



GLADNET

**International Research Project on Job
Retention and Return to Work
Strategies for Disabled Workers**

Study Report

Sweden

Anders Karlsson

Swedish Council for Work Life Research

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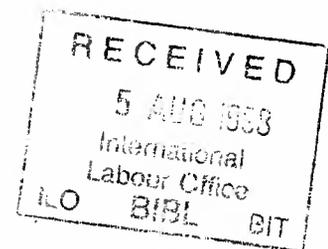


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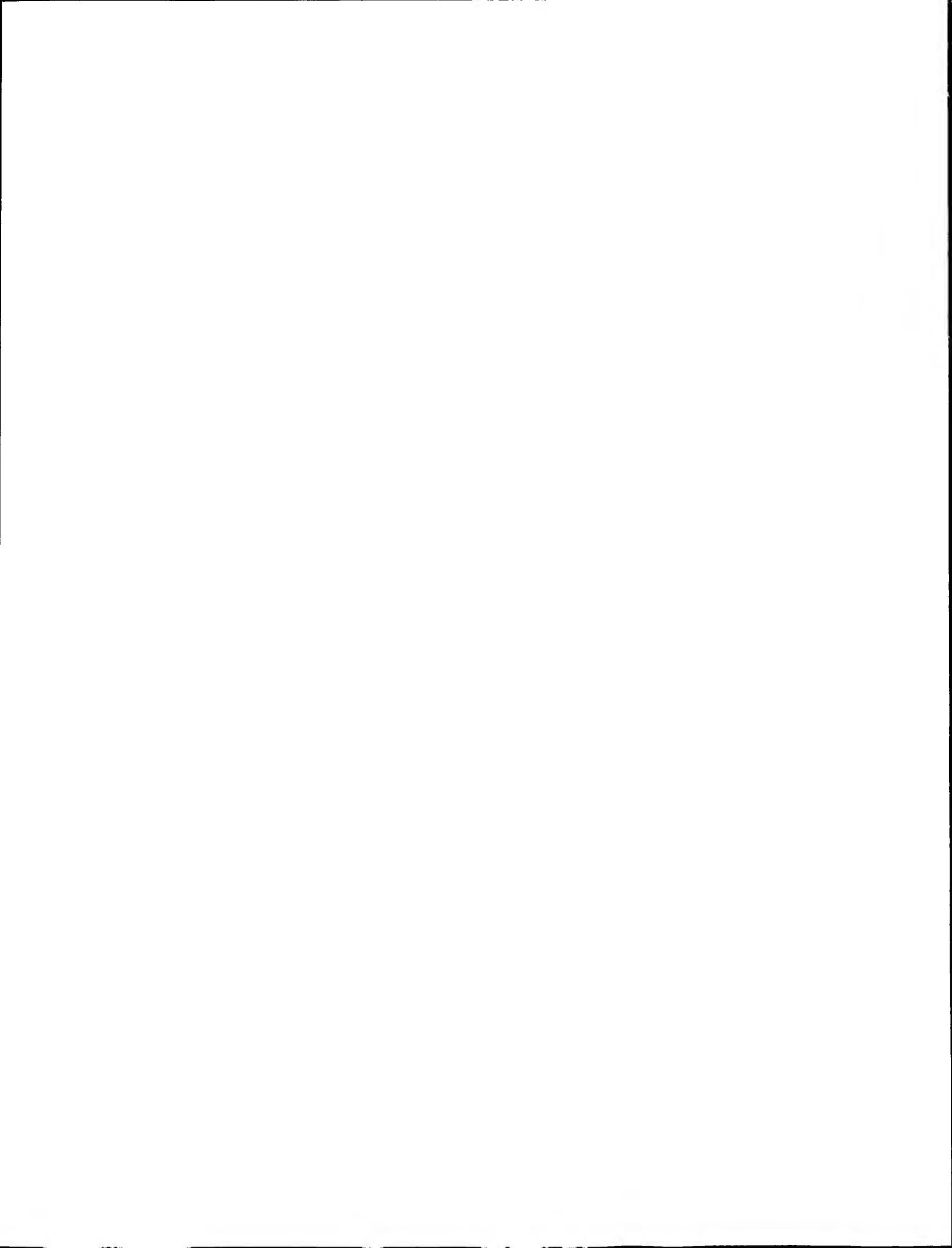
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PREFACE

The *International Research Project on Job Retention and Return to Work Strategies for Disabled Workers* is an initiative of the International Labour Organisation (ILO) and the Global Applied Research and Information Network on Employment and Training (GLADNET). It reflects ILO and GLADNET joint aims of establishing a base for cross-national research and strengthening links between research analysis and policy reform in the field of employment of disabled people.

The Project is a response to a combination of developments which highlight the need for more effective policies and practices in support of workers whose prospects of remaining in employment are jeopardised by work injury, illness or disability. Persons with disabilities are increasingly claiming rights to stay in work as well as to access employment. Pressures on state budgets, the rising costs of compensation claims and disability benefits, and changes in the structure of the labour market are strengthening policies in favour of job retention and return to work. Enterprises are developing their own strategies to minimise the costs of disability and to retain valued employees. Overall, the balance of responsibility is shifting from the state to the enterprise.

Policies and practices to prevent disabled workers from leaving work unnecessarily, and to facilitate rapid return to employment if job loss cannot be prevented, are recent developments in many countries. The cross-national exchange of information on initiatives and their effects is limited. The first aim of this Project has been to gather information about what has been attempted, by whom, for what purposes, in which contexts and to what effects. The second, more ambitious, aim, is to examine the interaction between the various policies and practices, identify dysfunctions, and work towards more coherent and cost-effective strategies for job retention and return to work which might be applied in different national systems. The ultimate objective is to identify strategies which can be put into effect in the workplace.

The Project was constructed in two phases. In Phase One, eight exploratory desk-based studies were commissioned from researchers in Canada, France, Germany, the Netherlands, New Zealand, Sweden, the United Kingdom and the USA. The eight countries invited to participate represent a spectrum of policy approaches and enterprise practices which affect the retention and return to work of workers with disabilities. Australia joined the project at a later stage.

The studies formed the basis for a *Key Issues* Paper, published simultaneously with the eight country reports. This Paper aims to inform, stimulate debate and pave the way for constructive discussion of questions for further exploration through cross-national collaboration in Phase Two.

National government departments, agencies, a private sector organisation, and the ILO co-sponsored Phase One of the Project. Overall responsibility for the Project rests with the ILO (Vocational Rehabilitation Branch, Employment and Training Department). The design, implementation and analysis of the research in Phase One were the responsibility of the Research Co-ordination Unit established at the Social Policy Research Unit, University of York (UK) in April 1997. Research specialists in the main areas of enquiry, based in study countries, contributed at all stages of the research process and, with ILO representatives, met with the research co-ordinators as a Research Advisory Group.

The country studies

The Project recruited and supported national informants from research institutes in all eight countries. During the second half of 1997 they completed a Schedule of Questions developed by the Research Co-ordination Unit to describe policies and practices, document evidence of their effects and provide grounded commentary on how policies and practices interact. The principal sources were policy documents, survey data, research evaluations and critical reviews. Informants were encouraged to contact sources in government departments and agencies, disabled people's organisations, labour unions and employers' groups. Where documented information was lacking, informants interviewed experts in the field.

The eight country reports are important resources for the development of job retention policy and practice both within and across countries. Each report brings together within a single volume: descriptions of policies, practices and programmes which impact on job retention and return to work; evaluative material; and informed commentary. They cover five themes: employment and labour market policies; benefit and compensation programmes; employment support and rehabilitation services; adaptation of work and workplace; and measures developed and implemented by the enterprise. In line with the research aim of identifying coherent and co-ordinated strategies, the informants both comment on dysfunctions in national systems which obstruct job retention efforts and identify links between themes.

It should be noted that the situation described in the reports may have changed. This is especially true of the Netherlands where further reforms were expected in the first half of 1998 and the United Kingdom where the government changed in May 1997. Important developments in the USA were announced in March 1998.

The reports produced by the eight teams of national informants conformed to the format laid down by the Schedule of Questions. The original reports have been edited for publication by the Research Co-ordination Unit in co-operation with their authors. However, they remain essentially the 'raw data' for analysis and should be read in that light. Each report follows the same sequence of headings which reflect the original open-ended questions. As the questionnaire prompted informants to respond flexibly to suggestions about possible areas to address under each question, the content varies from report to report. The reader should note that, at the end of a thematic section, commentary may be included on the links between that theme and those which precede it.

Terms used in the study

The study concerns paid competitive employment in the open labour market.

The term 'disabled workers' is broadly defined. It covers individuals who become disabled, injured or ill whose prospects of continuing or advancing in employment are jeopardised when an acquired impairment, illness or deteriorating condition - physical or mental - presents difficulties in fulfilling the requirements of the job, reduces earning capacity or affects other rewards of working. They may or may not qualify under legal definitions of disabled persons. The term also covers workers with disabilities whose working capacity is not diminishing but whose continued employment is nevertheless threatened by prejudice or discrimination, or by the loss of supports which have maintained them in the job.

