



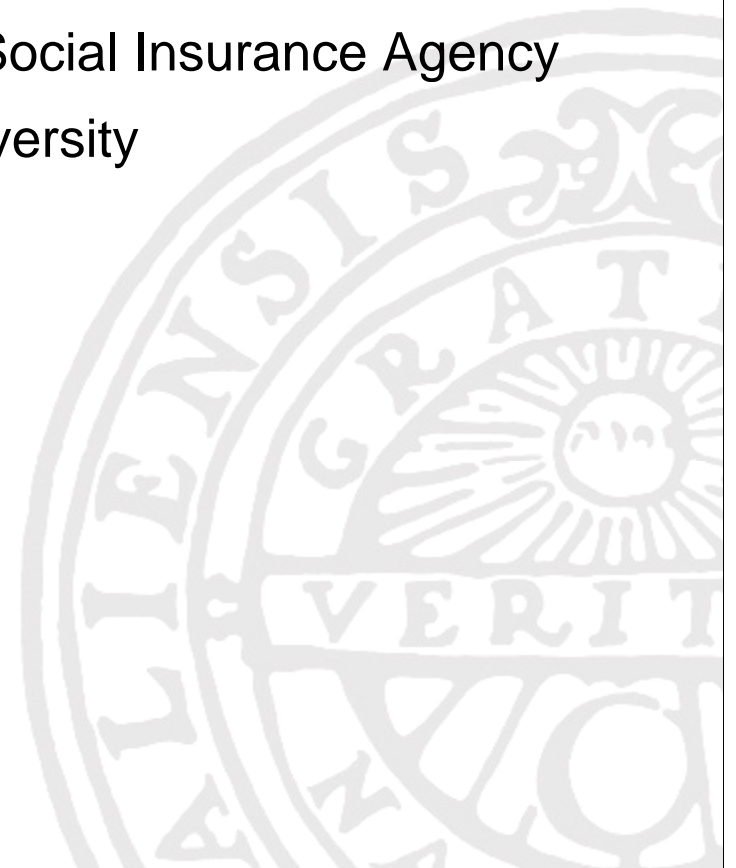
UPPSALA  
UNIVERSITET

# Swedish Policies for the disabled. What do we know about the effects?

**Laura Hartman**

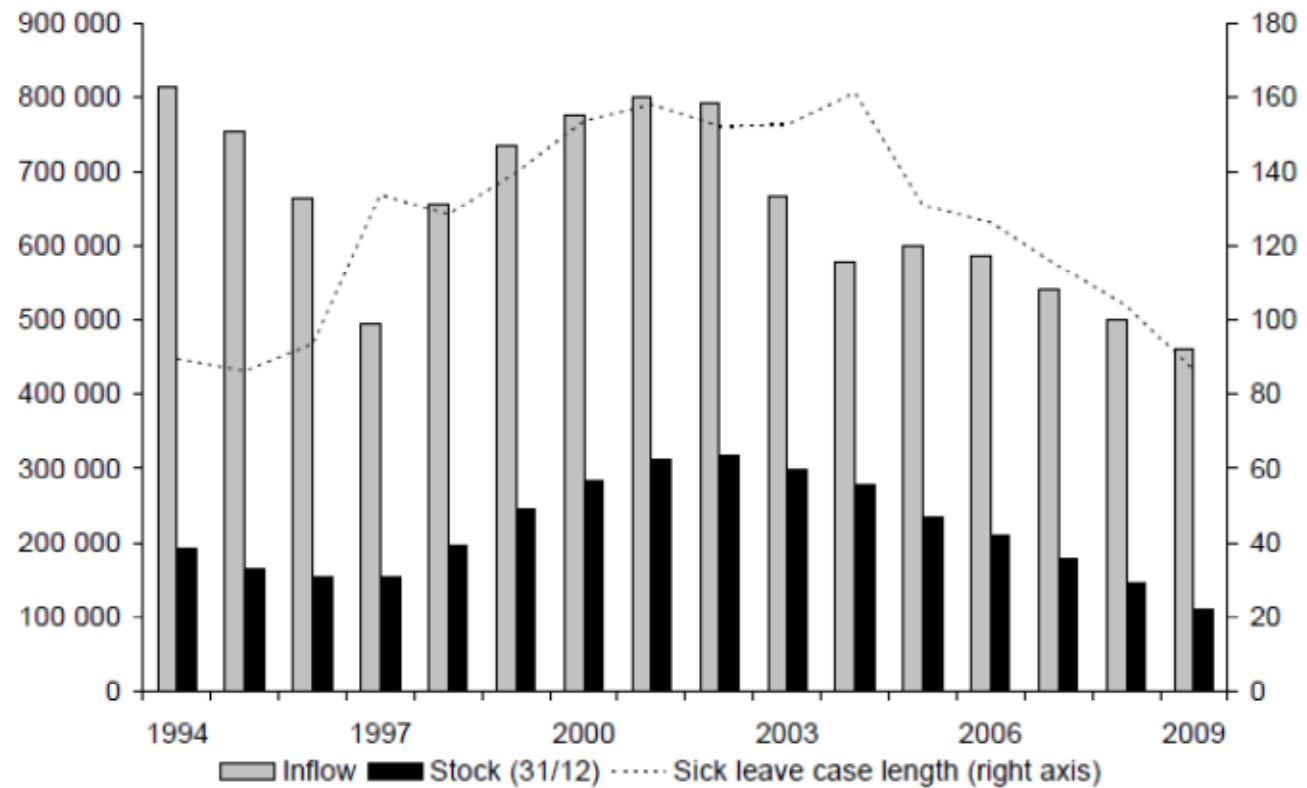
Head of Analysis and Forecasts, Social Insurance Agency

