	=	84	=

a) Levels refer to year 2005. Trends refer to percentage changes 1995-2005: “+++” denotes an increase of more than 20%; “+” denotes an increase of between 5% and 20%; “=” denotes changes between -5% and +5%; “-” denotes a decrease of more than 5%; “--” denotes a decrease of more than 20%.

Source: OECD Secretariat calculations based on various waves of the European Working Conditions Survey from the European Foundation for the Improvement of Living and Working Conditions.

demands of work (items 1.a and 1.b), autonomy in the workplace (2.a and 2.b), work intensity (3.a and 3.b) and work satisfaction (4). Neither demands of work nor autonomy in the workplace have increased much in the past ten years, with the notable exception of the complexity of tasks in Denmark where the level of demands has been high already. On the other hand, work intensity increased strongly in Denmark, Finland and Ireland (as it did in the European Union as a whole) though not in the Netherlands.

This finding is important insofar as work intensity appears to be one of the key factors for stress at work. Reported levels of work-related stress are above EU15 average in Denmark, average in Finland, and below average in Ireland and the Netherlands. Persons who work under conditions of high work intensity report stress levels almost twice as high as those reported by people who do not have to work with complex tasks, at high speed or to tight deadlines (Table 1.14). The only other element that appears to be as important or even more important for the perceived level of stress resulting from work is work satisfaction: across the European Union, one in two workers who are not satisfied with the working conditions in their main job report stress at work, with results for the four countries ranging from 40% in Ireland to 68% in Denmark.<sup>15</sup> This is important in view of the reduction of the share of workers satisfied with their job in two countries (Finland, Ireland).

In sum, available objective evidence on changes in work requirements is somewhat inconclusive. The changes are not big enough to explain sickness and disability trends, nor are the directions of change always in line with those trends. Subjective evidence suggests that work intensity has been increasing recently, and that work intensity is positively correlated with work-related stress. Policy makers are facing a vicious circle. Heightened requirements on the labour market seem to lead to more pressure and increasing work-intensity, which in turn may lead to health problems, sickness absence, disability and, eventually, dropping out of the labour market. Once out of the labour market, however, the absence of a job adversely affects health. Policies need to address this vicious circle.

**Table 1.14. Work-related stress increases with higher work intensity and lower work satisfaction**

Share of respondents reporting stress at work, according to various working conditions, 2005<sup>a</sup>

	Denmark	Finland	Ireland	Netherlands	EU15
Overall	29	25	18	18	25
Whether main paid job involves complex tasks					
Yes	32	27	23	21	29
No	18	15	12	12	19
Whether main paid job involves learning new things					
Yes	29	24	20	18	26
No	20	25	10	15	21
Whether respondent can choose or change the order of tasks					
Yes	29	23	18	17	24
No	28	31	16	22	27
Whether respondent can choose or change the speed or rate of work					
Yes	27	21	18	16	24
No	35	33	17	23	28
Whether the job involves working at very high speed					
Yes	39	32	27	29	36
No	23	20	16	15	21
Whether the job involves working to tight deadlines					
Yes	34	34	29	27	37
No	26	19	13	15	20
Whether respondent is satisfied with working conditions in main paid job					
Yes	25	20	14	12	20
No	68	48	40	56	51

a) Don't knows/refusal are omitted from calculations.

Source: OECD Secretariat calculations based on 4th wave (2005) of the European Working Conditions Survey from the European Foundation for the Improvement of Living and Working Conditions.

## 1.7. Conclusion

The following facts emerge from the picture above:

### A. Economic and labour market status of people with disability

- Against the backdrop of favourable macroeconomic indicators and high and increasing overall employment levels in the four countries under review, employment outcomes for people with disability are somewhat disappointing, especially in Ireland where only about one-third of these persons have a job, compared to almost half in the Netherlands and little over half in the two Nordic countries.
- Employment rates of people with disability have been increasing faster than those of the total working-age population in the past years only in Denmark and Finland. Unemployment is higher among people with disability, and their unemployment rate increased in Ireland and the Netherlands.
- In the past five years, average disability benefits increased faster than average earnings in Denmark and Ireland, but lagged behind in Finland and even fell in real terms in the Netherlands. By 2006, average disability benefits ranged from around 40% of average net earnings in Ireland to almost 70% in Denmark.
- Taking income sources from employment, public benefits and other household members together, average equivalised income levels of persons with disability are around 70% of those of persons without disability in Ireland, but close to 90% in Denmark, Finland and the Netherlands.

