SICKNESS, DISABILITY AND WORK: BREAKING THE BARRIERS

Draft agenda of the high-level policy forum on Sickness, Disability and Employment Policies in May 2009

To be held at the OECD Headquarters, in Conference Room CC9, 2 rue André-Pascal, Monday 3 November 2008 at 9h00 and Tuesday 4 November 2008

This paper presents a detailed draft agenda for the high-level policy forum on sickness, disability and employment policies, which will be held in Stockholm on 14-15 May 2009, with the support of the Swedish government. It also summarises confirmation received so far about ministerial participation on the second day of this forum. The forum agenda is submitted for information and discussion.

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NOTE BY THE SECRETARIAT

1. The OECD Thematic Review on sickness and disability policies (Sickness, Disability and Work: Breaking the Barriers) has produced a series of country reports, covering 13 member states. These reports provide a breadth of information about what works and what does not, and set out specific policy recommendations to enable countries to achieve their stated goals. The last phase of the review process will focus on drawing together the key findings and policy messages that have emerged from this exercise. These will be summarised in a synthesis report that will also include important data and policy information for many of the other countries that were not formally reviewed. This report will be published by the end of 2009.

2. Prior to this, a two-day High-Level Policy Forum will be organised in cooperation with the Swedish government, which will be held in Stockholm on 14-15 May 2009. This Forum will consist of an open seminar on the first day and a closed roundtable discussion between Ministers and other executive policy officials on the second day. This paper provides a draft agenda for the Forum.

3. The seminar on the first day will address three major policy issues: i) how to improve the ineffective and inefficient administration of rehabilitation and employment supports, which rarely ensure that the right services are provided to the right people at the right time; ii) how to make sickness and disability benefit systems more active so to avoid the perverse effect of supporting people in being out of work; and iii) how to involve employers in the policy process such that they are no longer part of the general problem, but rather a partner and agent in the solution.

4. The closed roundtable on the second day will also be structured around three sessions: one on what can be done, looking at good and bad practices in different countries; one on how to implement policy changes, addressing the political economy of reform; and one on what more could be done by the OECD in this field of policy.

5. So far, Ministers from six OECD countries (in addition to the Swedish hosts) have accepted the invitation to the closed roundtable meeting, while another six countries have expressed a strong interest but are unable at this stage to commit.

6. Delegates are invited to

- DISCUSS the proposed format and contents for the High-Level Forum;
- INFORM the Secretariat and the Committee about their Ministers’ interest in participating in the Forum (unless this was done in writing already).
SICKNESS, DISABILITY AND WORK:
BREAKING THE BARRIERS

1. Introduction

The purpose of this note is to present a draft agenda for the two-day High-Level Policy Forum on sickness and disability policies, to be held in Stockholm on 14-15 May 2009 and organised with the support of the Swedish government. The issues discussed at the Forum will also form the basis for the synthesis report, which will summarise the lessons learned from the Thematic Review.

2. Proposed agenda for day one (14 May 2009): Open seminar

<table>
<thead>
<tr>
<th>Time</th>
<th>Session Details</th>
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<tbody>
<tr>
<td>9:00-9:30</td>
<td>Registration</td>
</tr>
<tr>
<td>9:30-10:00</td>
<td>Opening session (Welcome by Swedish hosts and OECD)</td>
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<tr>
<td>10:00-10:30</td>
<td>Comments on the key findings in the OECD review (Invited speaker)</td>
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<tr>
<td>10:30-11:00</td>
<td>Coffee</td>
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<tr>
<td>11:00-12:15</td>
<td>Session 1 – The right services to the right people at the right time: What works in OECD countries? (Panel session with panel speakers reporting on the progress and success in their countries, followed by a general discussion)</td>
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<tr>
<td>12:15-13:30</td>
<td>Lunch</td>
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<tr>
<td>13:30-14:45</td>
<td>Session 2 – Governments cannot do everything: Supports and incentives for employers (Session with one or two invited speakers followed by general discussion)</td>
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<tr>
<td>14:45-15:15</td>
<td>Coffee</td>
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<tr>
<td>15:15-16:30</td>
<td>Session 3 – Reemployment is the goal: From sickness and disability benefits to sustainable employment (Panel session with panel speakers reporting on the progress in their countries, followed by a general discussion)</td>
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<tr>
<td>16:30-17:00</td>
<td>Closing session (Summing up of Day One by an invited rapporteur and closing remarks by Swedish hosts and OECD)</td>
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<tr>
<td>19:00</td>
<td>Dinner for Ministers and cocktail for other seminar participants</td>
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2.1 Session 1: The right services to the right people at the right time

The issue

Despite a global shift in policy orientation towards activation and labour market integration, the number of people with health problems or disability returning to work following rehabilitation and employment supports is very low. Countries are investing more into rehabilitation and employment measures than they used to only a few years ago, but, despite pro-work rhetoric, they are generally not investing enough. Employment supports are too often poorly administered or targeted, hard to access,
offered too late or of insufficient duration. As a consequence, many individuals who could work are not being helped to find work. Moreover, rehabilitation and employment supports are often provided as independent programmes rather than integrated into the overall system. In particular, they are not sufficiently coordinated with the benefit eligibility and work-capacity assessment processes.