Associate Professor, Uppsala University





# Sick leave developments

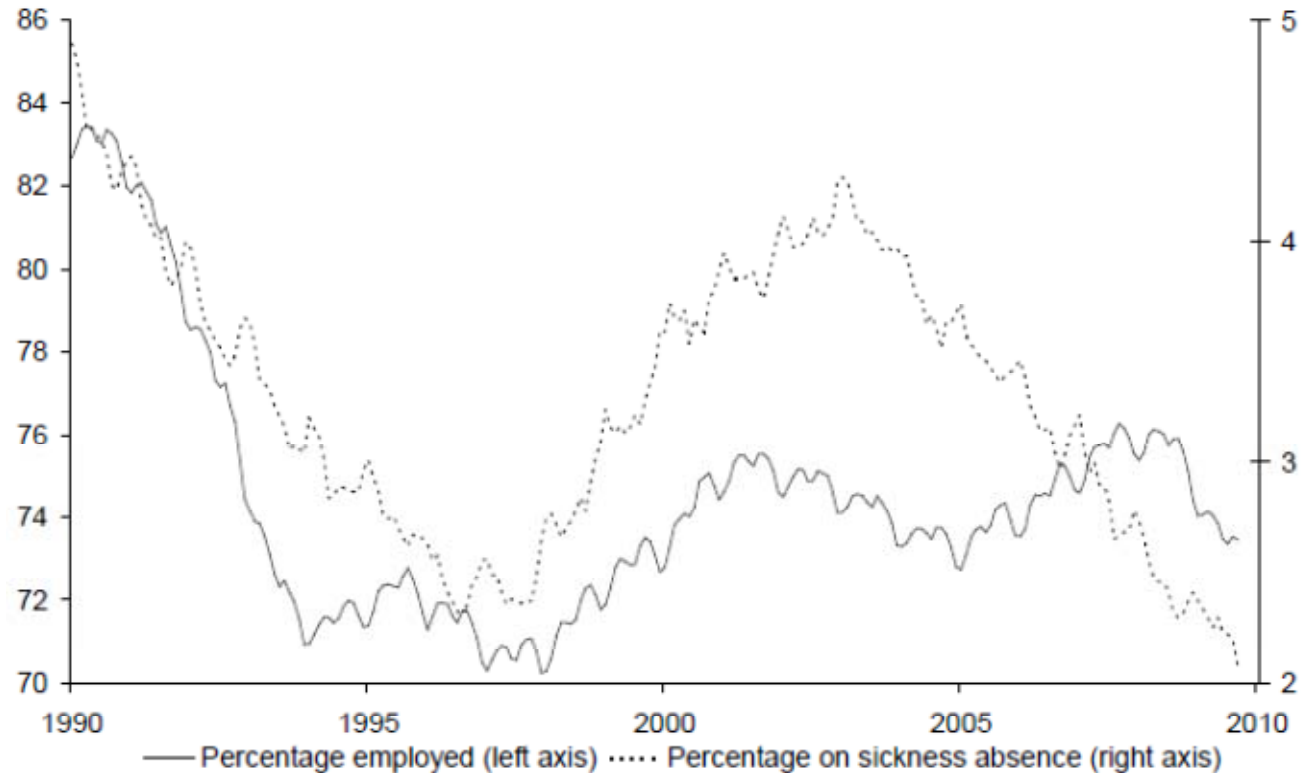


*Note:* Inflow and stock are measured on the left axis, average length on the right axis.

*Source:* Social Insurance Agency.