- Income poverty rates of persons with disability are lowest in the Netherlands, comparatively moderate in Denmark and Finland and very high in Ireland. Furthermore, poverty risks increased in all countries except the Netherlands.
- Employment is the single most important factor for reducing poverty risks for persons with disability below the average of the total working-age population. In contrast, unemployment – much more than inactivity – multiplies the poverty risk among persons with disability.

### **B. Costs of disability**

- By 2005, spending on disability benefits stood at 0.7% of GDP in Ireland, little under 2% in Denmark and Finland and 2.4% in the Netherlands (which recorded a considerable fall of this share in the past ten years). This compares to a spending share of around 1.2% on average across the OECD.
- Adding expenditures on sickness and occupational injury benefits and services raises total incapacity-related public spending to 1.5% of GDP in Ireland and around 4% in the other three countries (OECD average 2.5%). This is as high as unemployment-related public expenditures in Denmark, Finland and Ireland but much higher than this in the Netherlands.
- The rate of disability beneficiaries among the working-age population is around 6% in Ireland, 7% in Denmark and 8-9% in Finland and the Netherlands – levels which exceed the OECD average of the late 1990s (5-6%).
- Since 2001, beneficiary rates have been increasing in Ireland, decreasing in the Netherlands and remained stable in the two Nordic countries. Changes in beneficiary rates during the past ten years have been larger for the older age groups in all four countries.
- Around one out of three of persons on a disability benefit consider themselves as not having a disability in Denmark, Finland and the Netherlands, compared to one out of two in Ireland. In turn, about 70% of self-assessed people with disability do not receive a disability benefit in Denmark, Finland and the Netherlands, while this is the case of 50% only in Ireland.
- The share of socially excluded people without any income from public benefits or employment is 8% of all self-assessed persons with disability in the Netherlands, 4-5% in Denmark and Ireland and just 1% in Finland. These are low proportions compared to other countries.

### **C. The impact of exogenous factors**

- During the past years, trends in disability beneficiary numbers in Ireland and the Netherlands were strongly influenced by population ageing, explaining half of the increase since 2001 in Ireland and between 1999 and 2002 in the Netherlands. In Denmark, Finland and the Netherlands, despite demographic pressure, beneficiary numbers fell since 2002.
- Assuming constant age- and gender-specific disability beneficiary and prevalence rates, population projections for the next four decades suggest a much higher demographic pressure to disability policies in Ireland than in the other three countries.

- If 42% of inactive persons with disability were to be integrated into employment over the next 45 years (i.e. double the percentage of those who say they would wish to work), this would close the gap between the projected labour force and total population growth by some 30% in Denmark and Finland, but more than half in Ireland and the Netherlands.
- Increased labour market requirements may contribute to raising disability. But the evidence on this as being a significant factor behind rising disability benefit rates is mixed. During the past ten years, perceived work intensity increased significantly in Denmark, Finland and Ireland but less in the Netherlands. In all four countries, persons who work under conditions of high work intensity report above-average stress levels.

