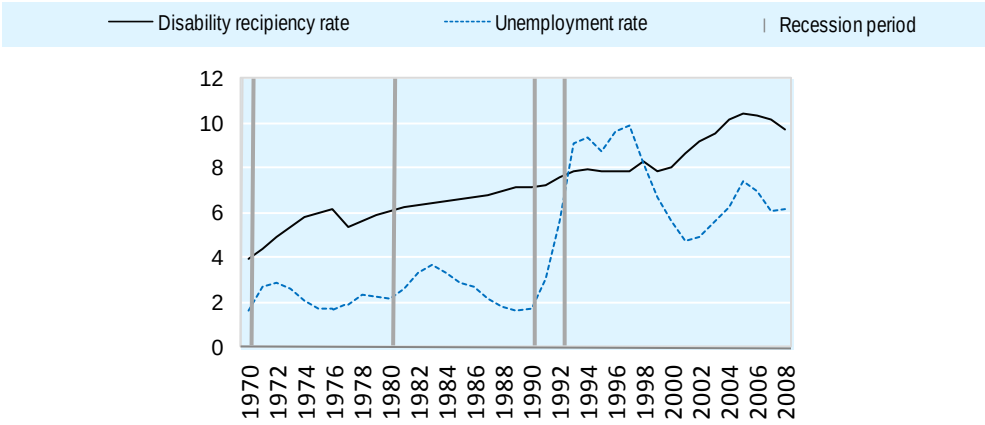
OECD (2010) – SICKNESS, DISABILITY AND WORK: BREAKING THE BARRIERS

SWEDEN

KEY FINDINGS

- In Sweden in the 1970s and 1980s, the number of people receiving disability benefit was roughly twice those on unemployment benefit. After the crisis in the early 1990s, unemployment surpassed disability for many years. Since 1999, the rapidly growing number of people on disability benefits has again exceeded the number of unemployed very significantly (Figure 1).

Figure 1. **Long-run trends in unemployment and disability recipiency rates in Sweden, 1970-2008 (percentages)**



- Despite a turnaround in the trend increase, the number of people of working age in Sweden who receive disability benefit is among the highest three in the OECD; in 2008, 10.3 % compared to an OECD average of 5.7% (Figure 2).
- Disability beneficiary rates are high at all ages and, as elsewhere, highest among older workers, but the increase in the past decade was entirely driven by those in the age group 20-49.
- Public spending on sickness and disability makes up 3.6% of Sweden's total GDP, compared to an OECD average of 1.9%.
- The unemployment rate for people with chronic health problems or disability at the end of 2007 was around half that of the OECD average, at 7.6% compared to 13.7%. But it was twice Sweden's unemployment rate for people without health problems (Figure 3).
- Employment rates of people with health problems or disability, at 62%, where the highest in the entire OECD. In turn, only few of them live in poverty: 10.4% compared to an OECD average of 22%. This is lower than the figure for the general population.

POLICY CHALLENGES

1. **Strengthen employer responsibilities and incentives**. Despite a strong legal framework, incentives for employers to adapt work and workplaces to retain workers are comparatively weak.

- Develop clear and robust standards for assessing employers' efforts in adjusting the workplace to retain a sick worker or to place such a worker in another job.
- Increase corresponding financial incentives for employers to help sick workers return quickly.
- Improve cooperation between employers and the Public Employment Service.

2. **Monitor compliance with sick-leave regulations and guidelines**. Doctors are key players in making the new system work but they have poor incentives to ensure sick workers return to their jobs quickly.

   - Evaluate rigorously the reasons behind the recent fast drop in the incidence of sickness absence to ensure its sustainability in better economic times.
   - Report doctors who do not comply with the sick-listing guidelines to the National Bard of Health and Welfare, for investigation and where appropriate sanction.

3. **Improve incentives for county councils**. County authorities are key players in Swedish sickness and disability policy because they are in charge of the health care system. Sickness benefit co-payments for the county councils would be a strong incentive for the health system to keep sick-leave duration to the medically necessary minimum.