# Employment rate and sickness absence

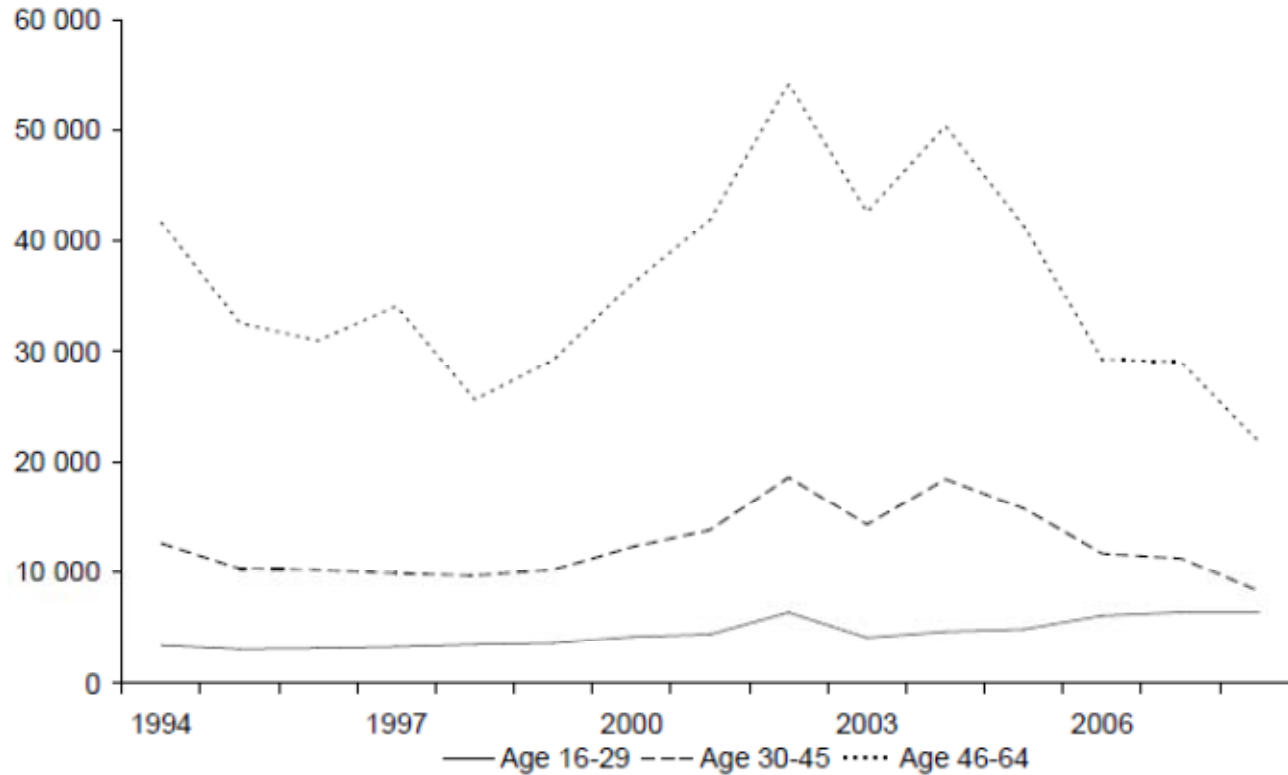


*Note:* Sickness absence measured as the number of people absent the entire week measured in the Labour Force Survey (LFS) as a per cent of the number employed. The per cent employed refers to the number employed as a per cent of the population. Both series are four-month moving averages.

*Source:* Statistics Sweden's Labour Force Surveys (LFS).



# Newly awarded DI benefits



Source: Social Insurance Agency.



## Government's reforms since 2007

- *Rehabilitation chain*
  - Time limits 3-6-12-30 months
  - Decreasing compensation profile
- Stricter rules for DI eligibility
- *Sliding deduction*
  - Work incentives for DI recipients
- *New start jobs*
  - Subsidised employment
- Other reforms
  - Rehabilitation guarantee, occupational health services, policy cooperation, outsourcing of rehabilitation, etc.



# From sick leave to unemployment

**Table 1 Reason for closing sickness absence cases begun in the first quarter of the year, per cent**

	2007	2008	2009 (new rules)
Work	84.4	86.8	88.9
Unemployment	1.7	1.7	2.2
DI compensation	0.4	0.5	0.1
Ongoing cases (30 September)	13.4	11.1	8.8

*Source:* Hägglund and Skogman Thoursie (2010).





## From sick leave to unemployment

**Table 2 Status of those previously on sick leave after transfer to the Public Employment Service, per cent**

Status at the Public Employment Service	2008	2009	Difference
Open unemployment	67.7	60.7	-10.3
Joint Action	10.4	17.1	+64.4
Programme	3.5	4.1	+17.1
