

# Employment and disability – Avoiding a one-way street



## Rise in numbers on disability benefit

Chronic illness and disability play a key role in unemployment and exclusion from the workplace. When reading about 'people with disabilities', most people think of people born with an obvious disability or who have acquired a disability through illness or injury later in life. However, in relation to the labour market, the term refers to people who have previously worked but are now receiving disability benefits due to long absence from work. They have lost connection with their employer and are claiming either short-term sickness benefit or longer-term disability benefit. Most of them have acquired their disability during their working life. Their number is steadily increasing, leading to a situation where the rate of people on social insurance benefits outnumbers those on unemployment benefits.

Only in a small number of cases are work-related accidents and injuries the cause for long-term sick leave and disability. The nature of the illnesses leading to disability claims and often early retirement are increasingly stress-related, resulting in mental health problems.

**The number of people claiming long-term disability payments is rising in many countries, exceeding 10% of the labour force in some Member States.**

## Young people with disabilities

Even more alarming is a relatively new trend – observed in a number of Member States – of a significant increase in the number of young people claiming disability benefits. Traditionally, disability benefits were predominantly taken up by older male workers in manual jobs. Disability benefits were used as an early retirement scheme. Now the pattern has changed, with young people increasingly entering into incapacity schemes and now constituting the fastest growing age group. Eurofound research has identified a number of EU countries which have recorded an increase in young people receiving incapacity benefits. Generally mental health problems are the main reason for the increase.

Reliable data on the increase of young people claiming disability benefits is not readily available for all Member States. In

**In the Netherlands, one in twenty 18-year-olds is enrolled in the Wajong scheme, a disability benefits scheme especially designed to support young early-handicapped people. Inflow into this scheme has tripled compared to 10 years ago.**

Poland, 4.2% of the 15–29 years age group are registered as disabled. Economic, social and political changes in Bulgaria in recent years have had a significant impact on children, especially those with poor health. Data shows an increase of 32% in the numbers of disabled children and young people between 2004 and 2008. Denmark and Finland have also registered a growth of disability benefits among young claimants. In Denmark, mental health problems constitute 40% of all cases. In Finland, this figure is considerably higher: 70% of young people on incapacity benefits are classified as having mental health problems.

## Factors behind the increase in numbers

There are many reasons to account for the growth in young people on disability benefits. They are related to a genuine rise in mental health problems among young people, possibly linked to lifestyle issues like drug and alcohol consumption. Improved diagnostics plays a role as does more openness around mental health problems and a higher acceptance of living on

**Depression plays a role in the increasing numbers of young people suffering from mental health problems. But it is questionable whether depression is an illness that justifies someone being classified as permanently disabled and unable to work.**



benefits. Diminishing opportunities on the labour market – especially in times of crisis – have to be taken into account, but also the rules for accessing benefits and a higher awareness of the availability of such schemes. Providing support while encouraging recipients to enter or return to the labour market is a key challenge. It has been estimated that 70% of beneficiaries under the Dutch Wajong scheme could be active in the labour market, yet only 26% are currently in employment. Even if the benefits received are not high, the alternative of finding a job may seem too onerous.

## Back to work strategies

Research on the main reasons behind the increase in young people qualifying for disability benefits and excluded from the labour market has just begun. Ideas on how to reverse the current trend focus on increasing the incentives to look for work, as well as easing the transition from special education schools to employment. However, it is already apparent that the inclusion of people with chronic illness and disabilities in employment – whether young school-leavers or older and previously employed – requires action on different fronts and by different actors. A key tool is the provision of employment guidance services. Eurofound research on good practice in assisting people on disability benefits who have worked before has shown that this group is rarely recognised as a specific target group with specialised needs. Those involved in providing advice and guidance often do not have a qualification in counseling for people with disabilities. Also, the services provided, though varied and numerous, do not encompass all the elements identified as requirements for good practice. Eurofound research identified 12 areas that should ideally be covered by guidance services, ranging from more traditional tasks like vocational assessment and job matching to psychological support, counselling services and assistance in accessing grants. None of the initiatives examined provided the whole range of services to their clients.

**Those absent from work for longer periods have a progressively poorer chance of returning to work. Just 20% of those absent for more than 12 months ever return to work.**

## What companies can do

One of the biggest challenges is the loss of contact with the workplace during a period of extended illness. Employers often lack awareness of what can be done to help those suffering from long-term illness and disability to return after sick-leave and stay in employment. This is especially true for issues around mental health. Most companies do not have procedures for managing disability and company culture is often not conducive to assisting a return to work. The increase in work intensity, as shown in Eurofound's European Working Conditions Survey (EWCS), and a culture of long hours, does not help re-integration after long absence. Levels of awareness among many employers of what support for companies is available to employ a disabled person with or without previous work experience is equally low. Evidence suggests, however, that employer subsidies may be less effective in promoting a positive employment decision than having a previous positive experience with employing disabled people. For employers to build positive experience, work experience for disabled people has to be expanded.

## Further information

This fact sheet forms part of the Eurofound resource pack, *All aboard – leaving social exclusion behind*.

The pack looks at the key issues behind social exclusion and explores initiatives across Europe that seek to create a fully inclusive society.

For a copy of the pack or further information on this topic, please email: [integration@eurofound.europa.eu](mailto:integration@eurofound.europa.eu)

To view the resource pack online, and all other Eurofound materials on this topic, please visit: [www.eurofound.europa.eu/resourcepacks/integration.htm](http://www.eurofound.europa.eu/resourcepacks/integration.htm)

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