

Launch of the Disability, Work and Inclusion in Slovenia  
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# Disability, work and inclusion in Slovenia: Towards early intervention for sick workers

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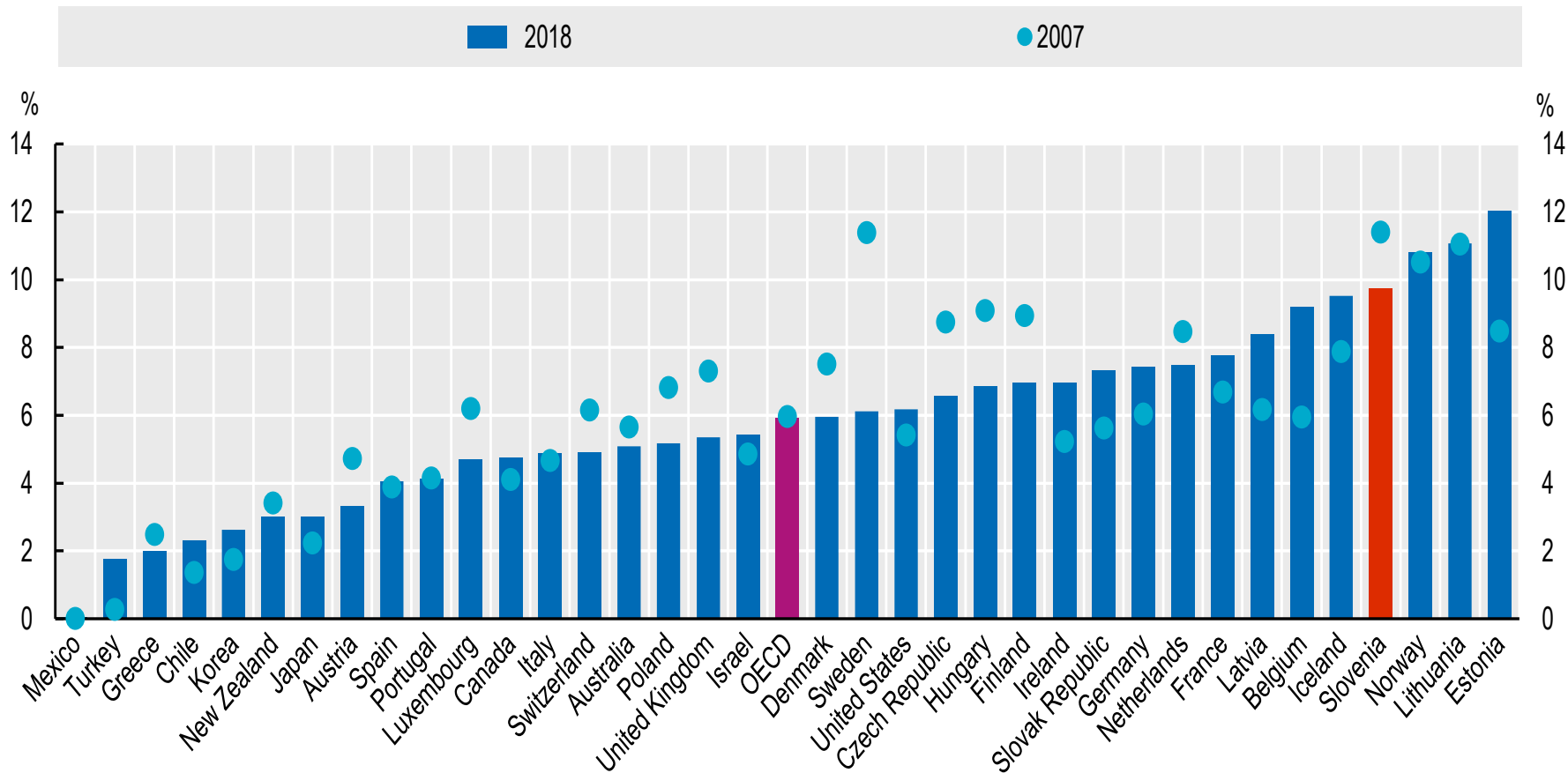
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# Slovenia has high disability benefit receipt rates