'Job retention' means staying with the same employer, with the same or different duties or conditions of employment, and includes return after a period of paid or unpaid absence. 'Return to work' refers to the resumption of employment by a worker who has crossed the threshold from a continued employment relationship into non-employed status; the main interest of the study is in policies and practices which return the disabled individual to work at an early stage.

Acknowledgements

The publication of eight country reports of a very high quality in a short space of time would not have been possible without the expert attention of Andrew Nocon of the Social Policy Research Unit who edited the reports with remarkable care and efficiency. His task was made easier by the eight teams of informants who most willingly answered queries and approved the edited versions to tight deadlines.

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Patricia Thornton
Research Co-ordination Unit
Social Policy Research Unit, University of York, UK

April 1998

Copies of the 'Methodology Paper' and the 'Informant Briefing and Schedule of Questions' may be obtained from the Research Co-ordination Unit, Social Policy Research Unit, University of York, YO1 5DD, UK.

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Anders Karlsson prepared this report for the Swedish Council for Work Life Research on secondment from the Office of the Disability Ombudsman.

I. EMPLOYMENT POLICIES

The purpose of this Part of the report is to describe policies which maintain those workers in employment whose continued employment is at risk because of disability. It provides evidence of the effects of those policies and identifies factors which influence their effectiveness. The emphasis in this part is on national (or state/provincial) policies formulated by government, and by bi-partite or tri-partite policy-making and advisory bodies.

Sections 1 to 5 are concerned with legislation, incentives and other 'persuasion' policies which oblige and encourage enterprises to retain disabled employees. A distinction is made between employees who become disabled and those who are already disabled. Information is provided about employment policies which encourage disabled employees to retain or return to their jobs. Sections 6 to 8 focus on the factors which affects the success of policies. They also examine the labour market factors which contribute to the retention or loss of jobs among disabled people.

I.1 POLICIES WHICH AIM SPECIFICALLY TO INFLUENCE ENTERPRISES TO RETAIN NEWLY DISABLED EMPLOYEES

I.1.1 Legal obligations and binding agreements intended to prevent and restrict the dismissal of employees who become disabled

Under the terms of the Employment Security Act 1974, an employee's reduced ability to work on account of sickness or functional impairment does not constitute grounds for dismissal. Reduced working capacity should instead result in the employer using the assistance made available by labour market policy and taking special action to make the work easier or transferring the employee to less demanding tasks. As a general rule, there is no question of dismissal on account of illness as long as the employee is receiving sickness benefit from the national insurance office. However, dismissal is permitted if an illness or functional impairment involves a permanent reduction in work capacity that is so significant that the employee can no longer be expected to carry out any work of any importance.¹

Even in cases where employees cannot perform work of any significance, the employer must investigate whether it is possible to find other work for them before dismissing them. In this context the employer has to use all reasonable means to reorganise the business so as to avoid dismissing the employee. Typically, this demand involves making use of vacancies and does not require a new position to be created. Another limitation on the obligation to transfer the employee is that it will only apply to tasks for which the employee is sufficiently qualified.

The assessment of whether the employer has factual grounds for dismissing an employee under the Employment Security Act includes the question of satisfying the statutory demand for rehabilitation

¹ Lunning, Security of employment.

measures. It could be said that the Employment Security law interacts with the provisions of the Work Environment Act 1966 (see I.1.2) when it comes to the rehabilitation responsibility of the employer. However, it is not immediately obvious what the employer's rehabilitation responsibility involves, in terms of the extent of financial responsibility or ability to take economic and organisational considerations into account.

Swedish law displays a good deal of respect for the employer's right to run the operations of the company and to supervise the work.² This makes it hard for an employee to win a case in court against an employer: the courts do not, as a rule, question the way an employer runs a business or, for instance, deals with questions of rehabilitation.

Employment security law does, however, provide disabled, sick and injured persons with relative adequate security, according to Ann Numhauser-Henning, Professor of Civil Jurisprudence at the University of Lund. Their job security is strengthened in comparison with workers in general.

It is generally more difficult to reach the level of 'work of some significance' among salaried employees than among the more traditional blue collar occupations (according to Eva-Helena Kling, senior legal officer at the Swedish Union of Salaried Employees in Industry). Despite its shortcomings, the law on employment security represents a powerful incentive not to resort to arbitrary dismissal.³

Many employers, not least those in the public sector, show little interest in following the rules, according to Bo Eriksson, head of legal affairs in the Swedish Trades Unions Confederation (LO) legal protection division. They often begin at the wrong end: instead of initiating rehabilitation measures and adapting the work, they attempt to push off responsibility onto somebody else or hope that the employee will resign voluntarily.⁴

In normal cases of dismissal on account of lack of work, the order in which employees are released is based on the accumulated period of employment with the employer of each employee. Those with the least accumulated period of employment are made redundant first. The rule that the length of accumulated period of employment is the determining factor for being declared redundant can, however, be circumvented if the union and the employer agree on a different course of action. There are reasons for suspecting that these contractual ranking lists for redundancies in the latter case do not always respect the position of the disabled on the ranking list.⁵

According to the Employment Security Act, an employee whose working capacity is reduced and who on account of this has been provided with special employment at a company shall have prior rights to continued

² Interview with Ann Numhauser-Henning (Professor in Civil Jurisprudence, University of Lund), September 3, 1997.

³ a.a.

⁴ Interview with Bo Erikson, head of legal affairs in LO's legal protection division, August 29, 1997.

⁵ Interview with Ann Numhauser-Henning (Professor in Civil Jurisprudence, University of Lund), September 3, 1997.

employment regardless of the ranking list, if this can be arranged without serious inconvenience. Special employment includes specially adjusted workplaces and employment with wage subsidy.⁶ It is worth noting that the employee must also in these cases be qualified for the tasks he or she is to continue to perform.

This rule has been tested by the Labour Court only in a few isolated instances. Even in industry, this rule is probably only applied to a rather limited extent. This is due to the fact that both the employer and the union organisations find it difficult for reasons of efficiency to retain employees who are disabled. In the past, there were plenty of easy jobs which made it easier to retain many disabled employees. Today however, these tasks have more or less been eliminated as a result of rationalisation.⁷

Breach of the employment security law results in sanctions in the form of damages to be paid by the employer to the employee and in some cases also to the union organisation.

It is almost impossible to determine with any certainty how well the law has been able to protect the jobs of disabled employees. The only in-depth study of the occurrence of discrimination against disabled employees in working life was made in 1997 by the Disabled Persons Ombudsman.⁸ As far as security of employment is concerned, the following results may be noted.

Of those with disabilities who were interviewed, five per cent stated that they had lost their jobs on at least one occasion on account of their disability, seven per cent said they had been encouraged to resign on account of their disability. Four per cent stated that a period of employment for a limited time had not been extended on account of their disability. Among all the interviewees, individuals with reduced mental functioning capacity and stomach and intestinal ailments are subject to discrimination more than other categories of disabled persons. The survey was not able to demonstrate any significant differences between genders.

The discrimination survey took the form of a questionnaire sent to 5,000 individuals of working age (16-64) with physical, medical or mental disabilities which can lead to constraints in their day-to-day lives. The group investigated corresponds to one million people in the economically active age groups. The response rate to the survey was 62.8 per cent.

I.1.2 Legal obligations to promote the retention of employees who become disabled

The employer's responsibility to strengthen the position of the employee at the workplace is laid down in the Work Environment Act 1977 and in the General Insurance Act 1962.

⁶ Lunning.

⁷ Interview with Catarina Calleman, PhD student at University of Umeå, September 5, 1997.

⁸ Disabled Persons Ombudsman *Discrimination of Disabled People in Work Life: Report to the Government*, 1997.

Work Environment Act

The Work Environment Act requires that an employer shall systematically plan, lead and control a business in such a way that the work environment satisfies the demands made in laws and ordinances. The employer shall investigate occupational injuries, regularly investigate the risks the company's activities involve and take any measures necessitated by this. Measures which cannot be taken immediately shall be planned and scheduled. The employer shall document the work environment and the measures taken to improve it to the extent required by the operations of the enterprise. Action programmes shall then be established. In addition, the employer shall ensure that operations include suitably organised activities for work adaptation and rehabilitation.

The activities for work adaptation and rehabilitation are covered in more detail in mandatory directives issued by the National Board of Occupational Safety and Health as follows:

- a) the employer shall indicate targets for work adaptation and rehabilitation activities;
- b) the employer shall regularly check the needs of the employees;
- c) the employer shall begin work adaptation and rehabilitation for those employees who need it as soon as possible;
- d) the employer shall clarify how work adaptation and rehabilitation should be distributed. A person working on work adaptation and rehabilitation shall have the necessary authority and resources, as well as the skills and competence required for the tasks;
- e) the activities shall be organised so that they can be arranged in consultation with the individual employees affected by the measures and with their representatives on work environment issues;
- f) the activities shall be organised so that they can be carried out in collaboration with the local social insurance office and the authorities involved;
- g) the employer shall follow up the activities annually and make the changes required by the results of the follow-up;
- h) the employer shall have the procedures necessary for the activities;
- i) if the nature or scope of the activities so require, then targets, division of responsibility, follow-up and procedures shall be documented in writing;
- j) the employer shall adapt the individual employee's work situation on the basis of his/her capacity for the tasks. This shall particularly take into account whether the individual employee has any disability or other reduction in his/her work capacity.

