



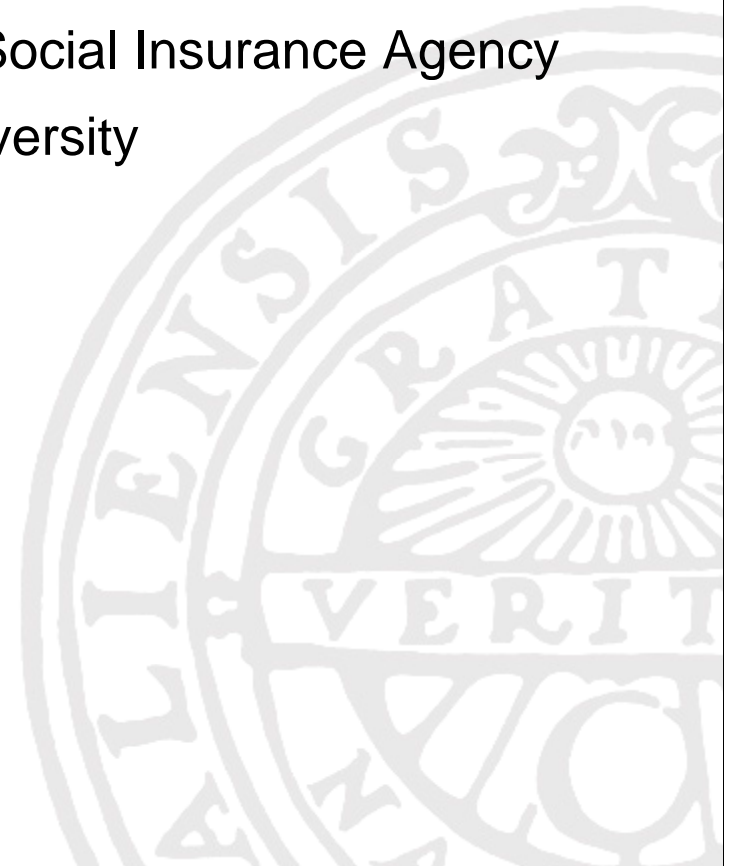
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Swedish Policies for the disabled. What do we know about the effects?

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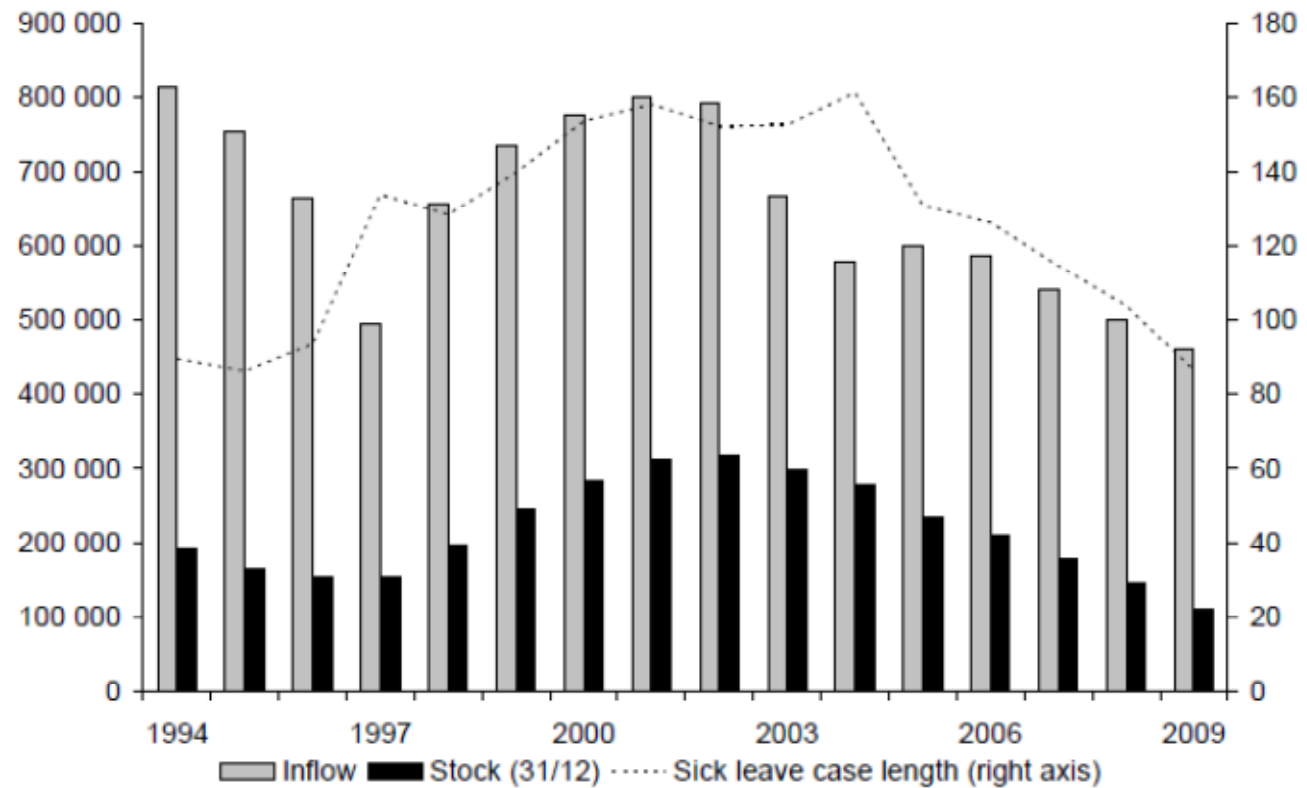
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Sick leave developments