Share of disability benefits receipt by working age population, 2007 and 2018



Strong decline in receipt rate over the past decade

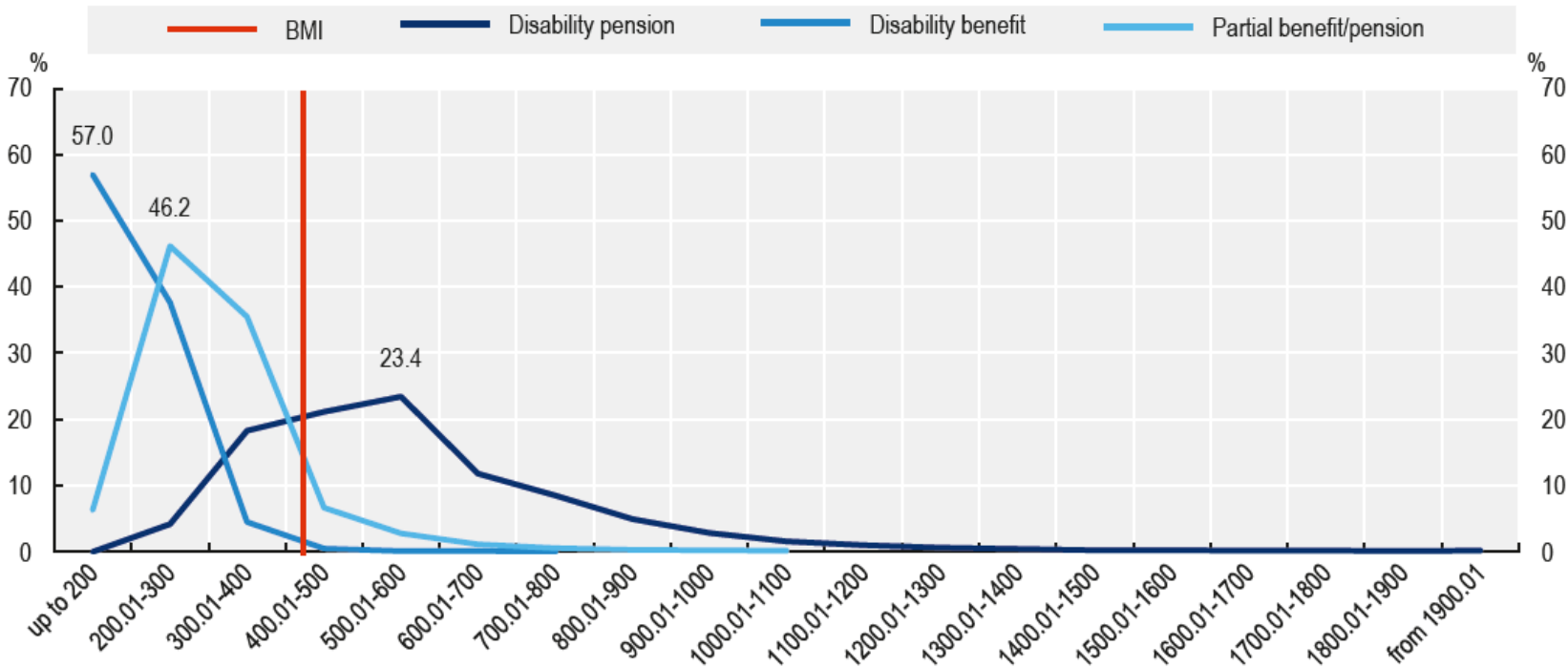
## What happened?

- Spillovers between social protection



# Disability payments are often low

Benefit level distributions by benefit type, 2019



1. Disability pensions are often below the **Basic Minimum Income** (BMI)
  2. Much lower disability **benefits**
    - Claims last 6 years on average
- **Serious risk of poverty**