In 1997 Statistics Sweden carried out a joint survey of the employment conditions of disabled individuals together with the Disabled Persons Ombudsman, at the request of the Swedish Council for Work Life

Research.⁹ According to this survey, 43 per cent of the disabled people who have a job and are in need of occupational aids or some other work place adaptation, stated that the employer had not taken measures to adapt the workplace.

The General Insurance Act

An insured person who is registered with a national insurance office is entitled to rehabilitation measures and rehabilitation compensation. Persons entitled to register with a national insurance office include Swedish citizens and persons who are resident in Sweden. According to the General Insurance Act, the insured person's employer shall be responsible, in consultation with the individual concerned, for ensuring that his/her need for rehabilitation is analysed as soon as possible and that any measures needed for effective rehabilitation are taken. The national insurance office co-ordinates and supervises the measures which are needed for these rehabilitation activities. The work, provided the insured person agrees, shall be arranged in co-operation with the insured person's employer and union, the health and medical service, the social welfare office, and labour market authorities, as well as any other authorities which may be involved. In this context, the insurance office shall seek to ensure that these bodies, each within its own area of activity, shall take the measures which are needed for effective rehabilitation of the insured person.

The Statistics Sweden/Disabled Persons Ombudsman investigation into discrimination against disabled employees in working life which is referred to above shows that 12 per cent of those questioned stated that on some occasion they had not received the rehabilitation they needed. Twenty-seven per cent of those questioned replied that they do not know or that rehabilitation was not an option, while 61 per cent answered that they had been given the rehabilitation they needed.

In 1997, the central union federation for workers in Sweden - the Swedish Trades Unions Confederation (LO) - carried out a survey of work environment activities among the safety representatives of its member unions.¹⁰ According to the Work Environment Act, the safety representative represents the employees in connection with questions relating to the work environment.

As far as rehabilitation measures are concerned, 40 per cent of the safety representatives stated that the employer investigates the reasons for long term or recurrent sick leave. Some 15 per cent of representatives reported that, although the employer investigates the causes, measures are not taken. More than 20 per cent stated that the employer transfers the employee to other tasks, and some 15 per cent that the work/work environment is adapted to the individual. According to more than 25 per cent 'other measures' are taken.¹¹

As many as 15 per cent of representatives stated that neither investigations are made nor measures taken. An equally large proportion stated that an investigation is carried out but no measures are taken. And as many as almost 20 per cent did not know what measures are taken in connection with long-term sick leave.

⁹ Statistics Sweden, *The position of the disabled on the labour market*, 1997.

¹⁰ LO, 'How does work on the work environment function?', Swedish Trade Union Confederation, 1997.

¹¹ LO, "How do work environment activities really work?"

This means that it is not mainly the investigations that are the problem, but the absence of measures when there is a need for rehabilitation for individuals who are on long-term sick leave. (As several alternative replies were possible, the final figure is not 100 per cent.)

Act Concerning Certain Measures to Promote Employment

Under the terms of the Act Concerning Certain Measures to Promote Employment of 1974 (amended in 1985), the employer has a responsibility to discuss with the County Labour Board:

1. measures to improve the working conditions of elderly workers who are already employed or employees whose work capacity is reduced;
2. measures to safeguard continued employment;
3. the recruitment of elderly employees or employees with reduced work capacity, and measures to promote the employment of such persons.

When there are reasons, the County Labour Board shall, on the basis of what has emerged from the discussions with the Board, give the employer instructions regarding measures that should be taken to provide better employment opportunities for elderly workers or workers with reduced work capacity. In this context, the Board can demand that the employer, in connection with recruitment activities, increases the proportion of such employees in the work force in accordance with more detailed information provided by the Board.

If the employer does not comply with the instructions sent by the Labour Market Board, the Board can require the employer not to employ other workers than those referred to it or approved by the public labour office.

This Act has come in for intense criticism as it has never been applied in the manner described in the above paragraph. In other respects, it has only been applied in a small number of cases. The minimal application of the act, to put it no more strongly than that, has resulted in its very existence on the statute book being questioned. The failure to apply the Act is due to the way the application of the law is constructed. The very authority which is dependent on good contacts with employers in order to find work for job applicants also has to apply rules which are regarded by the employer as both highly interventionist and burdensome. The Labour Market Board has not been capable of handling its dual role, which has left the Act Concerning Certain Measures to Promote Employment in something of a limbo.

A committee appointed by the Government, which was due to present recommendations in the spring of 1998 for a bill concerning discrimination against disabled people at work, was also directed to review the Act Concerning Certain Measures to Promote Employment.

I.1.3 Voluntary policies and programmes which encourage enterprises to retain newly disabled employees

On account of the extensive and defined responsibility of the employer for job retention hardly any collective agreements have been reached between unions and employer organisations.

The programme of voluntary support that exists in this area in the form of financial grants for various types of practical experience and trial employment, as well as the system of wage subsidies, is primarily designed for individuals without work. As far as people who already have jobs are concerned, what is left is the possibility for the employer to apply for a grant for occupational aids and to persuade the insurance office to defray all or part of the cost of rehabilitating the employee, if the employer does not have the financial means to defray the cost of rehabilitation.

I.2 POLICIES TO OBLIGE AND ENCOURAGE ENTERPRISES TO RETAIN DISABLED WORKERS IN GENERAL

I.2.1 Obligations and binding agreements to promote retention of disabled workers in general

Adaptations

According to the Work Environment Act, working conditions shall be adapted to the varying physical and mental aptitudes of the employees. The employer shall also see to it that the enterprise includes adaptations and rehabilitation activities which are organised in a suitable way.

The National Board for Occupational Health & Safety carried out a centrally organised project to examine employers' organisation of work adaptations and rehabilitation during the period 1994 to 1996. In total 960 inspections were made, with 781 different demands being made in this area. The project produced the following results as far as compliance with the rules is concerned.¹² The most common failing is the lack of necessary procedures for workplace adaptations (16 per cent). The next most common shortcoming is that enterprises have no action programmes for various situations involving drug abuse (14 per cent). The third most common problem concerns the allocation of powers, resources, knowledge and competence for workplace adaptations and rehabilitation activities (14 per cent). Failings in respect of employers' goals in connection with adaptations and rehabilitation were noted in 13 per cent of cases. Failures with regard to the adaptation of individual workplaces were only referred to in two per cent of cases.

Quota system

Sweden does not have a quota system for individuals with reduced functional capacity. Although some discussions have been held about this, other more flexible methods for promoting the employment of disabled individuals have so far been preferred.

¹² Annika Hultin, *Work Adjustment and Rehabilitation*, Board for Occupational Health and Safety, 1997.

Discrimination

There are not currently any laws or other rules which ban discrimination on the grounds of disability. However, an official committee has prepared a draft bill which is due to be presented to Parliament in May 1998. A supporting proposition notes that both direct and indirect discrimination against disabled people are to be prohibited, whether in the selection of job applicants, making offers of employment, or in the course of employment (for instance in respect of promotion, training or salary scales).¹³ The prohibition covers cases where the employer can be reasonably expected to provide support and adaptation measures (in the form of, say, technical devices or changes in the physical working environment). There would, therefore, be a duty on the employer to adapt the workplace. Nor does discriminatory intent, or even negligence, have to be shown: both conscious and unconscious discrimination are included. Employers would also be required to investigate any instances of reported harassment in the workplace that are based on a person's disability, and to take action to prevent continued harassment. The proposition suggests that the Disability Ombudsman be given the responsibility for overseeing the enforcement of the new law.

I.2.2 Voluntary policies to persuade and encourage enterprises to retain disabled workers in general

There are hardly any voluntary policies which deal with job retention, either at an enterprise level, industry level, or in agreements between unions and employers. One of the reasons is that society has taken upon itself a considerable degree of responsibility for rehabilitation. The rehabilitation of employed persons is handled either by the employer alone, jointly with the insurance office, or in some cases in co-operation with the union.

One exception is 'The Galaxy' project which gives occupationally disabled building workers an opportunity to continue working despite their functional impairment. 'Galaxy' is a joint industry initiative by the building workers' union and a number of major building companies. A Galaxy job involves placement in a job with the aid of a wage subsidy at a normal workplace. The tasks are adapted to take account of the employee's needs in accordance with an individual action plan. The aim of the project is physical and mental rehabilitation and a return to regular employment without a wage subsidy. At present 1,200 people with disabilities are employed on Galaxy projects.

The Swedish Employers' Confederation has laid out its views on disability in relation to the labour market. Publications such as *Going for Growth* and *Disabled but Able* appear to help fill the information gap and encourage employers to create job opportunities for disabled people.

I.2.3 Financial incentives which encourage enterprises to retain disabled workers in general

The main financial incentives for employers are wage subsidies and grants for occupational aids.

¹³ SOU *Prohibition of Discrimination in Work Life of People with Disabilities*, Stockholm: SOU.

Wage subsidies

According to the ordinance on wage subsidies, such subsidies may be paid to employers who recruit a disabled worker. In the case of a disabled worker who is already employed the employer will receive the wage subsidy only if the employee returns to work after having been in receipt of a full sickness compensation in accordance with the General Insurance Act and is considered not capable of retaining the employment without the grant being paid. Only in a small number of cases have wage subsidies been paid for workers who are already employed.

