

# **Activating Disability Benefits and Reforms to Employment Services – international context**

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# Context

- Since mid-1990s convergence on need to modernise and activate social protection systems
- Key elements include:
  - Activation of benefit entitlements (priority for the young and long term unemployed)
  - Shift to 'work first' strategies
  - Redesigned sanction regimes to reinforce activation
  - Activation of institutions and agencies, including the development of 'one stop' services, increased use of e-channels and results-based contracting.
- A new social contract? - different models but essential principle is that the government commits to provide employment services and, in return, the individual service user commits to job search and/or other employment activities or faces sanctions in the case of non-compliance.

# Activating Disability Benefits

- In OECD countries pre-recession average proportion of working age people receiving disability benefits was 6%, typically twice as high as the unemployed (up to five times higher in Nordic, English speaking countries and the Netherlands)
- Employment rates of people with disability are low and had been falling in many countries (very low for some groups, such as, mental health conditions, esp for young people)
- High poverty risk (unless well educated, already have employment)
- “People almost never leave disability benefits for a job”
- Not only health/disability issue – *but it is low level of attachment to employment that impedes job chances*

# Transforming Disability Benefits into an Employment Instrument

- Redefining eligibility for and purpose of disability benefits (income security and employment integration)
  - Assessing work capacity, not disability (with periodic reassessments)
  - Aim to ensure it pays for individual to remain in, seek and increase work efforts
  - Conditionality for those with partial work capacity (interviews, employment activities, through to job search and/or work requirements)
    - Wider availability of employment services
- Activation of employers
- Redefining roles of medical professionals
- Changing role of service providers - towards results-based contracting

# Some lessons learned

- Evidence complex and findings contested, but design and delivery of benefit systems important - they influence the level and persistence of unemployment and other benefit durations
- Activation/welfare to work reforms have helped soften the impact of recent downturns and accelerated response to recovery
- Difference between ‘compliance’ and ‘treatment’ effects
- Mixed evidence on impacts of particular programmes but generally positive results for ‘job search services and sanctions’ or mandatory activities that speed the pace at which people leave benefits and enter employment
- Such programmes less effective for people with greater barriers, including those with significant health issues or those with work-limiting disabilities – some positive evidence for more specialised programmes (esp. SE)
- Recognition that interventions are likely to work better in combination and body of evidence on the benefits of flexibility but allied concerns about creaming and parking