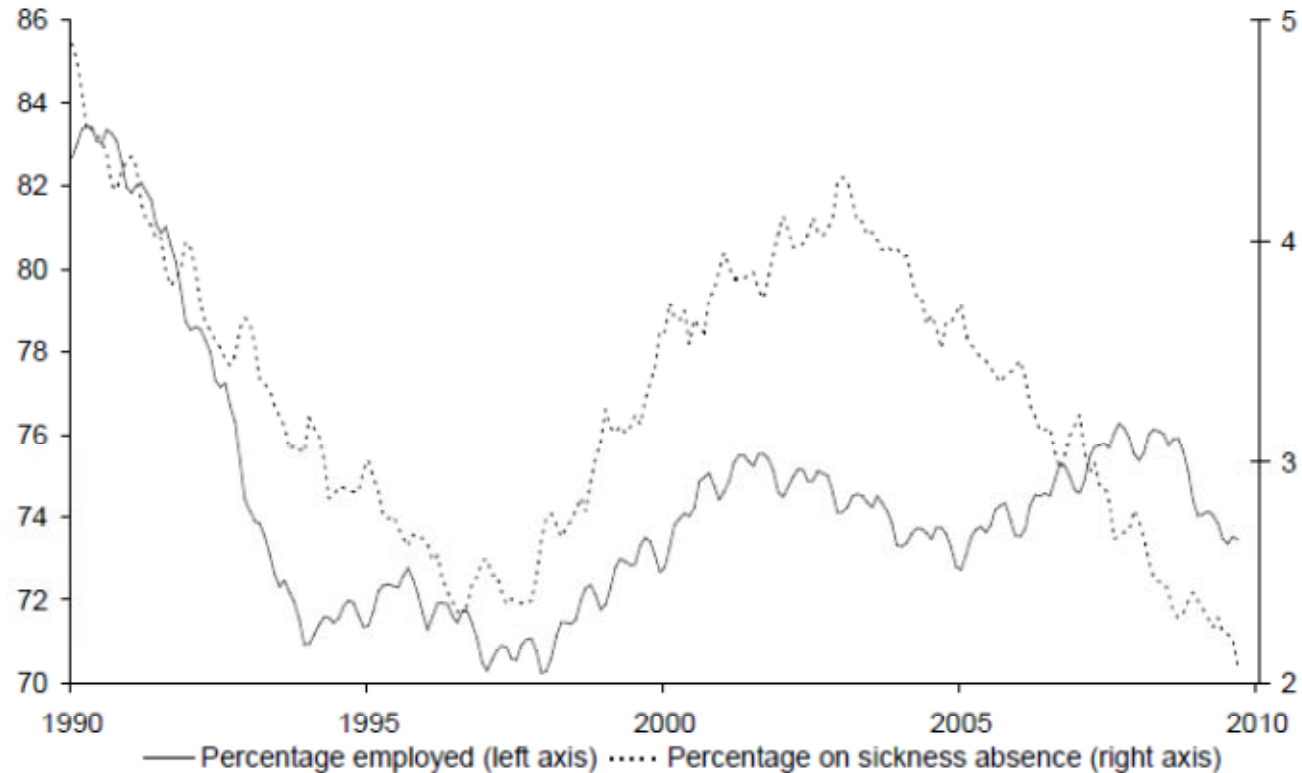


Note: Inflow and stock are measured on the left axis, average length on the right axis.