The level of wage subsidy is determined on the basis of the work capacity of the disabled worker and the degree of disability. As a main rule, the subsidy paid amounts to a maximum of 80 per cent of the labour cost. The wage subsidy is intended to compensate the employer for the loss of production which is due to the employee's disability.

The subsidy is paid for a period of no more than four years. It shall be reviewed regularly. The subsidy may be prolonged beyond the fourth year of employment only if this is justified in the light of the work capacity of the disabled worker and his or her ability to transfer to a job where a wage subsidy would not be needed.

Wage subsidies are by far the most common labour market policy measure for job applicants with disabilities. At the end of 1996 approximately 45,000 people were employed with the aid of wage subsidy.

Grants for occupational aids

According to the ordinance on compensation within the health insurance system in accordance with the General Insurance Act, grants for occupational aids may be paid as one aspect of the rehabilitation of a gainfully employed, insured person. Grants shall be paid by the national insurance office for occupational aids when the use of these can shorten a prolonged period of sick leave and enable the employed person to return to work. Occupational aids may also play an important role as a preventive measure. Payment of a grant for an occupational aid by the insurance office is thus not conditional on the insured person being on sick leave. Nor is it necessary for obtaining a grant for an aid that the disability has any connection with a previous illness.¹⁴

In the case of a person with a disability who starts employment it is the Labour Market Board which has responsibility for procuring the occupational aid during the first 12 months of the period of employment.

Occupational aid is an overall name including both technical occupational aids which could be personal and special arrangements or devices at the workplace. Grants for personal occupational aids are applied for by the insured person, while the employer applies for a grant to adapt the workplace. The maximum grant is 50,000 kronor each for the employer and the insured person.¹⁵ Higher amounts may, however, be granted if there are special reasons. In the case of grants to the employer the employer has to defray 10,000 kronor of the cost, after which a grant corresponding to one half of the residual cost is paid. However, according to the ordinance, if there are special reasons and it is a critical factor enabling an insured person to remain

¹⁴ National Insurance Board, General Guidelines, 1991:1.

¹⁵ At 31 March 1998, one Swedish krona was equivalent to 0.1266 US dollars.

at work, a grant of more than half of the residual cost may be paid. The concept of special reasons includes the company's financial position and the general conditions for obtaining aids for the insured person and retaining his or her employment.

The grant paid to the insured/employed person may amount to the entire cost, up to a limit of 50,000 kronor, if the aid or arrangement is of no benefit to anybody else at the workplace other than the insured person. In other cases, according to the ordinance the maximum grant payable is half of the cost up to the maximum amount, as specified.

Grants may not be paid to acquire an aid or a device which is normally needed for the job or which is required to make the work environment satisfactory. By normal equipment are meant such tools, devices or arrangements that are necessary to perform tasks in a way that is required for the job in question. Grants may only be paid for additional costs for special aids or devices which are individually designed to help overcome the disability of the individual. Grants may not be paid for the repair of a fixed device, machine or building.

Travel costs in connection with investigations and training or the provision of instructions concerning the use of occupational aids are covered by the grant for occupational aids.

As already noted, grants for occupational aids may, according to the ordinance, be paid to the employer or the insured person. By insured person is meant, according to the ordinance, a gainfully employed person. It follows from the General Insurance Act that a person must be registered with the insurance office to become entitled to a grant. It is of no relevance whether the insured person is employed or self-employed.

Grant for work assistant

An employer who recruits a disabled person or has a disabled employee is entitled to a grant of up to 50,000 kronor per year for a work assistant. The grant is paid for expenditure in connection with specific personal support at a workplace on behalf of a seriously disabled person if the disability gives rise to expenditure for such support to a level which significantly exceeds what may be regarded as normal for the position or work in question.

Within the overall complex of measures, the breakdown of funds spent includes 36 per cent for occupational aids, 34 per cent for work assistants and 27 per cent for self-employment assistance. All in all, some 130 million kronor were spent on these three measures in 1995/96.

I.3 POLICIES AND PROGRAMMES TO SUPPORT DISABLED EMPLOYEES AT RISK TO RETAIN THEIR EMPLOYMENT

I.3.1 Mechanisms to support the rights of employees whose continued employment is at risk because of disability

Union support

If an employer breaches the employment security law by, say, dismissing an employee with a disability without proper grounds, or breaches a collective agreement, the employee's union can take the employee to the Labour Court. If the union does not wish to represent the employee he or she can represent him/herself in the first instance in the County Court with the possibility of appealing to the Labour Court as the court of final appeal.

According to the Co-determination at Work Act 1976, a union is entitled to call for negotiations with an employer on issues which affect the relationship between the employer and an employee. These negotiations could, for example, relate to questions of adapting the work environment, discrimination and other matters which relate to the disability of an employee. The right of a union to call for negotiations does not mean that it can compel the employer to make a decision. The negotiations could very well in the end be fruitless - as is the case with many negotiations.

It is evident from the discrimination survey carried out by the Disabled Persons Ombudsman that very many of those who have been subject to discrimination at work on account of their disability had not been given any support by their union.

Of those who answered the question about union support in the group of interviewees, 40 per cent stated that they had not asked for the support of their union, 14 per cent stated that they did not belong to a union and 29 per cent stated that they had not been discriminated against. Seven per cent of those questioned stated that they had never received the support of their union when they had been discriminated against at work while nine per cent stated they had been given such support.

During the spring of 1995 the Disabled Persons Ombudsman carried out a survey that included questions about the activities of employer associations and unions in connection with disabled workers. Two-thirds of the 60 unions which replied to the survey stated that they had a liaison officer for questions relating to the disabled. Only one organisation was able to show a policy programme for the disabled, and two organisations referred to their publications of memoranda relating to disabled persons. A further eight organisations described other types of independent work in questions relating to disabled workers.¹⁶

Labour inspectorates

Supervision of compliance with the Work Environment Act and ordinances issued on the basis of the act is exercised by the National Board for Occupational Health and Safety and, subject to its supervision and

¹⁶ Disabled Persons Ombudsman, Report to Government, 1995.

guidance, by eleven Labour Inspectorates throughout the country. The supervisory authority is entitled, upon request, to obtain information and documentary records and call for investigations, as needed to exercise its supervision under the terms of the Act. The supervisory authority is entitled to have access to workplaces where it may carry out investigations. It is incumbent on the local police authority to provide the support required to exercise supervision under the terms of this Act.

The Labour Inspectorate is entitled to serve employers with injunctions or prohibitions which are needed to ensure compliance with the Work Environment Act. These injunctions and prohibitions also cover the employer's obligation to modify the work environment of disabled employees. In connection with decisions concerning injunctions or prohibitions the Labour Inspectorate can impose financial penalties. If an employer does not take a measure which is required under the terms of an injunction the Labour Inspectorate is entitled to arrange for remedial action at the employer's expense.

Safety representatives

At a workplace with at least five regular employees, one or more safety representatives shall be appointed from among the employees. The representatives are appointed by the local union organisation that is bound, or is usually bound, by a collective agreement with the employer. The safety representative represents the employees on questions relating to the work environment and shall endeavour to bring about a satisfactory work environment.

If a safety representative considers that measures need to be taken to create a satisfactory work environment, he or she shall contact the employer and request that such measures be taken. The employer shall respond on this request without delay. If the employer fails to respond within a reasonable period of time, the Labour Inspectorate shall decide, at the request of the safety representative, whether an injunction or prohibition should be served.

Support from individuals and from associations for disabled people

Individuals and associations for disabled people can help and represent disabled employees when their rights are encroached on. As a rule, however, the employee is represented by his or her union.

The Disabled Persons Ombudsman

A government authority known as the Disabled Persons Ombudsman was created in 1994 with the object of watching over the rights and interests of disabled people and preventing discrimination on account of a disability. The authority is also involved in labour market questions. In 1996, 100 cases of discrimination were reported to the Ombudsman, 17 of which concerned discrimination at work. In over half of these 17 cases, the Ombudsman succeeded in bringing about a change or a measure on behalf of the person reporting the discrimination. However the Disabled Persons Ombudsman does not have any powers or means of compelling employers to take measures. Nor does the Ombudsman have any right to represent the individual in a dispute with the employer. The method adopted is an exchange of views, preferably by mail, in which the ombudsman expresses a view about the conduct of the employer. Legal and another practical advice for the individual who has reported the discrimination is another aspect of the work in connection with reports of discrimination.

I.3.2 Financial incentives directed at employees whose continued employment is at risk because of disability

There are no general financial incentives for employees whose employment is at risk because of disability. However, wage subsidies, occupational aids and personal assistance are available to employers (see I.2.3).

I.3.3 Programmes which support a move to another employer or to self-employment

There are no special labour market policy instruments or other official programmes which focus on a change of employer when the risk of dismissal on account of a disability, injury or sickness has arisen. A person who has lost his/her previous job is entitled to the same service from the Labour Market Board as other unemployed persons.

However, 'employers' circles', established in the early 1990s, involve, among other activities, the transfer of employees from one company to another (as described further in V.5.1).