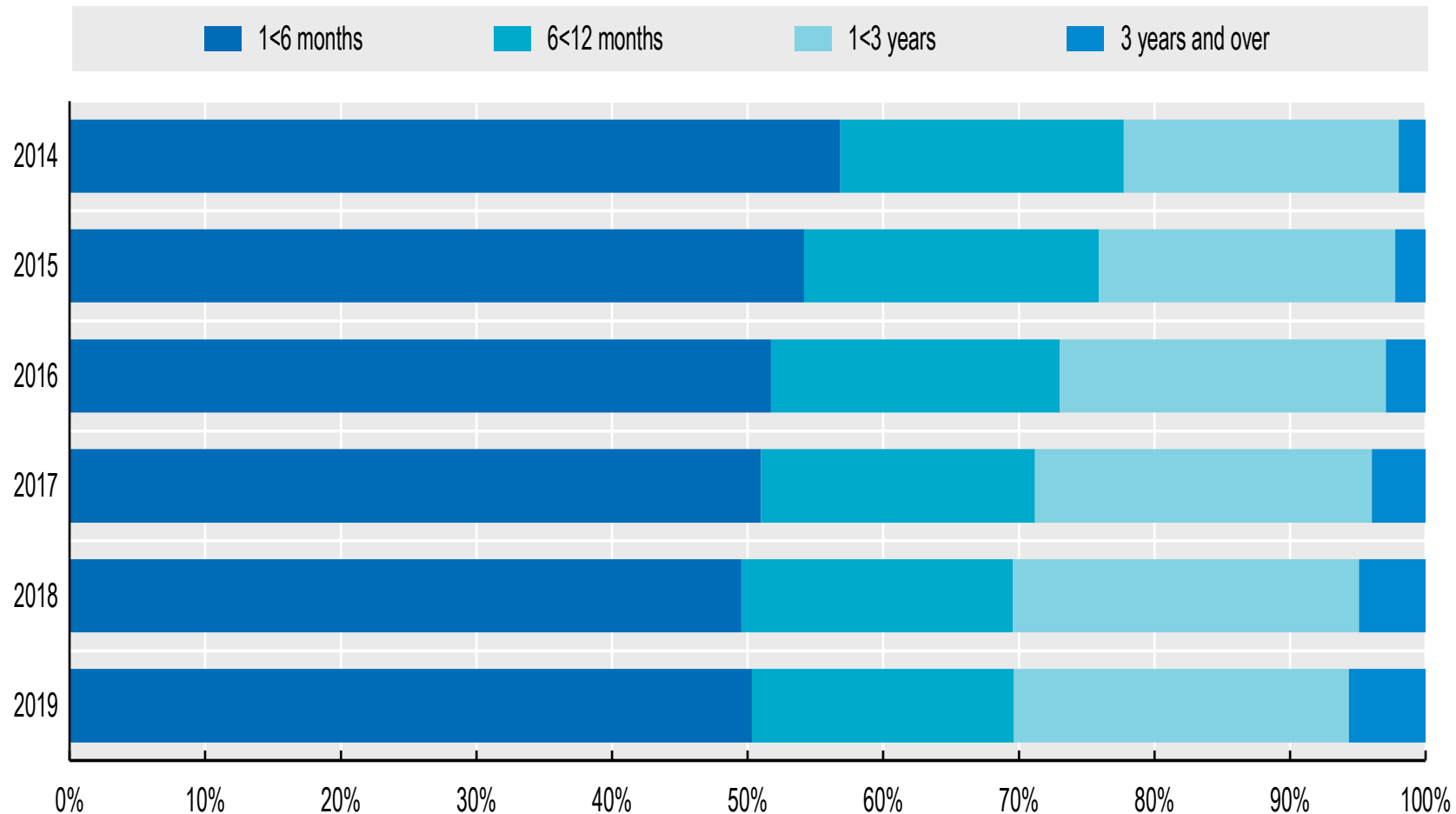
Notes: Basic Minimum Income (BMI) is EUR 402.18 per month.

Source: OECD calculations based on Pension and Disability Insurance Institute of Slovenia (ZPIZ) data [www.zpiz.si/](http://www.zpiz.si/).



# Decline in disability benefit receipt masks large increases in long-term sickness insurance receipt

Sickness insurance absences by absence duration, 2014-2019



Why?

