

Disclosure interests speaker

(potential) Conflict of interest **< None/see below >**

Disclosure-slide voor sprekers op nascholingsbijeenkomsten

Comparison of sickness absence and disability policies in Denmark and the Netherlands

Outline

- The Danish 'Flexicurity' model
- Is the sickness absence rate low in Denmark?
- The Danish sickness and disability policy
- Comparing the Dutch and Danish policies
- What can we learn from the comparison?

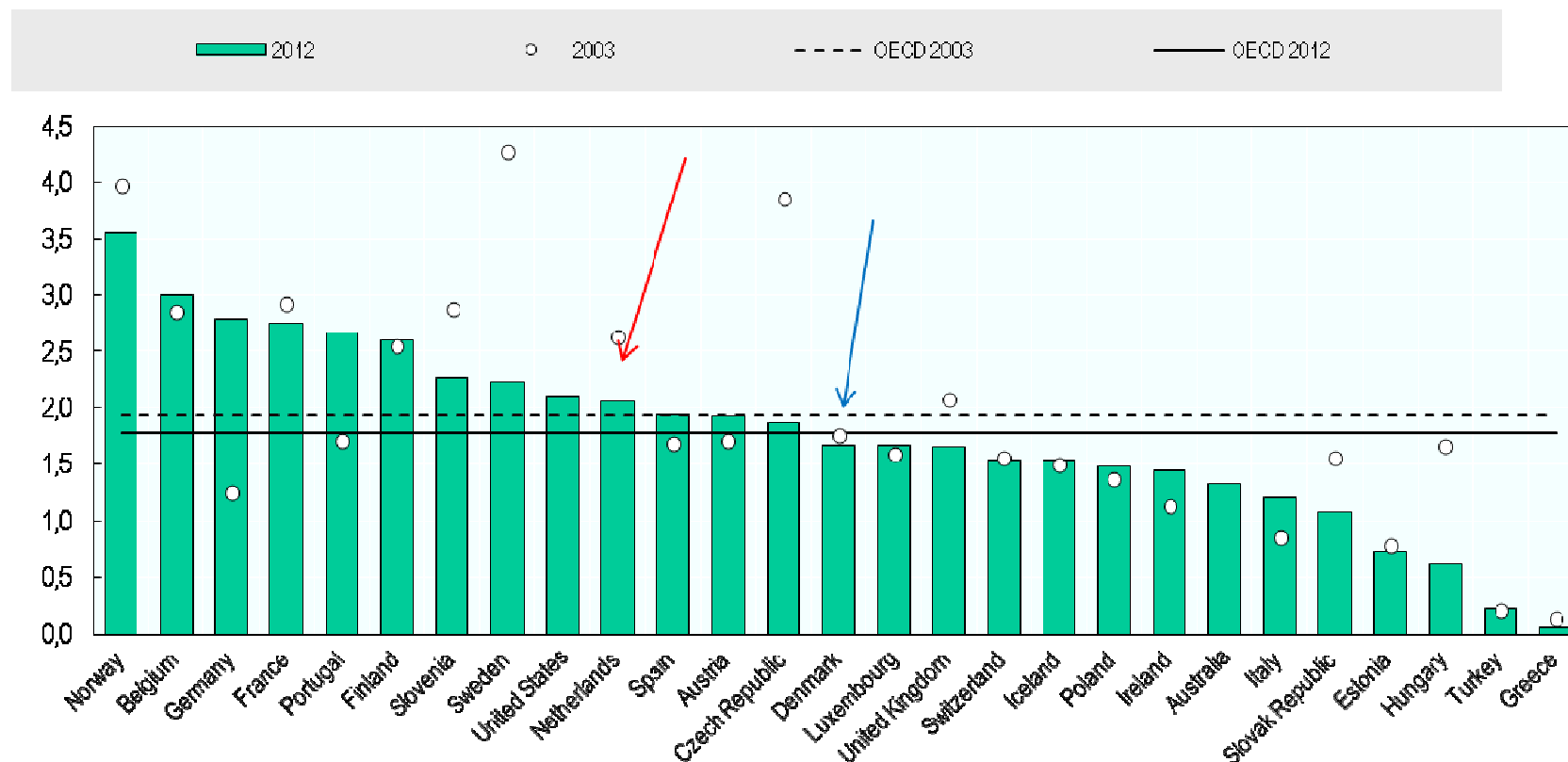
The Danish flexicurity model in short

- A low level of employment protection
- A generous system of economic support for non-employed
- Active labour market policies