Assistance with self-employment

There is also a special labour market measure, known as self-employed aid, which is intended to help disabled persons start their own businesses. This aid may be given to disabled persons who cannot obtain suitable employment on the regular labour market without labour market measures; it amounts to a maximum of 60,000 kronor. One condition for payment of self-employment aid is that the business can be assumed to make a significant contribution to the person's livelihood. Self-employment aid may be combined with the special grants given to unemployed people to help them start their own businesses.

An investigation by the Labour Market Board into the state of employment three years after the granting of self-employment aid, which was published in 1995, showed the following results.¹⁷

The businesses had a survival rate of 57 per cent after three years. These results are on a par with previous investigations, despite the extremely precarious conditions facing many businesses during this period. Half of those whose companies were still in business stated that their main source of income was the business of their firm. More than half of them believed that their business could expand in the future.

Of those companies still in business three years after receipt of self-employment aid, most of them, 77 per cent, stated that they started a new company when the self-employment aid was granted. By far the most common types of business among these companies were retailing, repair, laundry or other service activities.

Most of them stated that self-employment aid accounted for only a relatively small proportion of the start-up cost. Only 23 per cent stated that it represented more than 50 per cent of the total costs. However, 58

¹⁷ National Labour Market Board. Information from the Guidance Division 1. *Employment Three Years After Business Support Was Granted*, 1995

per cent stated that the self-employment aid was of great importance as a means of enabling them to start their own firms.

The most common reason (38 per cent) why companies were no longer in business was stated to be illness. Bankruptcy accounted for 13 per cent of the reasons stated. Of those companies that had been discontinued, 46 per cent had been in business for over two years.

In reply to the question of what was the main type of activity or employment after the company had been closed, one quarter stated that they had other jobs, another quarter that they were unemployed and 15 per cent that they had benefited from some other type of labour market measures, and approximately one third had some other type of occupation. By other occupation is normally meant sickness or pension.

Since it started, self-employment aid has affected relatively few people by comparison with other labour market policy measures. The total in the 1993/94 fiscal year was 485 persons.

I.4 BENEFICIARIES

I.4.1 Impact of definitions of disability and eligibility criteria on access to and coverage of policies

The laws which exist to promote job retention are based on very general and broad definitions of the target groups.

The *Employment Security* law provides job security for all employees.

The rules in the *Work Environment Act* protect the employee and refer to adaptation of the work environment on the basis of the aptitudes of the individual employee for the work, without being especially precise about which groups have protection at work.

The rules relating to rehabilitation in the *General Insurance Act* refer to persons who are insured with a national insurance office and who are able to be rehabilitated, as well as stating that the insured person's employer has responsibility for investigating need and taking measures. Persons entitled to register with a national insurance office include Swedish citizens and persons who are resident in Sweden.

In the ordinance concerning grants for occupational aids the person applying for support is also defined as a gainfully employed, insured person (insured with the national insurance office).

As can be seen, the definitions are very broad and so is the application in the sense that all recognised groups of disabled persons are included in the application of the rules. Problems of application can arise when new, as yet controversial, groups of disabled persons apply for support: for example, people with a particular sensitivity to electromagnetic radiation, those who consider themselves disabled due to poisoning by amalgam dental fillings, and people who are obese. Understandably, disputes have arisen over the interpretation of the rules and what support measures are included, the amount of the grant, etc.

I.4.2 Disabled workers who benefit and those who miss out

No group of disabled persons is excluded since job retention is applied so broadly. It is possible that the way the rules are applied may mean that certain groups who are disabled might be over- or under-represented in rehabilitation, dismissal or work to adapt the work environment. However, no data are available on this.

I.5 JOB RETENTION POLICIES IN CONTEXT

I.5.1 The salience of policies for job retention within the overall context of national policy to promote the employment of disabled people

It is very difficult to rank job retention within the framework of a national policy for the employment of disabled persons. A good deal of work and resources are devoted by the government to job retention and employment of disabled persons. In the case of job retention, the National Insurance Board, as the central social insurance administration, has main responsibility; in the case of work for unemployed disabled individuals, the main responsibility rests with the Labour Market Board, the central labour market administration.

Developments in the 1990s have involved a tightening of the employer's responsibility for the work environment and for the rehabilitation of employees (see III.2.1). The work environment responsibility includes the adaptation of the work environment on the basis of the aptitudes of the individual employee by means of occupational aids and other devices at the workplace. The employer has the main responsibility both administratively and financially for the rehabilitation of employees. Whereas, during the 1980s, the State paid the whole of sickness benefit, a 1991 Act on sick pay gave employers the responsibility for paying sick pay for the first four weeks of sickness: this will be shortened to two weeks in April 1998.

As far as the employee is concerned, the 1990s have seen some deterioration in benefit levels in the event of sick leave. The conditions for benefits for lost income in the event for sickness and the right to early pension have been noticeably tightened. Account may only be taken of reduced work capacity due to medical factors in connection with early pension, for example, and not, as in the past, also those due to labour market factors. At the same time, some efforts have been made to persuade more people to combine employment with benefits.

All in all, therefore, it may be said that the 1990s have seen an increased emphasis on job retention, through employers' greater responsibility for the work environment and rehabilitation, and a benefit system which discourages employees from going onto benefits. At the same time, there has not been any corresponding weakening of the measures to promote the entry of disabled persons into the labour market.

I.5.2 The most prominent job retention policies

The most important instruments for job retention are the Employment Security Act and employers' responsibility for the work environment and rehabilitation. (For a more detailed description see I.1.2.)

No distinction is made between persons who are already disabled and those whose functionality is reduced after entering employment. Job security, the work environment and rehabilitation responsibility apply in full to both groups. Nor in the case of the special types of aid that are available, such as grants for occupational aids, is any distinction made between the two groups.

I.6 IMPLEMENTATION OF JOB RETENTION POLICIES

I.6.1 The effectiveness of institutional arrangements for monitoring and enforcement

Applications for a wage subsidy, procurement of an occupational aid and other rehabilitation measures are in principle voluntary actions which cannot be forced on an employer. However, there is some indirect compulsion as a result of the Employment Security Act. The failure of an employer to take any or sufficient measures for rehabilitation can mean that the grounds for dismissal are deemed not to exist. In such circumstances, a dismissal would conflict with the Employment Security Act, and it can be declared null and void and involve the employer in paying heavy damages. Unjustly treated employees can take the employer to court on their own or, if they obtain the support of their union, together with the union for breach of the Employment Security Act.

(The role of the *unions* in connection with discrimination on account of disability is discussed in I.3.1.)

The *national insurance office* has a somewhat vague supervisory responsibility for the rehabilitation of individual workers. When it comes to financial support, the insurance office is entitled to decide on compensation for rehabilitation and the procurement of rehabilitation services.¹⁸ However, it has no sanctions to resort to in the case of gross breach of the rehabilitation rules by an employer. Once the insurance office reports the employer to the labour inspectorate for breach of the rehabilitation rules a power to impose sanctions has been created. It could be said that the supervisory responsibility of the insurance office has largely been assigned to the Labour Inspectorate.

As the Work Environment Act states that an employer is responsible for having suitable arrangements for rehabilitation activities, the supervisory authorities (the Board for Occupational Health and Safety and the Labour Inspectorate) can influence the practical requirements regarding the way the rehabilitation operations are organised.¹⁹

¹⁸ SOU 1996:113.

¹⁹ Iseskog, The employer's rehabilitation responsibility, 1994.

In individual cases the *Labour Inspectorate* can examine whether the employer is fulfilling the obligation to organise the work on adaptations and rehabilitation. However, its area of responsibility does not extend to the rehabilitation of an individual worker. Its supervisory responsibility is essentially concerned with system issues, such as demands made on employers to carry out rehabilitation activities, to have a rehabilitation organisation and the allocation of responsibility, etc. The Inspectorate can call upon employers to organise adaptation and rehabilitation measures in a particular way or at least in a better way. Such an injunction can be enforced by the Inspectorate under penalty of a fine.

The effectiveness of the Inspectorate's supervisory activities depends on close co-operation with the insurance offices. The following comment may serve to throw light on this:

'The problem facing the Labour Inspectorate is that we do not know if the organisation the company has for adjustment and rehabilitation functions or not. Nor do we know if there is anybody to rehabilitate in any case. The Labour Inspectorate therefore cannot assess the way an employer handles work adjustment and rehabilitation. The insurance offices, on the other hand, possess this knowledge and it is here that we must complement each other. As a result of its contacts with companies, the insurance offices also have useful information about which people are engaged on rehabilitation questions and the quality of their work.' (Joint Project in County of Kalmar, Project plan March 28, 1994)

The work of the Labour Inspectorate in connection with work adaptation and rehabilitation was evaluated between 1994 and 1996. The evaluation consisted of two questionnaires, which were sent to all inspectors at the Labour Inspectorate's offices. The result was reported on the basis of the second survey which was carried out in 1996.²⁰ A clear majority of those questioned consider that work adjustment and rehabilitation is rather important (55 per cent) or very important (34 per cent). The vast majority (70 per cent) draw attention to and comment, often or more frequently, on shortcomings that are discovered by inspections in connection with work adjustment and rehabilitation. The proportion who rarely draw attention to shortcomings in this regard had declined in comparison with 1994 to 30 per cent and those who never point out shortcomings during their inspection have in principle totally disappeared. Just over half (54 per cent) of the inspection personnel consider that the occupational health and safety board regulations regarding work adaptations and rehabilitation are rarely available at workplaces. However, there has been a slight change since 1994, when 57 per cent stated that these regulations were rarely available. As regards supervision in the area, the majority (60 per cent) find the regulations a valuable aid. The proportion of inspecting personnel who have frequent contacts with insurance offices during their supervisory work is 14 per cent. The majority of the personnel, 55 per cent, have only had such contacts in a few cases. The total proportion of inspecting personnel who have contacted insurance offices on a few occasions during their supervisory work has risen from 56 per cent in 1994 to 69 per cent in 1996. The main increase was noted among those inspectors who have had contacts with insurance offices on many occasions. This proportion more than doubled from six per cent to 14 per cent.