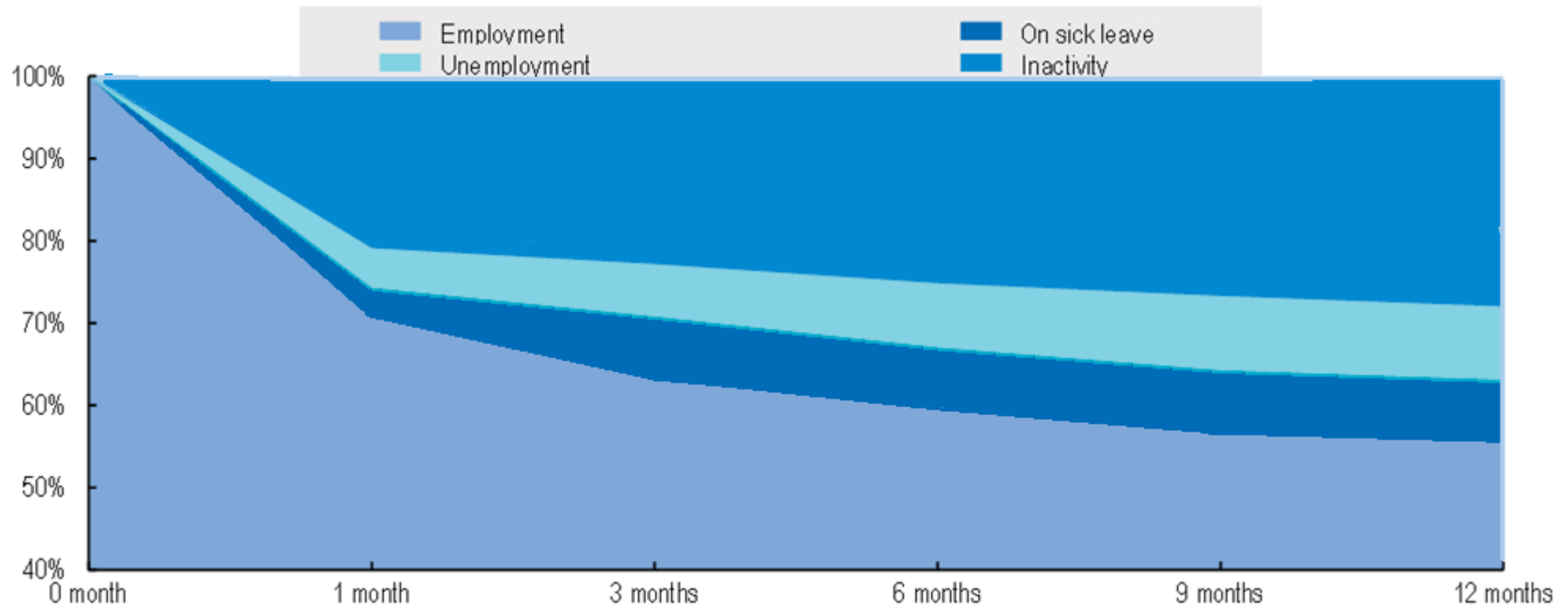
- Generosity
- Lack of maximum duration of support
- Sickness assessment and reassessments

→ Substitution of disability benefits



# After a long-term sickness absence, many people exit the labour force

Exit pathways from sickness insurance for people on sickness absence for at least 12 months, followed over 12 months since end-of-absence, 2013-2017



Source: OECD calculations using linked administrative data from ZPIZ, ESS, NIJZ.



# The Employment Service (ESS) plays a key role for vulnerable Persons with Disability (PwD)

- Sickness and DI exclude many PwD
  - Unemployed
  - Lower labour market attachment
- Many rely on unemployment insurance and **Financial Social Assistance** (FSA)
- **ESS** grants **disability recognition** (ZZRZI act) and profiles employment capacity

## **Challenges:** ESS clients with health barriers have **severe limitations**

Share of registered jobseekers **temporarily non-employable** over registered jobseekers by main type of income support, 2019

	Share
FSA payment	18%
ZPIZ payment	11%



# Late intervention has negative implications for the functioning of the system

- **Vocational rehabilitation is underutilised: only 4% of new disability claimants**
- **Employers are disengaged**
- **Interventions are less effective:**

Still unemployed after participation in employment rehabilitation by duration of unemployment, 2018-2019

	Duration unemployment before ER			
	12-23 months	24-35 months	36-59 months	60+ months
Legal disability	14%	18%	22%	47%
Partial disability beneficiaries	7%	15%	25%	53%
Total	8%	16%	26%	50%

Source: OECD calculations using ESS data.