Flexicurity

- Limited employment protection
 - ➔ easy to dismiss ➔ easy to adjust workforce
- A generous system of economic support for non-employed
 - ➔ economic support during periods of non-employment
- Active labour market policies
 - ➔ aimed at upgrading the skills of those unemployed, that are unable to return directly from unemployment to a new job

Incidence of sickness absence of employees

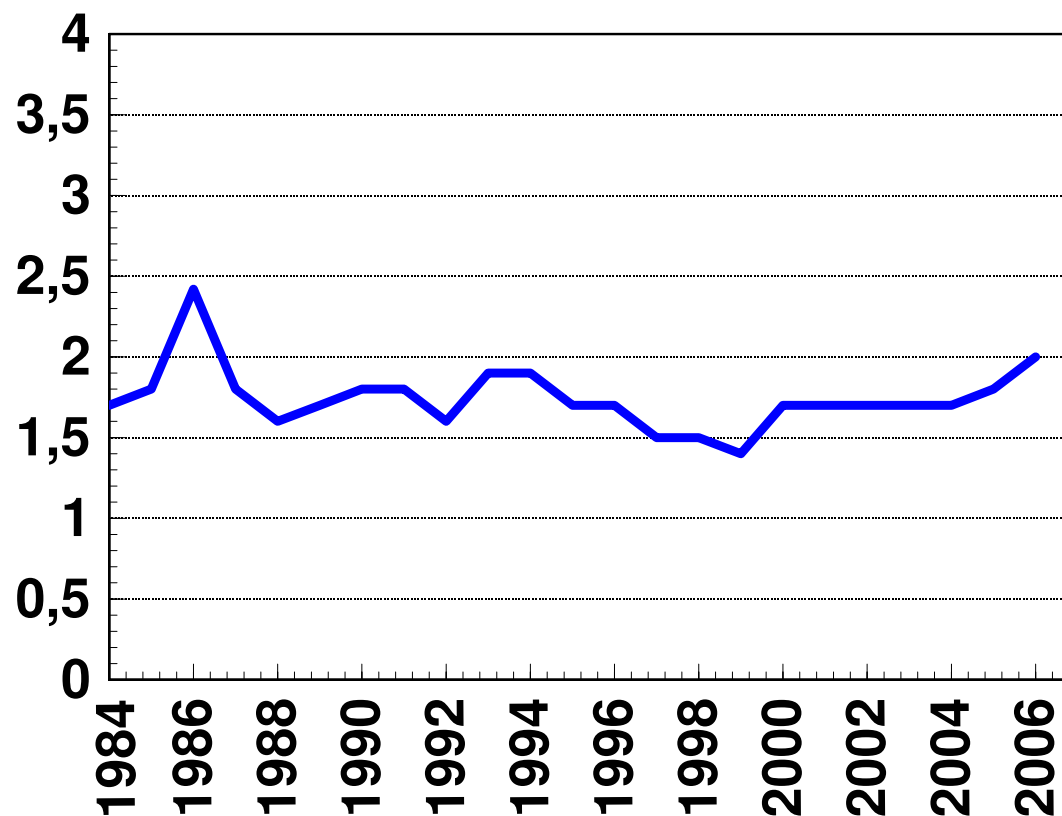


Source: OECD

Note: The incidence of work absence: the share of employees absent from work due to sickness and temporary disability (either one or all days of the work week).