²⁰ Evaluation of centrally co-ordinated supervision projects for adaptation and rehabilitation at work, National Board of Occupational Health & Safety, 1996.

It is unusual for an inspector to contact a workplace on many occasions as a result of a request by an insurance office. Only four per cent have done this on several occasions. However, most have done it a few times, while 43 per cent have never done this or have not even received a request. By comparison with 1994, however, contacts with workplaces as a result of requests from an insurance office have increased. The proportion who consider that work adaptations and rehabilitation have been given too much emphasis in relation to other work environment factors is 41 per cent, which is seven percentage points more than in the 1994 survey. However, the proportion who consider that these questions have not been given enough emphasis fell slightly between the two surveys from 66 per cent in 1994 to 59 per cent in 1996.

It is important to note that the National Board for Occupational Health and Safety's project only touches to a limited extent on the employer's responsibility for individual adaptation measures. This is due to the relatively recent introduction of the regulations in this area and to the limited amount of experience that has been accumulated on how to deal with them.

The first appeal against an injunction served by the Labour Inspectorate concerning individual work adjustment was made to the National Board for Occupational Health and Safety in 1996, five years after the rules came into force.

The following statistics released by the Occupational Health and Safety Board show on how many visits to work places the Labour Inspectorate discussed rehabilitation and work adjustment:

<i>Year</i>	<i>Questions concerning rehabilitation and work adaptations</i>	<i>Total number of visits</i>	<i>Proportion of visits dealing with rehabilitation and work adaptations (%)</i>
1996	2,538	38,546	6.6
1995	3,300	41,414	8.0
1994	3,604	46,912	7.7
1993	1,390	43,592	3.2

The statistics show that the interest of the Labour Inspectorate in rehabilitation and work adaptations has increased in recent years.

It is important to be aware of the constraints that exist on the ability of the Labour Inspectorate to exercise supervision over employers' work adaptations and rehabilitation activities. Given the Labour Inspectorate's resources, a company will under current conditions be visited by a labour inspector once every five years on average.²¹

²¹ Interview with Annika Hultin, sector director, National Board for Occupational Health and Safety, September 11, 1997.

I.6.2 Factors which affect the take-up of financial incentives and adoption of voluntary job retention measures by enterprises

The willingness of companies to make use of the various grants which are available to promote the retention of individuals with disabilities at work depends very much on the generosity of these systems. The reduction in the maximum level of wage subsidy from 90 per cent to 80 per cent of the wage, which took place in 1996, meant numerous threats of dismissal, especially by non-profit organisations with limited financial resources and greater difficulty in finding work for more people with the aid of wage subsidies. In this context, the greater generosity with grants for occupational aids has also been mentioned.²²

Other factors employers refer to are the need for a trial period during which work capacity can be determined as an introductory phase of a recruitment process. Special liaison and resource officers who are well informed about disabilities and have a realistic view about work at the company are also other points on the list of requirements.

I.7 INTERACTIONS BETWEEN EMPLOYMENT POLICIES AND PROGRAMMES

I.7.1 Ways in which employment policies complement or contradict one another

The extensive Swedish social security network of labour market policies and social policy measures (wage subsidies, sheltered employment and early retirement) make it easier for an employer, not least at the moral level, to dismiss an employee with a disability. Employers know they are not forcing a worker into a life of poverty and need but into the care of the community. It is also not unknown for employers to encourage their employees to apply for an early pension.²³

I.7.2 Impact of the distribution of responsibility for employment policy

According to the official Agency for Administrative Development's final report, 'Working life oriented rehabilitation - a multiple sector analysis' (1994:15), none of those involved in vocationally related rehabilitation can be said to have an overall view of the situation of the individual, despite the co-ordinating role of the national insurance office. The various parties each have different incentives to seek to rehabilitate an individual. They also have different sources of finance and no single one of them has responsibility for the overall use of the resources. Each of them operates within its own set of guidelines. The cost can thus be pushed off to another sector. With the existing model for players and financing it is difficult to maximise cost efficiency.

²² Engstrand, *et al.* Access to Employment for Disabled Persons in the County of Jönköping, 1995.

²³ Interview with Eskil Wadensjö, Professor of Social Science, University of Stockholm, September 3, 1997.

(See also III.6.1 concerning the distribution of responsibility for the provision of services.)

I.8 LINKS TO LABOUR MARKET FACTORS

I.8.1 Elements of labour market policies which influence the effects of job retention measures

The strengthening of the Work Environment Act in the 1990s, which brought an increase in employer responsibility for the rehabilitation of employees and individual adjustment of the work environment, should have resulted in improved rehabilitation and adjustment activities for those who were already employed. However, offsetting factors included the recession in Sweden at that time and the relatively loose supervision of employers' rehabilitation and work adjustment activities. However, no in-depth studies have been carried out in this area.

Support and subsidies for other groups on the labour market who are regarded as more attractive could make it more difficult for disabled individuals to enter the labour market, even with support. At present, groups other than the disabled are also entitled to benefit from labour market policy measures, including young people and immigrants, for example.

The high level of unemployment and growing competition for such jobs as are available also mean stiffer competition for labour market measures. In such circumstances, the special labour market measures for disabled people tend to be used for other groups as the borderline between the various groups of job applicants is not exactly razor sharp.²⁴

The difficulties of getting new jobs, that are associated with high unemployment, also reduce the interest of workers in fighting for their rights with regard to rehabilitation and the work environment, for example. The unions also tend to adopt a more cautious approach.

I.8.2 Changes in labour market demand and the structure of the labour market

Growing international competition and the accelerating rate of technical advances tends to benefit individuals with a higher education and a high general level of competence. At present we can see a growing element of work teams and enriched job content and demands on employees to be more flexible and change tasks. There is a trend towards more qualified salaried positions while simple tasks of a repetitive character are disappearing. New organisational structures require more knowledge, training and education, personal flexibility and breadth.²⁵

²⁴ a.a.

²⁵ a.a.

This tendency places large groups of disabled persons at a disadvantage, both with regard to entering and also to retaining their place in the Swedish labour market.

An investigation carried out at the end of 1996 into the employment conditions of disabled people showed that 55 per cent of persons between 16 and 64 years of age who have a physical, medical or mental disability which can involve restrictions in their day-to-day lives have a job. The corresponding figure for the public at large in the same age groups is 71 per cent. The study covered more than 5,000 people with one or more disabilities.²⁶

The survey shows that the corresponding 19 per cent of the population between 16 and 64 years of age have a physical, medical or mental disability which can lead to restrictions in their day-to-day lives. This corresponds to at least one million people.

In the investigation, 'employed' people are defined as individuals who, during the week the survey was carried out, performed some work (for at least one hour) as either a paid employee, a self-employed person or an unpaid helper in a company belonging to a member of a family. Individuals who have a job providing support for the disabled person or who are in sheltered employment for disabled persons are also regarded as employed. The breakdown between employed and unemployed people with respect to different groups of disabled persons is as follows:

Table I.8.1: Number of individuals with disabilities who are employed or unemployed

<i>Percentages</i>	<i>Unemployed (disabled)</i>	<i>Employed (disabled)</i>
Asthma-allergies	40.9 ± 2.7	59.1 ± 2.7
Diabetes	45.4 ± 6.2	54.6 ± 6.2
Dyslexia	57.7 ± 10.4	42.3 ± 10.4
Deafness	23.4 ± 8.2	76.6 ± 8.2
Epilepsy	62.8 ± 11.8	37.2 ± 11.8
Cardiovascular illnesses	61.7 ± 6.3	38.3 ± 6.3
Impaired hearing	31.7 ± 4.5	68.3 ± 4.5
Stomach & intestinal illnesses	40.4 ± 6.8	59.6 ± 6.8
Lung illnesses	70.6 ± 11.9	29.4 ± 11.9
Psoriasis	30.3 ± 7.3	69.7 ± 7.3
Mental health problem	77.6 ± 6.0	22.4 ± 6.0
Learning difficulty	87.7 ± 12.9	12.3 ± 12.9
Impaired mobility	51.1 ± 2.3	48.9 ± 2.3
Stammer, linguistic, speech or voice impairment	48.0 ± 15.1	52.0 ± 0.1
Impaired vision	36.8 ± 4.6	63.2 ± 4.6
Other	45.1 ± 3.8	54.9 ± 3.8
Don't know	83.8 ± 32.3	16.2 ± 32.3
All	45.2 ± 1.3	54.8 ± 1.3

Source: Statistics Sweden, 1997

²⁶ Statistics Sweden, The position of the disabled on the labour market, 1997.