## Notes

1. These estimates are based on EU-SILC 2005 data. Estimates based on alternative data sources give somewhat different pictures: results from the quarterly national household survey suggest higher employment levels of persons with disability in Ireland, namely in the order of 37% to 40% in the years 2002 to 2004. These levels are, however, still much lower than in the other three countries. Furthermore, both data sources indicate a trend decrease in the early 2000s. On the other hand, results from the Census 2002 and 2006 suggest lower employment levels, in the order of 28% to 30% but a slight increase in recent years. The main reasons for these discrepancies in findings are the somewhat different disability definitions used in the different surveys.
2. The higher employment levels of people with disability in Denmark and Finland are partly a reflection of the much higher self-assessed disability prevalence rates in these two countries (see also Section 1.4).
3. The ratio in Ireland would be 0.55 according to estimates from QNHS 2004, and 0.40 according to the 2006 census.
4. Generally, the higher unemployment rate of people with disability is an indicator of their larger disadvantages in the labour market. However, to a certain extent, it could also indicate that more people with disability who are out of work are becoming economically active by seeking work.
5. That is, household income per disabled person where income is adjusted for household size with an equivalence elasticity of 0.5. This means that total household income is divided by the square root of the household size, implying that, for instance, the income position of a four-person household is considered “equivalent” to that of two single-person households.
6. It should be noted that traditional income concepts do not adjust for specific additional costs associated with disability, e.g. for transport or particular equipment. Jones and O’Donnell (1995) report for the United Kingdom that physical disability has a significant effect on household fuel expenditures (plus 64%) and transport expenditures (plus 45%). Zaidi and Burchardt (2005) find that disability generates substantial additional costs of living, especially for people with disability living alone, and that these rise with severity of disability.
7. For the Netherlands, data based on the labour force survey and using a different disability definition (“work disability”) and unit definition (households with persons with disability rather than persons with disability) indicate much higher percentages of persons with disability falling in the lower income deciles and, correspondingly, much higher relative poverty rates.
8. The threshold of 50% of median income is often used in OECD and other international comparisons as a yardstick for relative income poverty. The threshold of 60% is used by the European Union as a comparative yardstick for “at-risk-of-poverty”.
9. Note that the alternative data source for the Netherlands (LFS, 2004) suggests a considerably higher poverty rate at that threshold, namely 14%.
10. For Denmark, information about incomes is based upon the SFI database which reports higher figures for relative income poverty than otherwise reported for Denmark (e.g. OECD, 2008b). The calculated share of disabled people below 50% of the median income might therefore also be overestimated.
11. The Netherlands is the only OECD country without a special system for work injuries and occupational diseases. This partly explains the higher level of spending on disability benefits.

12. The relationship would further be shifted towards higher incapacity-related spending were mandatory private sickness benefit expenditures also included.
13. Note that the value for Ireland is likely to be overestimated due to the use of the older average wage definition (APW) which tends to report lower average earnings estimates than the new definition (AW) (see OECD, 2008c).
14. The long-run demographic assumptions are as follows. Total fertility rates (children per woman): Denmark 1.9, Finland 1.85 (currently 1.84), Ireland 1.8 (1.97), Netherlands 1.75 (1.71). Female life expectancy at birth (years): Denmark 86 (currently 79.84), Finland 89.66 (82.83), Ireland 87 (80.7), Netherlands 84.19 (81.6). Net immigration (annual numbers): Denmark 2 000 (currently 5 800), Finland 10 000, Ireland 12 400 (16 360), Netherlands 23 990 (27 428).
15. National studies suggest high levels of stress but are inconclusive about trends. In Denmark, a study carried out in November 2006 by the Danish Confederation of Trade Unions reveals that 43% of public sector employees and 30% of private sector employees feel more stressed at work now than they did a year ago. At the same time, a study by the National Research Centre for the Working Environment indicates that work-related stress has in fact decreased over the past five years despite the greater awareness about work-related stress and its effect on the individual employee (EIROline, January 2007). In Finland, in a 2003 survey time pressure was reported rather or very often by 43% of all employed people, and the psychological work load was reported to be rather or very strainful by 35% (Räisänen and Honkonen, 2005).