Work	18.4	18.0	-2.2

*Source: Hägglund and Skogman Thoursie (2010).*



## Transition after long-term sick leave

**Table 3 Outcome for individuals who reached the upper limit in the sickness insurance during 2010, number of people and per cent**

No of persons who	Stock 2009/10	Quarter of 2010			
		first	Second	Third	Fourth
Reached upper limit	17 643	7 936	10 161	9 032	9 410
<i>of which:</i>					
Stayed in SI/DI	3 425	2 241	2 705	2 261	2 275
Returned to SI/DI	8 121	2 718	3 222	2 532	1 875
Stayers and returners	65 %	62 %	58 %	53 %	44 %
Registered with PES	12 607	4 856	6 418	5 886	6 276
Registered with PES and not returned to SI/DI	5 076	2 355	3 396	3 471	4 462
<i>of which:</i>					
In employment	34 %	30 %	24 %	20 %	16 %
In open unemployment	9 %	8 %	9 %	6 %	5 %
In program with activity support	38 %	38 %	45 %	52 %	57 %
In program without activity support	6 %	10 %	10 %	12 %	16 %
Left PES for other reason than employment	12 %	14 %	11 %	9 %	6 %

*Source:* Social Insurance Agency (2011).

*Note:* The outcome is measured May 31, 2011, for everybody.





# Overall assessment

- Reason to expect positive effects on labour supply
- Efficiency of labour market policies crucial
- Implementation was too quick
- The stock of long-term SI/DI recipients should have been excluded
- Some questions remain, however...



# Future questions

- DI among young
- Too narrow gate into DI among elderly?
- Employer incentives
- Need of enhanced labour demand?
- Increased pressure on Employment Service and ALMPs
- Incentives to classify job-seekers as disabled?