Figure 2. **Disability benefit recipiency rates in 2008, Sweden in comparison with 30 other OECD countries, plus OECD average (percentages)**

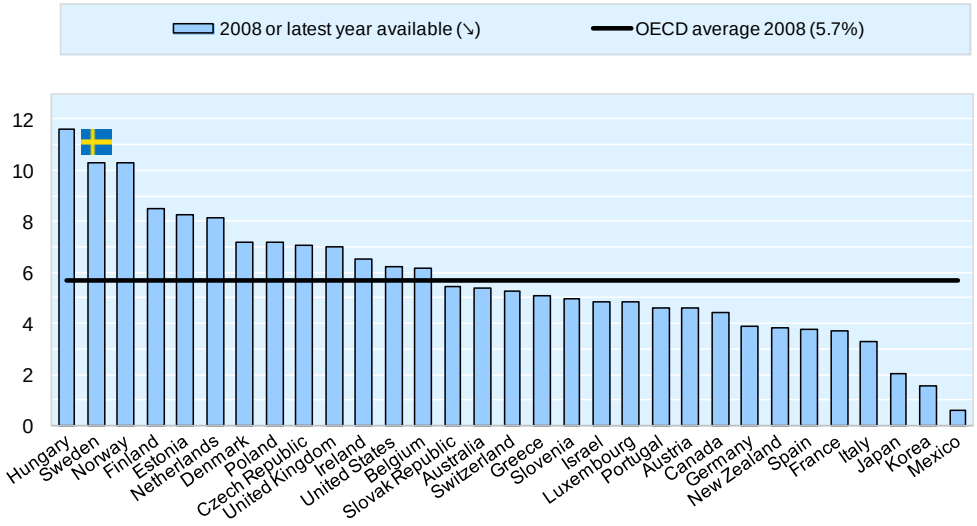
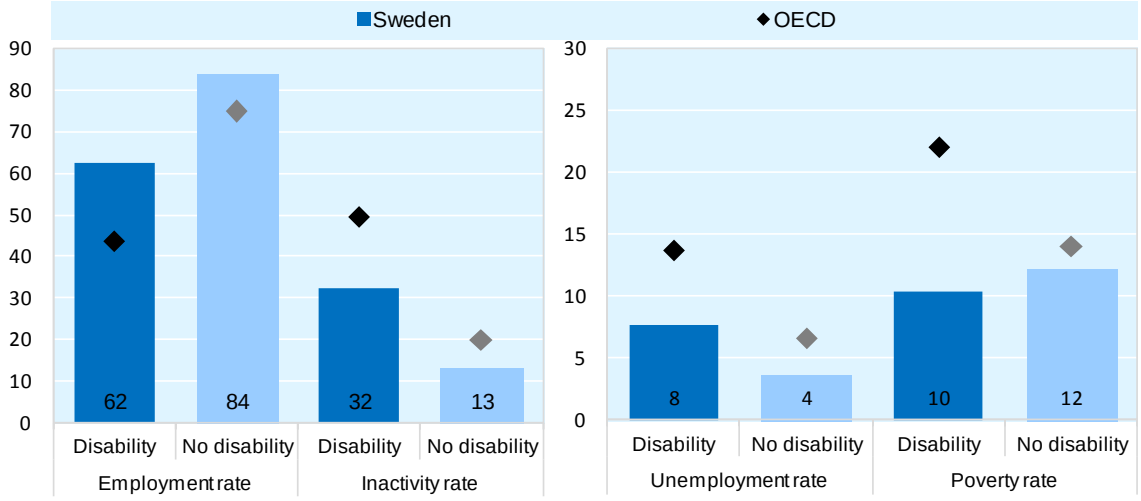


Figure 3. **Selected key labour market indicators by disability status, around 2007 i.e. before the recent economic downturn, Sweden and OECD averages (percentages)**



(www.oecd.org/els/disability)