Questions for discussion

* How can complex and fragmented systems of employment supports be simplified? How can the implementation of a one-stop-shop approach for service delivery be facilitated?

* How can incentives for public institutions (including, e.g., public employment services, national social insurance institutions or benefit authorities, municipalities) be strengthened through administrative and/or financing reforms?

* Can outcome-based (rather than input or output-based) funding of services with a strong focus on sustainable employment improve outcomes? Should for-profit service providers be involved?

2.2 Session 2: Governments cannot do everything

The issue

9. Surveys show that more workers are working very long hours or outside “normal” hours; more jobs are involving high work intensity and more work contracts are less secure – all of these indicators being correlated with stress and, in turn, a potential health risk. Moreover, most workplaces do not have policies for effectively supporting employees who develop health problems so they do not deteriorate to the point of having to leave their job. Identifying health problems early so as to be able to respond quickly, where necessary, is critical. This can only be achieved by involving employers and the workplace. Today, too often disability benefit schemes are being used as tool by employers who wish to restructure their workforces. Too little is done to prevent sickness absences from becoming a stepping stone from work into disability. With the current economic downturn, there is an increased risk that disability benefits will be used as were early retirement policies in the 1980s. This is undesirable not only because employment provides a person with income, but also because there is evidence that participating in productive work is good for a person’s physical and mental health and that being unemployed or inactive is detrimental and has the opposite effect.

Questions for discussion

* How much responsibility for sickness and rehabilitation management should be imposed on employers, including e.g. financial responsibility? How can responsibilities be increased without reducing hiring opportunities for workers with partially-reduced work capacity?

* What supports do employers need in order to fulfil their obligations? How can employment services improve the involvement of and information for employers?

* Are public authorities doing enough in terms of monitoring the health status of the unemployed and managing their rehabilitation?
2.3 **Session 3: Reemployment is the goal**

**The issue**

10. While policy objectives have moved towards a stronger employment orientation, disability benefit systems remain very passive in nature in most instances. They continue to support people in being out of work or inactive, not when they are in work. Disability benefits are still often seen as lifetime pensions, with limited financial incentives for beneficiaries to make an effort to return to the labour market. Although disability benefits like unemployment benefits target working-age people without a job but who are, in many cases, able to work, the operation of the disability benefit scheme differs drastically from that of the unemployment benefit scheme. Only in a few countries are sick and disabled people with partially-reduced work capacity treated as if they were similar to the unemployed and expected to fulfil similar job-search requirements. Disability benefit systems in many cases conflate the social goal of providing income protection with the employment goal of helping the person return to productive work. While it is necessary to protect people who are sick or injured, the other goal of benefit systems should be to help those who can work to do so even if they have lost part of their functioning.

**Questions for discussion**

* Can the sharp distinction between unemployment and disability benefits be upheld? In particular, should countries consider introducing or broadening cooperation and participation requirements for disability benefit applicants who are able to work?

* Are temporary entitlements, cost-of-disability components irrespective of the work status, more flexible in-work payments and more generous options for putting entitlements on hold while trying work promising ways to help disability benefit recipients find and retain work?

* Should a new work-oriented approach also be extended to current beneficiaries rather than only new claimants? In particular, are reassessments worth the effort?

3. **Proposed agenda for day two (15 May 2009): Closed meeting at Ministerial level**

- **9:00-9:30** Opening session (Welcome by Swedish hosts and ELSAC chair, followed by remarks by the rapporteur on the OECD review findings and the highlights of the discussions of Day One)

- **9:30-11:00** Session 1 – Tackling the problems: What works and what does not (Working session with presentations by two ministers on areas for improvement and best practices, followed by a general discussion)

- **11:00-11:30** Refreshment break

- **11:30-12:30** Session 2 – Implementing the required changes: The political economy of reform (Introduction by one or two ministers, followed by a general discussion)

- **12:30-13:00** Session 3 – Looking ahead: Areas for further investigation (Introduction by chair of the meeting or OECD, followed by a general discussion)

- **13:00** Closing session (Closing remarks by Swedish hosts)

- **13:15-14:30** Lunch
3.1 Session 1: Tackling the problems

The issue

11. Health problems in the form of sickness and episodic or chronic disabilities represent a significant burden for the majority of OECD countries, often facing labour market shortages together with increasing pressures on their respective economies. Persons in this group now vastly outnumber unemployed persons, and numbers continue to grow in some countries. Understanding policies that maximise the ability of those persons to stay in the labour market is essential though challenging, as many countries have, or have had, policies that viewed them as de facto passive recipients of income support, hindering their efforts to return to productive employment. In light of the current scale of the problem, policies are needed to capitalise on their potential productive contribution to the economy, build in greater obligations for those who are able to work to seek employment, and help facilitate changes in workplace practices and cultures to make work more accessible for them.