Among the employed members of the total population it is more common to have full-time work than is the case among the employed disabled population.

Table I.8.2: Employed disabled persons: breakdown by gender and full-time and part-time employment

<i>Percentages</i>	<i>Male (disabled)</i>	<i>Female (disabled)</i>	<i>Total (disabled)</i>
Full-time 35+ hours	82.3 ± 1.7	52.5 ± 2.3	67.8 ± 1.5
Part-time 20-34 hours	13.3 ± 1.5	38.5 ± 2.2	25.5 ± 1.4
Part-time 1-19 hours	4.2 ± 0.9	9.3 ± 1.3	6.6 ± 0.8

Source: Statistics Sweden, 1997

Table I.8.3: Employed Total population - Breakdown of male and female into full-time and part-time

	<i>Male (pop.)</i>	<i>Female (pop.)</i>	<i>Total</i>
Full-time 35+ hours	90.4 ± 0.5	61.4 ± 0.9	76.4 ± 0.5
Part-time 20-34 hours	6.2 ± 0.4	31.4 ± 0.8	18.4 ± 0.5
Part-time 1-19 hours	3.3 ± 0.3	7.2 ± 0.5	5.2 ± 0.3

Notes: As with the total employed population, disabled men work full-time to a greater extent than disabled women. Almost two in five disabled women in employment work part-time, between 20 and 34 hours a week

Source: Statistics Sweden, 1997

As with the employed total population it is a fact that, among disabled people, men are more likely than women to be in full-time work. A majority of all employed people, either among disabled people (88 per cent) or the population at large, have established employment (86 per cent).

One in ten of employees among disabled people and the total population are self employed. When it comes to work in the public sector and the private sector the breakdown is similar in both groups: about one third of both groups work in the public sector and approximately two thirds in the private sector.

Half of disabled people and half of the entire population in the economically active age groups (16-64) have an upper secondary school education (50 per cent and 49 per cent respectively). When it comes to higher

education fewer than one fifth of disabled people (18 per cent) have such an education, while more than one quarter (28 per cent) of the population at large have.

When it comes to which industry people work in, disabled people and the population at large follow broadly the same pattern. Here too the differences between the genders are similar.

II. BENEFIT AND COMPENSATION PROGRAMMES

The purpose of this Part of the report is to examine how social benefit and compensation programmes affect possibilities for disabled workers to retain or rapidly resume their employment. The main focus is on the application of benefit programmes in employment; that is, opportunities to combine earnings with income from disability benefits, workers' compensation or other employment-related reparations. The obstacles presented by systems for out-of-work benefits are also examined. The theme covers cash benefits and payouts and, where significant, allowances against taxable income. Programmes may be funded from tax revenues, or from earmarked or general insurance funds to which employers and/or employees contribute.

The first section presents information about workers' and other compensation programmes. This is followed by a discussion of arrangements for combining benefits and earnings from work. Provision is then considered for income support out of work, and its effects on work resumption. The final section examines interactions between disability benefit programmes and employment policies.

II.1 COMPENSATION PROGRAMMES FOR WORK-RELATED INJURY OR ILLNESS

II.1.1 Principal compensation programmes for work-related injury or illness

According to the General Insurance Act, a person registered with the social insurance office is entitled to sickness compensation. With effect from the month in which the insured person reaches the age of 16, he or she will be registered with the social insurance office, if resident in Sweden. Today a full sickness benefit comprises 75 per cent of the established sickness compensation based income. (It was previously 90 per cent.) The same rules on compensation for loss of income due to illness apply to both work-related injuries and illnesses and sick leave which is not due to a work-related injury.

On the other hand, there are special rules in the Industrial Injury Act which are based on the principle that anyone who is injured at work should be placed in principle in the same financial situation as though no injury had occurred. An insured person (according to the General Insurance Act) who as a result of an occupational injury finds his/her capacity to earn an income has been reduced by at least one fifteenth, has the right to compensation once the illness is over, in the form of a life annuity for the loss of income which has arisen.²⁷

Three types of illness compensation are available: sick leave, sickness compensation and sickness benefit.

During the first two weeks of *sick leave*, sick pay is paid by the employer (see I.5.1). No compensation is paid on the first day of illness; the level for the remaining period of illness is 75 per cent of the employee's wage. (The level of compensation was reduced from 90 per cent of wages to 80 per cent (in most cases) in July 1994, and to 75 per cent in January 1996; in January 1998 it will be raised back to 80 per cent.)

²⁷ National Social Insurance Board. General Guidelines 1994:3.

Benefit and Compensation Programmes - Sweden

After the sick-pay period compensation for loss of income is paid by the social insurance office in the form of *sickness compensation*. The level of this compensation is also 75 per cent, to be raised to 80 per cent in January 1998.

Thirdly, *sickness benefit* is granted by the social insurance office if it is considered that the employee's working capacity will be reduced for a year, but not permanently, and that a work rehabilitation programme is not appropriate for the near future. The fact that medical treatment or medical rehabilitation is being provided or may be needed, does not constitute any obstacle to sickness benefit.²⁸ Sickness benefit can be paid to people who are unemployed.

Most employees in Sweden have the right under the terms of collective agreements between unions and employer organisations, to supplementary sickness compensation from the 29th day of illness and up to the 90th day of a period of illness. This amount is ten per cent of the employee's salary. Such collective agreements have become more common since the situation deteriorated within the social insurance system. Sickness and pension insurances regulated in collective agreements are available for disabled persons on the same terms as for other union members.²⁹

If the social insurance office's investigation shows that the insured person's work capacity has been permanently reduced by at least one quarter as a result of illness or other reduction in physical or mental capacity, the individual in question may be entitled to early retirement. Early retirement should be granted when a more definite medical condition has occurred and work rehabilitation measures are considered inappropriate. When assessing an insured person's work capacity a concept of disability is applied which can be described as work disability due to medical factors.

The same rules apply to early retirement and sickness benefit and the amount of both of these benefits is the same.³⁰

In this context *rehabilitation compensation* should also be mentioned. Rehabilitation compensation consists of rehabilitation benefit and a special benefit.³¹

Rehabilitation benefit should cover the loss of income suffered by an insured person who participates in a rehabilitation programme. One condition for this form of compensation is that work capacity is reduced by at least one quarter as a result of illness. For the duration of the rehabilitation programme, work capacity is considered to be reduced to the extent that it prevents the insured person from being gainfully employed. The purpose of rehabilitation benefit is to enable the individual to gradually return to gainful employment. The level of rehabilitation benefit is the same as for sickness compensation.

²⁸ National Social Insurance Board. General Guidelines 1997:4.

²⁹ Interview with Bertil Sköld, September 18, 1997, Chief of Department at the Federation of the Visually Handicapped.

³⁰ a.a..

³¹ National Social Insurance Board. General Guidelines 1991:12.

As in the case of sick pay, sickness compensation, sickness benefit and early retirement, rehabilitation benefit can be divided into $\frac{3}{4}$, $\frac{1}{2}$ or $\frac{1}{4}$ benefit. Three-quarters compensation can be paid to an individual whose work capacity is reduced by at least three-quarters, but not entirely. Half compensation can be paid to an insured person whose work capacity is reduced by less than three quarters but by at least one half. Finally, quarter compensation can be paid to an individual whose work capacity is reduced by less than half but by at least one quarter. All of the forms of compensation can be paid out parallel with a job. Where a person is completely unable to earn an income through working, benefit is paid at the full level. All the benefits form part of the Swedish general social insurance system and are available to Swedish citizens as well as persons resident in Sweden who are not Swedish citizens.

Special benefits are paid to cover certain costs which arise when the insured person takes part in rehabilitation programmes. These benefits are paid for certain course fees, the cost of recorded books and books in braille, teaching aids, travel costs and expenses.

Assessment

The assessment of work capacity is carried out in stages. The individual's inability to return to his/her normal work is initially related to other work for the employer. If there is no possibility of other work with the employer, or such work would require excessively prolonged rehabilitation measures, the insured person's work capacity should be assessed in relation to the open labour market in general. This assessment covers the whole of the national labour market. The insured person can be assessed as able to work even if there are no vacancies to apply for. If the individual, despite his/her illness, can manage to do a normal job on the labour market, then he/she has no right to compensation from the social insurance office.

If an insured person can no longer manage to do his/her normal work full-time, other work with the same employer, or a normal job on the labour market, but is still assessed to have some residual work capacity, then the right to partial benefit will be considered.

The criteria for assessing work capacity in those cases where the insured person cannot return to his/her normal work should be the same, regardless of whether this relates to the right to sickness compensation or the right to early retirement, i.e. regardless of the prognosis and duration of the reduction in work capacity.

Streamlining of system

In recent years there have been changes in the rules which are intended to streamline the system. This can mean, for instance, that the opportunity to take into account factors other than purely medical ones in assessing, for instance, the right to sickness compensation, are radically reduced. One principle is that society's basic security system should be streamlined on the basis of the various reasons for needing help, whereby sickness compensation and early retirement should provide security in the event of a medically based reduction in work capacity. Problems which are not medical should primarily be dealt with by means of labour market measures or other social policy means (such as unemployment or welfare benefits).³²

³² Government Bill 1996/97:28.