Long-term trend in sick leave

Labour force survey: at least one week of sickness absence (% of employed)

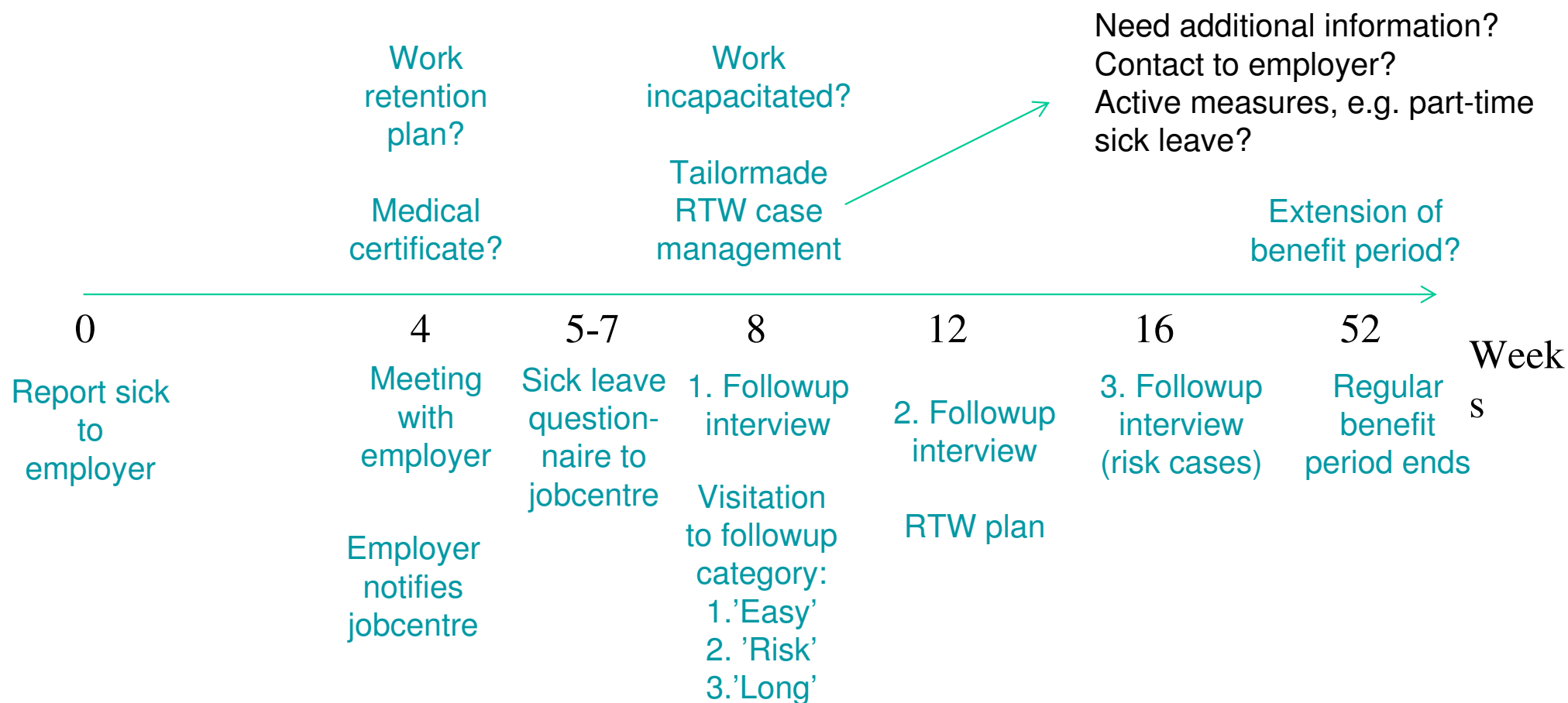


Source: ASUSSI

The Danish sickness and disability policy

- What happens if you become ill at your job?

Ill at your job...



The Danish sickness and disability policy cont.

Where are:

- The medical experts/certificates?
- Occupational health physicians?