Policies that have contributed to current outcomes

- Treating all persons with a disability as passive recipients of welfare rather than having a contribution to make to the economy.
- Policies discriminating against persons with illness or disability in the labour market.
- Policies which have the perverse effect of discouraging persons with a sickness or disability from seeking employment (e.g., losing medical or other benefits bundled with the income support that ceases upon returning to work, particularly when this does not pay well enough to cover the additional costs faced by those persons).

Policies which could improve the situation

- A policy agenda predicated on the view that people who have a limitation arising from a health condition can still make a productive contribution to the economy and have an obligation to seek employment if society provides them with effective supports.
- Policies which promote not just anti-discrimination, but ‘normalise’ the participation of persons with illness or disability in workplaces where employers and other employees are not used to accommodating such persons.
- Policies which address the concerns of employers and help meet the costs of accommodating an employee with illness or disability, including ongoing periodic support that helps to ensure the person is able to maintain employment.

3.2 Session 2: Implementing the required changes

The issue

12. Though the consequences of having such a large number of persons with illness or disability out of the productive labour market are significant, the policies and workplace cultures in many countries that act as barriers to their employment are longstanding and entrenched. Action to redress this requires policy change in a number of areas together with political will and leadership to bring about a shift in employers’
attitudes about these workers, so as to strengthen their motivation to hire and retain them and to accommodate their special needs. Such a significant shift will be easier to achieve if it is seen as necessary by all involved stakeholders, including the social partners, NGOs, community groups and governments at all levels.

Elements for discussion

- The need to shift from a passive/disability to a rehabilitation/obligation policy agenda.
- Success stories from countries that have started to take such action, which has improved outcomes in terms of reduced benefit dependence and increased self-sufficiency.
- Opportunities for sharing information and developing common or similar goals.

3.3 Session 3: Looking ahead

The issue

13. In 2004, the Sickness, Disability and Work thematic review was commissioned by ELSAC in response to concerns about the burgeoning stock of persons of working-age not participating in work because of sickness or disability and the impacts on economic development. The OECD’s review covers a range of policy areas together with noteworthy policy innovations underway in thirteen countries. The problem however remains significant; it continues to increase in some countries and may reappear in others in the course of the current economic downturn.

14. The review noted a number of gaps in knowledge about what is driving the growth in particular health problems and what policies are needed to build strong long-term labour market attachment once a person has returned to work. For instance, mental ill-health is a challenge quite different from physical disability and chronic somatic disease is yet another story. More than this, the impact on health of the changing nature and quality of work is yet to be fully understood. Another area where knowledge is just being built is the process leading to comprehensive reform in this field. Direction from member countries about further work on these and other concerns is required.

For discussion

- What more would Ministers like the OECD to do to address identified gaps in information, analysis and understanding (including, for instance, the health dimension of the problem, the impact of the changing nature of work, and the political economy of reform)?

4. Indications on Ministers’ participation received thus far

15. The High-Level Policy Forum in May 2009 will be hosted at the invitation of three Swedish ministers, the Minister for Social Security, the Minister for Employment and the Minister of Finance.

16. As of mid-October 2008, the following Ministers and executive policy officials have responded with preliminarily acceptance of our invitation to attend the Forum (countries are listed in alphabetical order). Please note that confirmations received after this date will be provided during the ELSAC meeting.

- Denmark: Minister of Employment
- Ireland: Minister for Equality, Disability and Mental Health
• The Netherlands: Minister of Social Affairs and Employment
• Slovak Republic: Minister of Labour, Social Affairs and Family
• Switzerland: Director of the Federal Social Insurance Office
• United Kingdom: Secretary of State for Employment and Welfare Reform

17. In addition, ministries from six other OECD countries (Australia, Austria, Finland, Germany, Mexico and the United States) have expressed a strong interest in participating but have yet to make a formal commitment specifying who they will send. Further confirmation of participation from these or other OECD countries at or after the ELSAC meeting would be welcomed.

18. Later in 2009, when a clearer picture is available about how many Ministers and executive policy officials are going to attend, we will contact with Ministers and their advisers to discuss and agree on the role each attendee may wish to have in the programme. Some Ministers have expressed willingness to contribute through presentation or to actively facilitate discussion of topic areas at the meeting. These matters as well as the chairmanship will be settled bilaterally over the next months.