

State Secretary Bettina Kashefi

Welcome address at the High-Level Forum

Sickness, Disability and Work

14 May 2009

Ministers, Colleagues, Ladies and Gentlemen,

I am delighted to welcome you all to this conference, which has attracted participants from almost 30 countries. This clearly shows the importance of today's subject – Sickness, Disability and Work. Present here today are policy makers, decision makers, researchers, and representatives from the social partners and NGOs and the OECD to whom I would like to extend a special warm welcome. The OECD – and in particular the disability team – has made a tremendous work in putting this conference together!

Looking at the conference program we have a very intense day in front of us, but I am convinced that it will be extremely stimulating and fruitful. I am also convinced that we will learn a lot from our prominent speakers and the discussions in the different sessions.

We all know that work is the most effective cure to reduce poverty and income differences. We also know and that high labour force participation is necessary to maintain high economic growth, to have sound public finances and inclusive societies. But still millions of people are excluded from the

labour market because they have a reduced work capacity or because they have reached a certain age. This is an untenable situation for both individuals and societies.

In an economic downturn, social security schemes are put to test. Past experiences have shown that the use of disability benefit schemes as a way to mitigate increasing unemployment is costly and counterproductive. As a result of such actions in the past, many countries have much more people on disability benefits than on unemployment benefits. Figures from OECD shows that, in 2007, more than 30 million people received disability benefits in OECD countries. This is almost 2.5 million more people compared to those on unemployment benefits. And while those on unemployment benefits often return to the labour market this is not the case for those on disability benefits.

Since the beginning of the current economic crisis, unemployment rates have increased substantially, and they will rise even further. To limit the negative impact of job losses and to promote inclusive labour markets with employment opportunities for all, we need an 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.

Needless to say, we do have a great challenge in front of us. But it is important to keep in mind that the current crisis is not a permanent

situation. In the near future, we will need more people in employment to cope with the challenges that population ageing will bring about.

To avoid repeating mistakes from the past, it is necessary to replace policies that facilitate pathways out of the labour market with policies that facilitate the access to employment for those who can work. We must therefore avoid that short-term actions have negative implications on future labour supply. Key to this will be overcoming the well-established disability benefit culture that pushes many people with disability or poor health onto benefit schemes and out of work for the rest of their lives

An inclusive labour market requires a new active approach. We have for a long time been using active labour market policies. I believe it is now time to start using an active social security policy.

Again, a very warm welcome !

Thank you.