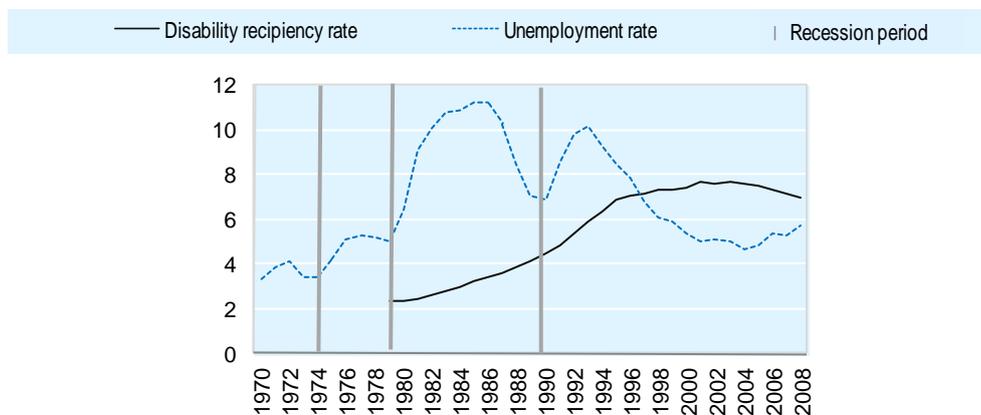


UNITED KINGDOM

KEY FINDINGS

- In the United Kingdom in the mid-1980s, the number of people receiving unemployment benefit was 3 to 4 times higher than that on disability benefit. Ten years later, in 1996/1997, the rates equalled out and since then the number of people on disability benefits has always exceeded the number of unemployed (Figure 1).

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



- Lately, the number of people of working age in the United Kingdom who receive disability benefit is slightly above the OECD average, at 7% compared to 5.7% (Figure 2).
- Young people aged 20-34 are more than twice as likely to be on disability benefit, at 4% compared to an OECD average of 1.5%.
- Public spending on sickness and disability makes up 11% of all UK public social spending, slightly over the OECD average of 10%.
- 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 7.4% compared to 13.7%. But it was twice the United Kingdom's unemployment rate for people without health problems (Figure 3).
- Nearly a quarter of people with health problems or disability live in poverty: 23.7% compared to an OECD average of 22%. This is also twice the number of the general population.

POLICY CHALLENGES

1. **Accelerate the early identification of health problems.** Public authorities know very little about what is happening in the early stages of sickness; that is up to 28 weeks. This increases the risk that sickness cases turn into longer-term disability benefit claims.
 - Employers should be obliged to monitor repeated and long-term sickness absences of their workers and inform Jobcentre Plus about such cases. Failure to do so should have a direct impact on the costs the employer has to carry.
 - Independent second opinions by specialists and medical controls by public authorities of the decision of the general practitioner should come earlier and be more frequent.

2. **Address the issue of people moving between unemployment and disability benefit.** Many new disability benefit claimants come onto such payment via unemployment or lone-parent benefit; similarly, many of those leaving disability benefits move onto unemployment benefit.
 - More emphasis should be put on health status monitoring and health management for people on unemployment and lone-parent benefits. Following the example of Australia, the unemployed who are sick should go through a mandatory work capacity assessment.
 - Disability benefit recipients who lose their entitlement but do not get jobs should be followed-up systematically and offered the support needed to return to employment.
3. **More help for the rapidly increasing number of people with mental health problems.** The work integration approach has changed markedly over the past decade. A key weakness of these changes is that they have not sufficiently helped people with mental health problems – a group which accounts for 40% of all disability beneficiaries and has an employment rate of only about 20%.

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

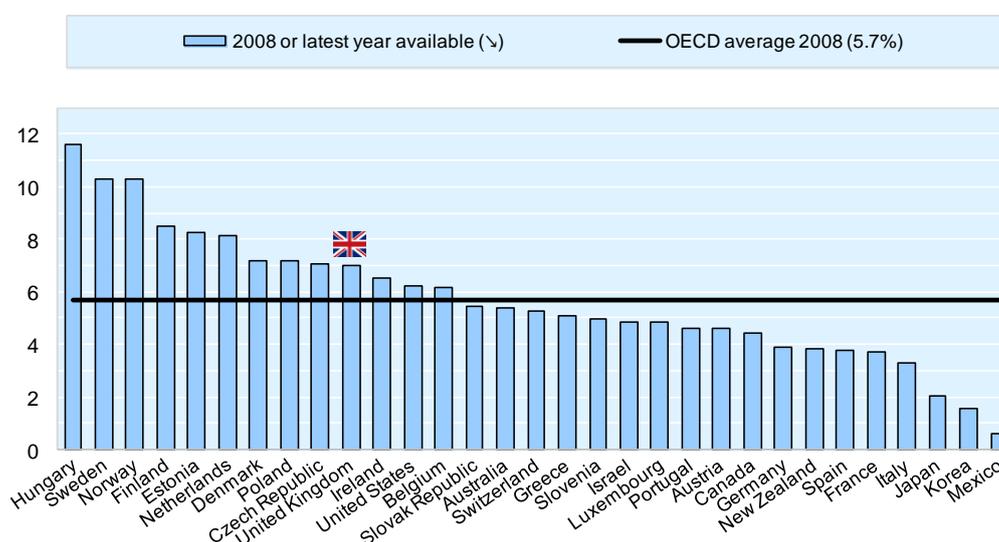


Figure 3. **Selected key labour market indicators by disability status, around 2007 i.e. before the recent economic downturn, United Kingdom and OECD averages (percentages)**

