

Inclusion Through Activation?

Lessons from Swedish Disability and Labour Market Policy

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Disability and Work:
Global Strategies for Equity
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Research Objective

- To understand various stakeholders' perspectives on recent “activation” reforms to the social security system
- How will these reforms impact employment equity for people with disabilities?

Methodology

32 semi-structured interviews in Stockholm with:

- Policymakers and evaluators
- Disabled activists and advocacy groups
- University-level actors
- Job counsellors at the Public Employment Service
- Municipal program coordinators
- Employers' Union
- Quantitative data on active labour market program enrolment and placements



Context

- Approximately **1.2. million people** in Sweden identify as having a disability
- The average income for people with disabilities is **93 percent the national average**
- Sickness and disability compensation are key sources of income for many people with disabilities in Sweden, particularly those with neuropsychiatric disabilities
 - While 84% of the general population has wage income, only 34% of people with neuropsychiatric disabilities have wage income.
 - In 2004: 14% of working population received sickness or disability benefit (highest among OECD)

Swedish Active Labour Market Policies

“The essence of activation strategies is to encourage jobseekers to become more active in their efforts to find work and/ or improve employability.” (OECD 2007, p.208)

Supply –Side Measures

- Public Employment Service:
 - Job Matching
 - Skills development & training programs
 - Supported Employment (up to one year)
- Assistive Aids funded at municipal level

Demand-Side Measures

- Wage Subsidies (negotiated on individual basis)
- Grants for adaptations to workplace
- Sheltered employment
- Recently, informational campaigns to change employer attitudes

What is the Swedish Work Strategy?

- **Goal:** Reduce labour market exclusion, as defined by long-term sick leave and disability compensation rates
- Based off **Governmental Commission Report** (SOU 2006: 86) arguing too many Swedes were on sick leave and disability benefits with detrimental impacts on society
- **Strategy:** a new “rehabilitation chain” for people on sick leave with stricter timelines for work capacity assessment ; introduction of a time-limit on sickness benefit
- “The focus of our government is that the labor market ,or employment, is the key entrance to [social] participation.”
(Director of Disability Policy at the Ministry of Health and Social Services)

The Work Strategy: “Make Work Pay”

Policy Actions	Impact
<ul style="list-style-type: none">•Limit sickness benefit to one year (in exceptional circumstances, up to 550 days)•Onus on workers to demand a rehabilitative plan from employers•However, employers no longer required to do rehabilitation investigation•Implementation of a “rehabilitation chain” to encourage sick employees back to work	<ul style="list-style-type: none">•On January 1st 2010: 24,000 people lose right to sickness benefits, and another 32,000 lose benefits over the same year.•From 2009 to 2010, the number of people registered as occupationally disabled with the Public Employment Service rose 32% to 162,000

Rehabilitation Chain for Sick Leave

First 90 days

- Employee receives sickness benefit
- Employee and employer work to find modified work tasks with no change in salary

Days 180 to 365

- Employee may assume modified job (possibility of less remuneration or part time) *or*
- employee may take a protected six month leave of absence to search for another job

Day 365

- Social Insurance Agency assesses employee's work capacity in relation to entire labour market:
 - If work capacity: may resume current job or else required to search for employment through Public Employment Service
 - If no work capacity: may receive extension or disability benefit

The Work Strategy: “Make it more worthwhile and easy to hire staff”

Policy Actions	Impact
<ul style="list-style-type: none">• New Start Jobs: a tax relief for employers hiring individuals who have been on sick leave or unemployment for 1 year• The longer the period of unemployment, the longer the tax relief lasts• Reduce employers’ social insurance tax for people aged 18-25.	<ul style="list-style-type: none">• Currently 7468 people with disabilities are in New Start Jobs (2011)• This is a 32% increase in New Start Jobs from the year before

The Work Strategy: “Better Matching in the Labour Market”

Policy Action	Impact
<p>After 300 days of unemployment benefits, recipients must enter the Job and Development Guarantee program, which consists of:</p> <ul style="list-style-type: none">(1) Assessment and guidance(2) Development employment(3) Security employment or Fas 3 placement <p>•Increase role of private providers in activation program provision</p>	<ul style="list-style-type: none">•The three step program reduces assessment time from six months to three months <i>when followed</i>;•However, job coaches seem to prefer the traditional method with a longer assessment period.•Public Employment Service changing from provider of services to administrator as it outsources labour market programs to private providers.

Perspectives of Social Partners

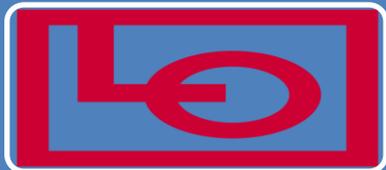


Swedish Disability Federation:

Reforms place new groups at risk of poverty



Public Employment Service: Job counsellors unprepared for influx of clients; many clients “too sick for work, too well for sickness compensation”



Trade Union: Reforms push people with disabilities into lower paid and unsafe work conditions



Employers' Union: Reforms may simply “hide” unemployment rates; advocates for more “business friendly” labour market



Labour Market Program Coordinators: Having financial security important to participant's success in active labour market programs

Policy Lessons: “Upstream” Factors to Employment Equity

1. Universal Accessibility of Workplaces

- Work Environment Act (1978) : employers must adapt work conditions to "people's differing physical and mental capacities; provide rehabilitative plans.”
- Swedish Planning and Building Act (1987): accessibility and usability for people with mobility related disabilities are technical requirements for construction work of businesses, public spaces and housing.

2. Accessibility of Higher Education:

- level of education remains the strongest indicator for employment

3. Support for Independent Living:

- Right to assistive technologies and personal assistance for people with certain disabilities

Conclusion and Discussion

- Evaluating the impact of activation policies necessarily entails ideological considerations:
 - Should employment equity be measured in reference to employment rates or income?
 - Is any work better than no work?
 - Does employment necessarily mean social inclusion?
- Reforms may result in higher employment rates for people with disabilities, but greater income inequality.
- Reforms will have differential impact depending on type of disability/disabilities, gender, age, regional location, etc.
- Success of active labour market programs is contingent on strong social infrastructure to facilitate universal accessibility

Thank You!

