

Ladies and gentlemen,

Government can't do everything! Especially in the area of social reform and change.

I can wholeheartedly endorse this statement, but it doesn't sound right at the time of elections.

Government's capacity to bring about change is limited. This also applies to efforts to combat sickness absence and occupational disability. Just as it does to the promotion of health and safety at work. This is primarily the responsibility of employers and employees themselves. Government creates statutory frameworks and objectives, but the responsibility for implementing them rests with the employers and employees themselves.

In practice, the social partners have shown that they take this responsibility seriously. Nor is this a recent development. Let me remind you, for example, of the business practices introduced by Louis de Geer, a merchant and industrialist well-known in both Sweden and the Netherlands. Louis de Geer is often seen as *den svenska industriensfader*, to use the vernacular. The father of Swedish industry settled here early in the 17th century and introduced a system under which his workers themselves were responsible for providing for the income of sick colleagues. If a worker fell ill he continued to receive his wage, but the other workers were obliged to take over his work in solidarity.

This may have been a primitive form of social security, but I assume that the workers who had to do the work of an absent colleague did their best to encourage him to return to work as quickly as possible!

This is what we are now doing in the Netherlands as well, albeit of course in a more modern system. An employee who is ill,

must be given the time to recover. But that doesn't mean that he must be left in peace. In studying the causes of the growing impact of psychological illness on the disability payments, we found that leaving the patient in peace is often one of the main cause. People get the feeling that they are not missed, that their work is unimportant and that they are personally superfluous. Therefore they must be approached as soon as possible in what we term an 'active and activating' manner. I believe that the political turning point in this policy of 'activation' was reached when the number of occupationally disabled people in the Netherlands was fast approaching one million. This was described as 'the Dutch disease', or, as a recent OECD report put it, the Netherlands was 'champion in disability benefit receipt' during the 1980s and 1990s.

Almost one million occupationally disabled people out of a labour force of seven million focuses your mind on the solutions. One of the factors responsible for this almost unreal number was that once a worker had been declared occupationally disabled he or she was assumed to be totally disabled and destined to remain occupationally disabled for ever. A system originally intended to *protect* people from the consequences of disability thus degenerated into a system that *no longer allowed people to escape* the consequences of disability. The provisions intended as a safety net thus became a net that entrapped people.

As both the number of people on disability benefit and the costs of the system continued to increase, political and social support for a different approach grew. The idea was to shift the emphasis from compensating incapacity for work, to stimulating the development of the remaining capacity for work. The legislation in this field was rigorously changed at the start of this decade. Now we focus on capacity for work rather than incapacity. So we no longer look at what people can't do and

instead concentrate on what they can do. The revamped statutory structure is in itself an incentive to promote capacity for work and participation in work.

In the Netherlands we are now on the point of extending this change to young disabled people as well. At present, young people with a physical or mental disability become eligible for a special form of disability benefit when they turn 18. At this age they are declared fully disabled and thereby become entitled to a benefit which they retain until pensionable age. In practice, only a quarter of them manage to find and retain a job. And of them the majority work in sheltered employment and only a small number for an ordinary employer. But certainly half of the young people who now receive such a disability benefit (we call them 'Wajongers' after the name of the relevant Act) could work either full time or part time. Modifications to the workplace and the provision of supervision would often make this possible. However, in their search for work this group are often put at a disadvantage by having being stigmatised as 'fully disabled' when they reached the age of 18. That's what we're now going to change.

Just as in the case of disability benefits in the 1980s and 1990s, so it was the *rapid increase* in the number of claimants under the benefits scheme for young disabled people that caused alarm. The number of new claimants has doubled in the past five years and over 15,000 young people are now declared fully disabled each year. That is 2 to 3 school classes per working day. This increase cannot be attributed to a rise in the number of young people (after all, there was no baby boom 18 years ago) or to a rise in the number of young people with a serious physical or mental disability. What has been rising is the number of young people with some form of limitation that prevents them from finding a job under their own steam and earning the minimum wage when they reach the age of 18.

This is not acceptable either socially or financially. This is why the government has decided to change the scheme. The present scheme focuses mainly on income support: first we establish if someone can earn a minimum wage at the age of 18 and we say 'You're fully disabled and will therefore receive disability benefits.' And then we say, 'We'll still make every effort to find you work.' The new scheme introduces a fundamental change by providing that claimants are primarily entitled to employment support and guidance. The main aim is to assist young people with a limitation to find and keep a job. The income protection for young people with a serious disability who have no real prospect of lasting participation in the labour market will continue to exist in full. But for young people who can work the legislation will be structured in such a way that they have more opportunity of getting paid employment. They will not be entitled to income support if they do not accept work or don't cooperate in finding work. For them the emphasis will be not on benefits but on guidance in getting a paid job.

The House of Representatives has already agreed to this change in the law and, if the Senate follows suit later this year, the new scheme can be introduced from 1 January 2010. But changing the statutory scheme is not in itself sufficient. Laws do not change reality. Once the new scheme comes into effect the people who implement it will have to assist young people to find work. And employers will have to take on more young people with a limitation. While government may do its best to promote the scheme, the real changes will have to be made in society ... which brings me neatly back to my initial theme. It's true, government can't do everything!

Thank you.