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## List of Acronyms

<b>ADHD</b>	Attention-Deficit Hyperactivity Disorder
<b>AETR</b>	Average Effective Tax Rate
<b>ALMP</b>	Active Labour Market Programmes
<b>AMS</b>	Danish National Labour Market Authority
<b>AW (APW)</b>	Average Worker (Average Production Worker Wage)
<b>BTWA</b>	Back-to-Work Allowance
<b>BVG</b>	Shared One-Stop-Shop Premises of Different Actors (Netherlands)
<b>CBS</b>	Statistics Netherlands
<b>CE</b>	Community Employment
<b>CPB</b>	Bureau for Economic Policy Analysis (Netherlands)
<b>CSR</b>	Corporate Social Responsibility
<b>CWI</b>	Work and Income Agency (Netherlands)
<b>DA</b>	Disability allowance
<b>DB</b>	Disability benefits
<b>DETE</b>	Department of Enterprise Trade and Employment (Ireland)
<b>DHC</b>	Department of Health and Children (Ireland)
<b>DSFA</b>	Department of Social and Family Affairs (Ireland)
<b>ECHP</b>	European Community Household Panel
<b>EFILWC</b>	European Foundation for the Improvement of Living and Working Conditions
<b>EPL</b>	Employment Protection Legislation
<b>ESF</b>	European Social Fund
<b>ESRI</b>	Economic and Social Research Institute (Ireland)
<b>ETK</b>	Finnish Centre for Pensions (Finland)
<b>EU</b>	European Union
<b>EULFS</b>	European Union Labour Force Survey
<b>EUR</b>	Euros
<b>EU-SILC</b>	European Union Statistics on Income and Living Conditions
<b>EWCS</b>	European Working Conditions Survey
<b>FÁS</b>	Public Employment Service and Training Authority (Ireland)
<b>GDP</b>	Gross Domestic Product
<b>GP</b>	General Practitioner
<b>IB</b>	Illness benefits
<b>IDS</b>	Income Distribution Statistics (Finland)
<b>IP</b>	Invalidity pensions
<b>IRO</b>	Individual Reintegration Plan (Netherlands)
<b>IVA</b>	Income Provision Scheme for People Fully Occupationally Disabled (Netherlands)
<b>KELA</b>	Social insurance institution (Finland)

<b>LAFOS</b>	Labour Force Service Centres (Finland)
<b>LES</b>	Local Employment Service (Ireland)
<b>LFS</b>	Labour Force Survey
<b>METR</b>	Marginal Effective Tax Rates
<b>MEV</b>	Macro Economic Outlook (Netherlands)
<b>MISSOC</b>	Mutual Information System on Social Protection in the EU Member States
<b>NDS</b>	National Disability Strategy (Ireland)
<b>NRR</b>	Net Replacement Rate
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OHS</b>	Occupational Health Services
<b>PES</b>	Public Employment Service
<b>PPP</b>	Purchasing Power Parities
<b>QNHS</b>	Quarterly National Household Survey (Ireland)
<b>REA</b>	Act on the Reintegration of the Occupationally Disabled (Netherlands)
<b>SER</b>	Social and Economic Council (Netherlands)
<b>SFI</b>	National Centre for Social Research (Denmark)
<b>SME</b>	Small and Medium Enterprises
<b>STM</b>	Ministry of Social Affairs and Health (Finland)
<b>STP</b>	Specialist Training Provider (Ireland)
<b>SZW</b>	Ministry of Social Affairs and Employment (Netherlands)
<b>USD</b>	United States Dollar
<b>UWV</b>	Employee Insurance Authority (Netherlands)
<b>Wajong</b>	Work-Disability Provision for Young Disabled Act (Netherlands)
<b>WAO</b>	Disability Insurance Act (Netherlands)
<b>WAZ</b>	Self-employed Person's Disablement Benefits Act (Netherlands)
<b>WGA</b>	Return to Work Scheme for the Partially Disabled (Netherlands)
<b>WIA</b>	Labour Capacity Act (Netherlands)

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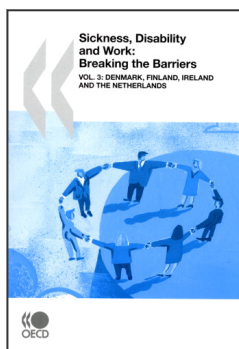
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