Source: Social Insurance Agency.



Employment rate and sickness absence

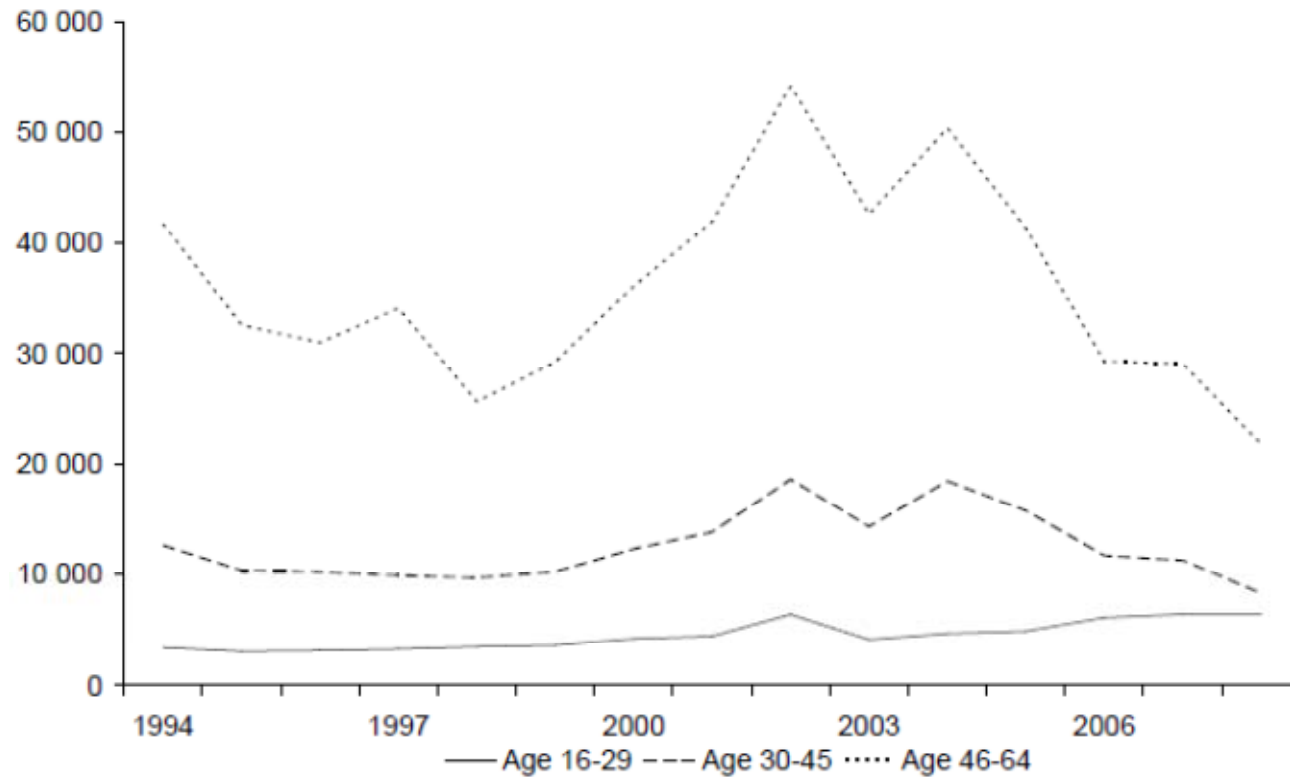


Note: Sickness absence measured as the number of people absent the entire week measured in the Labour Force Survey (LFS) as a per cent of the number employed. The per cent employed refers to the number employed as a per cent of the population. Both series are four-month moving averages.

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?