# POLICY RECOMMENDATIONS



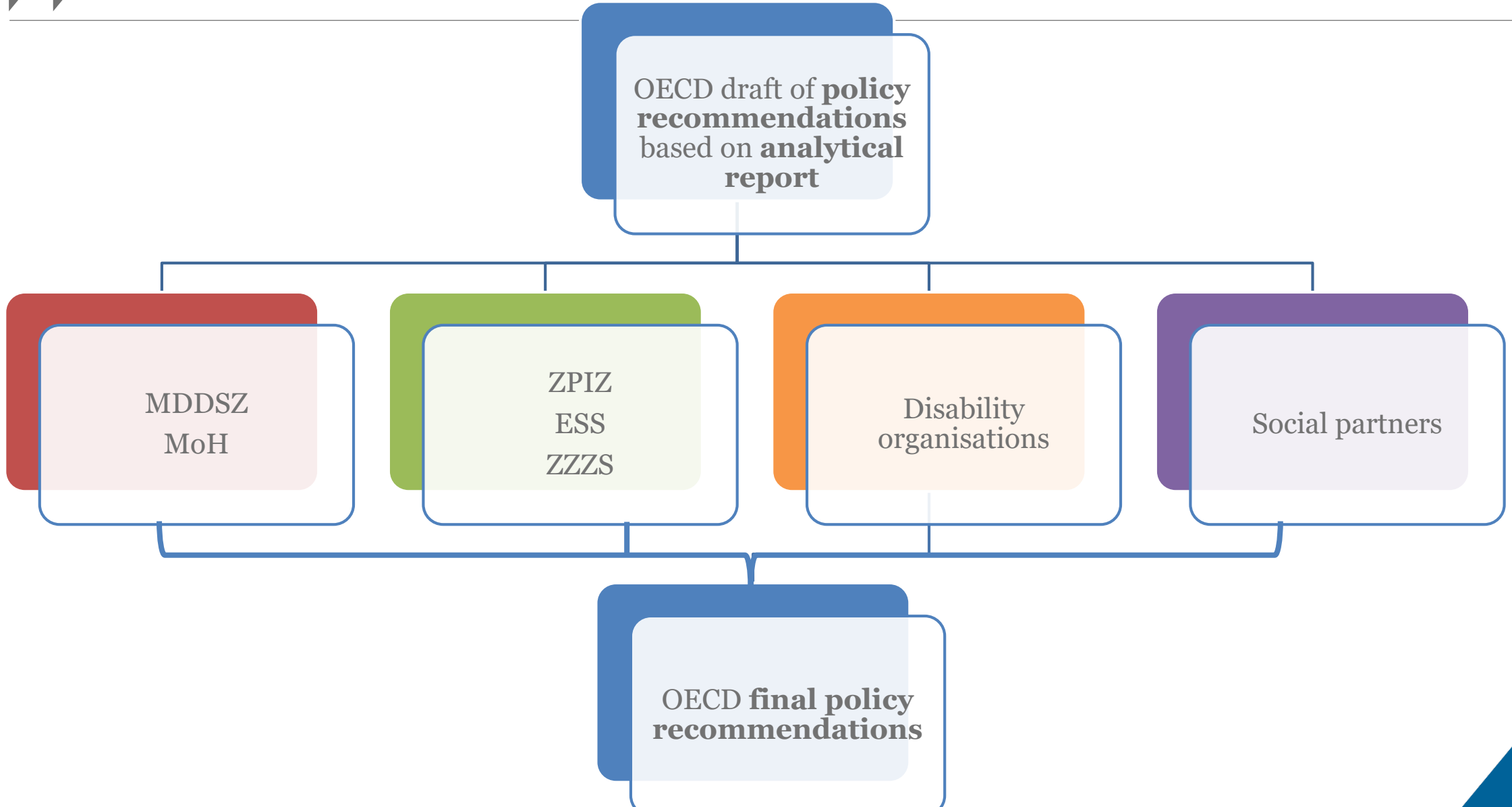
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# The process of drafting policy recommendations





# Addressing benefit adequacy issues

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**Benefit adequacy needs to be considered holistically within the whole social protection system :**

→ Streamlining disability insurance programmes

→ Aligning and **de-link disability and old-age pension** programmes



## Promoting early activation

### **Early activation is key for successful transitions to employment**

- Promise** of vocational rehabilitation at **URI-Soča**, or the ESF-MDDSZ funded trial
- Shortening the **maximum duration of sickness benefits**
- Harmonising the assessment of sickness and disability
- Strengthening the **incentives of employers and workers** to promote return-to-work
- Changing the role and tasks of treating as well as occupational doctors



## Improving the cooperation between key actors

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Fragmented social protection system needs **strong cooperation**

→ Creating a **joint assessment body** for vocational rehabilitation

- Assessment of rehabilitation needs early during sick leave
- Efforts to return to previous employer, or rehab to find a new job