

Minister Cristina Husmark Pehrsson

*Closing address at the High-Level Forum*

Sickness, Disability and Work

15 May 2009

Ministers, Commissioner, Ladies and Gentlemen,

Today's discussions have been extremely stimulating. We have learned a great deal and our discussions in the different sessions have focused on the major issues in sickness and disability policy that we came together to make progress on.

We began our day with a discussion of key findings from the OECD's thematic review including some of the insights and debates from yesterday's more in-depth seminar. Although interesting and important progress have been made in several countries, there was certainly cause for serious concern amongst us at the scale of the problem and the fact that most countries have yet to either stop or reverse the trend in increasing use of long-term sickness and disability benefits. It was also clear that we have to facilitate employment of people with reduced work capacity.

We started by discussing the need for action to look at what works in keeping people with reduced work capacity in employment and away from the trap of sickness and disability benefits. Among the more promising new features of policy, we learned about the good outcomes arising from early identification

of health problems and interventions that keep people attached to the labour market; about actions to focus on what people can actually do rather than on their incapacity; and about how crucial it is to make employers part of the solution.

We then looked at the immediate challenge of making policy work in an economic recession. Here we discussed the serious consequences of failing to link short-term measures that we take to cushion the impacts of the economic crisis, with longer-term labour supply and economic growth objectives. I think we all agree that we cannot afford to repeat the costly mistakes from the past – such as when we thought we could heal similar labour market problems by letting older workers retire early in large numbers.

In our third session we discussed the need of structural reform. Without reforms, the promising policy initiatives identified in the OECD's review will be extremely difficult to implement. Even with the present economic situation, we have seen that countries that are doing this are clearly reaping the benefits. In this regard, we heard some promising ideas for how this can be advanced and how it would benefit us all to continue exchanges on this topic in future meetings.

Finally, we looked at gaps in our understanding and what the OECD should do next. We talked about the need to understand what policy approaches work best in addressing increasing inflows into disability due to mental

health problems, especially among younger workers. We also considered measures to better understand the link between health problems and labour market policy and the impact it has on employment outcomes. We discussed how and why private insurance providers may achieve better health and employment outcomes, and how best to implement public policy in countries where there is also large private coverage. It was also clear that the OECD Secretariat will need voluntary contributions from us to continue undertake work on these questions.

In closing, it is important to remember our role and responsibility to do what we can to overcome the *disability benefit culture* and to avoid trapping those who can work on disability benefits. As policy leaders, we have to welcome all members of society in the labour market, rather than on life time disability benefits. Despite the economic crisis, it is crucial that we continue the structural reforms with promoting inclusive labour markets with employment opportunities for all. I believe we need a more active social security policy that operates in tandem with a secure, flexible and active labour market policy where safety nets are turned into springboards whenever possible. None of us can afford to have increasing numbers of people on disability benefits because we forget our obligation to make our communities better places for the next generations. Of course, rising unemployment makes this goal a challenge, but it is possible as long as all of us participates in doing what we all know has to be done. That is our mission.

Thank you.