The sickness benefit scheme

- Covers wage earners, self-employed, unemployed (in UI)
- Benefit = 100 % of wage up to ceiling (=max UI benefit)
- Duration: 1 year within 1½ years.
- Eligibility:
 - Partly or fully unable to work
 - Employed 8 (26) weeks
- Financing: employers (4 weeks) and municipality/state

The sickness benefit scheme

- VR either within the SB scheme or the VR scheme
- Work trail, working-capacity tests, courses, education, part-time sick leave, wage subsidised job training, subsidies to workplace adaptations, exemption of employers' contribution for chronically ill employees, round table meetings, ordinary activation for unemployed
- State refund → strong incentives for municipalities to be active, e.g.:
 - Higher refund for VR than for disability benefit
 - Higher refund for SB when clients are active than passive
 - No refund of SB after 52 weeks

Changes to the SB scheme the last 30 years

- Strengthening of active policy and of municipalities' obligations, e.g.:
 - Introduction of max benefit duration (1982)
 - Followup advanced from 13 to 8 weeks (1997)
 - Change of state refund (1999)
 - Intensive followup in risk cases (2005)
 - Higher refund of SB in active cases (2010)

But also:

- Extension of employer financed period (2008, 2012)
- Employer-employee interview (2010)

Reform in 2014/2015

Other important schemes: Vocational Rehabilitation

- For people who needs VR to become able to support themselves
- Benefit period: up to 5 years
- Benefit amount = Sickness benefit
- Measures: courses, education, workplace adaptations, wage subsidised job training etc.
- Financing: municipality/state

Flexjobs

- Wage subsidised job with reduced working hours and special job tasks
- Unable to work in ordinary job
- Working capacity is significantly and permanently reduced (all relevant measures have been tried)
- 2013, 3Q: 55,000 flexjobs (2 % of labour force)
7,000 waiting for a flexjob
- Scheme significantly changed in 2013

Disability benefit

- Permanent reduced working capacity, despite medical treatment and VR unable to work in ordinary or flexjob employment (all relevant measures have been tried)
- Benefit amount=SB (depending on spouse situation)
- Financing: municipality/state

Scheme significantly changed in 2013:

- Age limit (over/under 39 years).
- Multidisciplinary rehabilitation teams and 'resource courses'

The Danish sickness and disability policy

- Relatively easy to dismiss employees on sick leave
 - White-collar private sector workers: 120 days rule
 - Blue-collar employees: collective agreements
- But:
 - UN's handicap conventions about reasonable accommodation' (*Art. 27*)
- Voluntary participation in work retention of sick-listed employees and integration of disabled people
 - Subsidies
 - Information, campaigns, persuasion (CSR)

The Danish sickness and disability policy

Summary:

- Limited responsibility of employers in terms of financing of benefits and RTW obligations
- Extensive responsibility of public authorities (jobcentres) in terms of financing, formal obligations, and incentives for reintegration

Comparing the Dutch and Danish policies

Responsibility for labour market re(-)integration and financing of benefits:

	Responsibility of:	
	Public authorities	Employers
Denmark	Extensive	Limited
The Netherlands	Limited	Extensive

Dutch employers' responsibility, e.g.:

- Job protection of sick-listed employees
- Obligation to accommodate disabled workers
- Financing of sickness (1996, 2004) and disability benefits (1998)
- The gatekeeper act, Wet Verbetering Poortwachter (2002)

Comparing the Dutch and Danish policies

Consequences of difference in responsibilities?

Two-year prospective survey data of 390 Dutch and 319 Danish long-term private sector employees sick-listed with LBP (Høgelund, 2003)

- Dismissal during sick leave:
 - NL: 11 %
 - DK: 49 %
- RTW for pre-sick leave employer:
 - NL: 85 %
 - DK: 41 %

