
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)