Comparing the Dutch and Danish policies

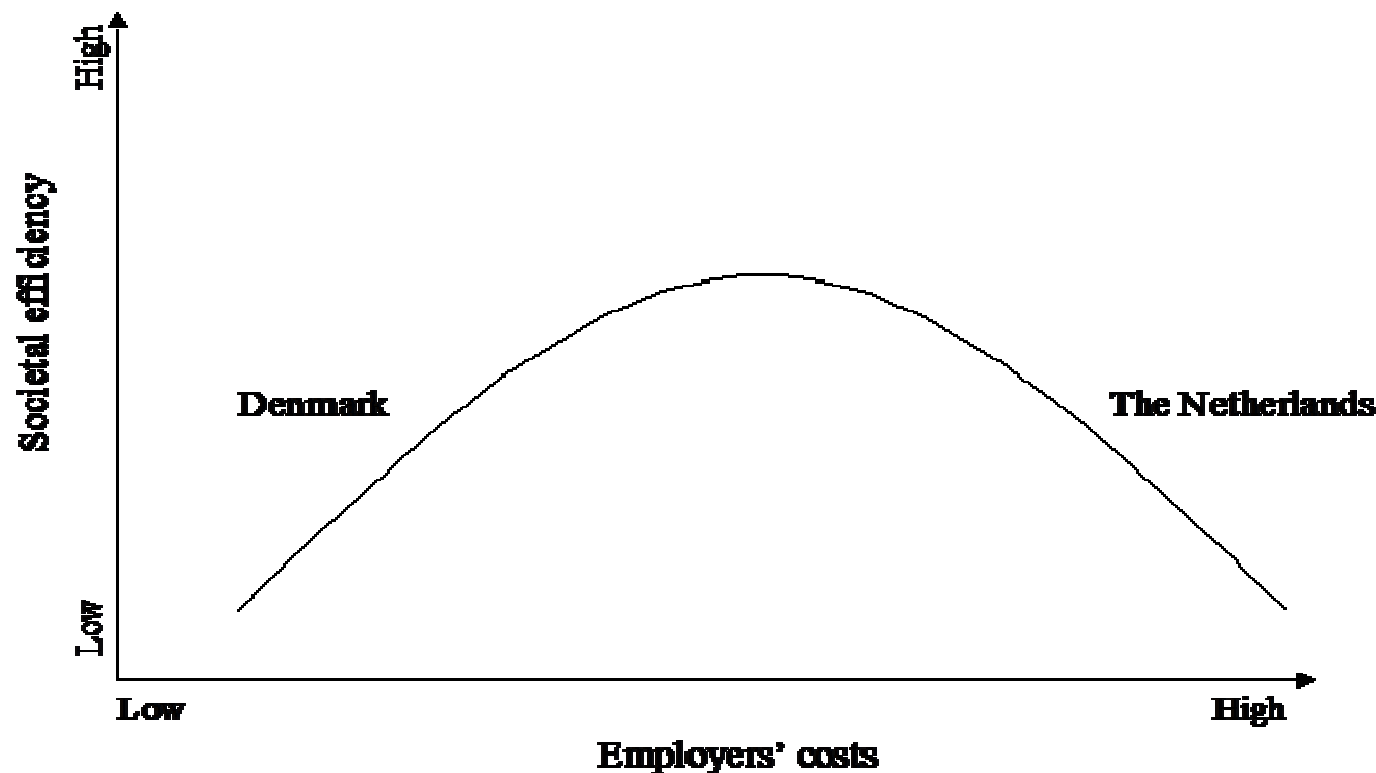
- Effect of dismissal on RTW:
 - NL: Significant and big negative effect
 - DK: Insignificant

Interpretation of findings:

- Job protection legislation work as intended: it prevents dismissal during sick leave
- High Dutch employer costs facilitates reintegration with old employer. At the same time the high costs make employers refrain from hiring people with health problems. This is not the case in DK.

What can we learn from the comparison?

- Limited employer costs harms work retention (DK)
- High employer costs harms labour market integration (NL)



Source: Høgelund (2003)

Discussion

- Denmark can probably learn more than the Netherlands!

Lessons for Denmark:

- Work retention: involvement of employer necessary
- Access to medical-work-related expertise (arbo dienst)

Lessons for the Netherlands:

- Less employer obligations can increase flexibility & integration
- Does the (market) provision of arbo dienst RTW-services have drawbacks?
- Multidisciplinary RTW case management/teams?

Thank you for your attention!

References

Høgelund, J. (2003). *In Search of Effective Disability Policy. Comparing the Developments and Outcomes of Dutch and Danish Disability Policies*. Amsterdam University Press.