This streamlining is also an outward expression of increased professionalisation and the added emphasis within Swedish social policy on returning to work. This involves referring people to the bodies in society which are best suited to dealing with their problems and taking advantage of any partial work capacity to a greater extent than before.

However, in assessing work capacity, consideration will still be given to the age, place of residence, education and previous work experience of the insured person. However, the scope for taking these factors into account has declined.

II.1.2 Features of the compensation process which affect job retention and return to work

An incentive for returning to work from the perspective of the individual employee is that the various forms of sickness insurance provide a much lower financial gain than their ordinary salary.

A recent proposal to extend employers' responsibility for an employees' sickness compensation from the first two to the first four weeks of illness aroused great concern. There was a perceived risk that the greater financial burden imposed on the employer would make it even harder for persons with a disability to obtain work and might also lead to a person with extensive sick leave obtaining a weaker position on the labour market. However, at present no studies have been made which can confirm these fears.

On the other hand, nor is there anything to indicate that the extended responsibility of the employer for loss of income in the event of illness has led to an increased interest in the work environment and rehabilitation issues among employers.

The proposal to extend employers' responsibility for sickness compensation has now been withdrawn, and responsibility stands at two weeks' compensation.

II.1.3 Influences of key actors involved in the process

The main figure in the formal sense is the individual employer (see I.6.1 and III.2.1). It is the employer's responsibility to ensure that rehabilitation and adaptation measures are provided in a suitable way at the workplace.

Under the General Insurance Act, an employer has to carry out a rehabilitation survey if:

1. the insured person has been completely or partially absent from his/her work for longer than four consecutive weeks as a result of illness;
2. the insured person's work has often been interrupted as a result of short periods of illness, or
3. the insured person requests it.

The rehabilitation survey shall be sent to the social insurance office within eight weeks of the date the sickness has been reported. In the case of points 2 and 3 above, the eight-week period is calculated as beginning from another point in time.

If there is good reason, for instance if the employer does not fulfil the responsibility to provide a rehabilitation survey, the social insurance office will take over responsibility for the survey.

The social insurance office shall ensure, in consultation with the insured person, that his/her requirements for rehabilitation are defined as soon as possible and measures are taken to ensure effective rehabilitation. The social insurance office shall ensure that rehabilitation measures begin as soon as medical and other factors permit.

If the insured person needs rehabilitation measures for which compensation can be paid, the social insurance office shall draw up a rehabilitation plan. The rehabilitation plan shall state the rehabilitation measures which can be considered and who shall be responsible for them, a timetable for the rehabilitation and other information required for carrying out the rehabilitation programme. The plan shall also include information about the estimated cost for compensation during the rehabilitation period.

The social insurance office shall regularly monitor that the rehabilitation plan is adhered to and when necessary make changes to it.

II.1.4 The effects of compensation on job retention, return to work and exit from employment

A hardly surprising observation is that the 'generosity' or 'stinginess' of the various compensation systems has an effect on a person's willingness to return to work or to leave working life.

Throughout the 1990s the levels of compensation during illness and rehabilitation have been steadily reduced. The employer's responsibility for sick pay has gradually been expanded, so that it now covers the first two weeks of illness. The government's endeavours to streamline the system have made it more difficult to receive sickness compensation, sickness benefit and early retirement on any grounds other than strictly medical ones. Parallel with these negative financial incentives for the individual employee, the demands on employers with regard to the work environment and rehabilitation have become more stringent and have been clarified. Nevertheless, the legislation concerning sick pay contains provisions which protect the employer from the additional costs which may be incurred in employing persons with a high level of sick leave. An employer can receive compensation for sick pay for employees suffering from illnesses which can be assumed to lead to a large amount of sick leave. At present, some 7,000 persons are covered by this special 'high risk protection'.³³

These various measures have resulted in radical changes to previous patterns for sick leave and early retirement. The average number of sick days compensated for with whole or partial sickness compensation

³³ Government Bill 1996/97:63.

per insured person amounted to 25 in 1988. In 1995 the corresponding figure was down to 12 days. In 1993 just over 60,000 early retirements and sickness benefits were approved. During the years since then the number has declined sharply and in 1995 the number of newly approved early retirements was little more than 40,000.³⁴

It does not appear that the development of the population's health is moving in the same direction as the amount of compensated sick leave. Both self-declared illness and the number of visits to doctors are increasing. It is reasonable to assume that a rising percentage of the cost of ill-health is falling on the employer and the individual. The employer is paying compensation for the first two weeks of illness and the employee is finding that he/she cannot be off work in case of illness or is using holiday days or other forms of leave.³⁵

One concern which has been associated with prolonging the sick-pay period is that persons with a high level of sick leave, often persons with various forms of disabilities, will find it more difficult to obtain and retain a job. There is a risk that the increased responsibility for sick leave, the work environment and rehabilitation represent an incentive for the employer to release and refrain from recruiting functionally impaired persons and those who are often ill. However, as yet no reliable studies are available to prove these effects.

II.1.5 Characteristics of disabled workers who do or do not retain their employment or return to work following successful or unsuccessful claims

The National Social Insurance Board has carried out a study of long-term sick leave, rehabilitation and early retirement, which means that the rehabilitation studied mainly related to sick leave for more than 60 days. As the vast majority of people who are off work due to long-term sickness in Sweden have a job, the results presented below are particularly relevant. A certificate of good health after completion of a rehabilitation measure should thus be seen as a return to work.

Age, sex and diagnosis

Factors which have proved to have great significance on whether a certificate of good health is obtained after completion of a rehabilitation measure are age, illness, diagnosis and type of measure.

Persons under the age of 35 who are sick and undergo rehabilitation measures have a much greater chance of receiving a certificate of good health than those in higher age groups who have undergone such measures. The category obtaining certificates of health to the lowest extent are people in the age groups above 50.

³⁴ Marklund, S. *et al.* (eds) *Risk and Health Factors - Sick Leave and Rehabilitation in Sweden*, National Social Insurance Board Report 1997: 6.

³⁵ Marklund, S. (ed) *Risk and health factors*, 1997.

Table II.1: Certificate of good health with and without rehabilitation measures for those with long periods of sickness by age group

Age group	<i>Relative risks Logistical regression</i>	
	Certificate of good health without measures	Certificate of good health with measures
16-24	1.0	5.7
25-29	0.7	1.8
30-34	1.0	2.5
35-39	1.3	(2.6)
40-44	1.2	(1.8)
45-49 (ref.)	1	1
50-54	0.7	(0.7)
55-59	0.4	0.8
60+	0.2	0.5

Notes: Based on 60,000 occasions of sickness with a duration of at least 60 days during 1991-1994.

Insignificant categories in brackets ($p \leq 0.05$). The model checks for gender, age, marital status, ethnic origin, illness diagnosis, early periods of sick leave, employment, vocational group, psycho-social burden, region of employment and fiscal year.

Source: National Social Insurance Board (1997) *Risk and Health Factors*

Work probably has less significance for whether young people take sick leave, and they receive more training or investigative measures rather than work training. Measures are often introduced at a much earlier stage with young people than with old people on sick leave, which indicates that the problems associated with rehabilitation are fewer. Based on the results reported, it might be tempting to draw the conclusion that rehabilitation measures are only meaningful for those under the age of 35. However, the results are to a great extent an expression of the greater difficulty in rehabilitating older sick persons because their sickness is usually more severe. The fact that the measures are taken much earlier for young persons can also be seen as an expression of the greater ease with which their problems can be identified and handled.

The results of the rehabilitation measures also vary depending on the type of illness diagnosis. In two of the diagnosis groups where rehabilitation measures exist, there is an abnormal level of certificates of health. In the diagnosis groups of injuries and poisonings, as well as for back complaints, the level of certificates of good health is 60 per cent higher than the average for those who have undergone measures (see Table II.2). On the other hand, if one looks at the group which has not undergone measures, there is a vast difference between injuries/poisonings and back complaints. The injuries group there has a 2.7 times greater chance of obtaining a certificate of good health, while those with back complaints have a 0.6 times lower chance of obtaining a certificate of good health. There is no higher incidence of measures for injuries and poisonings, but measures such as work training are soon introduced where needed. Those on sick leave

due to injury or poisoning who need measures have probably experienced more serious incidents than those who do not require measures, and their starting position is therefore worse. This may explain their relatively lower chance of obtaining a certificate of good health compared with those who do not need measures.

People with back complaints who have become the object of measures, on the other hand, have much greater chances of recovering from their illness than those who have not undergone measures. As with injuries and poisonings, there is no higher incidence of measures, but they are introduced at an early stage in the illness and often comprise investigative measures. Within the other large group within motory organ complaints, other diseases in soft tissues, including fibro myalgia, there is a much greater risk of early retirement than for other diagnoses. There is a much larger group of women than men on sick leave for illnesses similar to fibro myalgia. This indicates that rehabilitation, in particular work training, that is often provided for women with fibro myalgia and similar problems does not lead to a positive result.

Table II.2: Certificate of good health with and without rehabilitation measures for those with long periods of sickness in various diagnosis groups

<i>Relative risks. Logistical regression</i>		
Diagnosis group (ref. average of all diagnoses)	Certificate of good health without measures	Certificate of good health with measures
Tumours	0.7	(0.4)
Mental health problems	1.4	(1.1)
Nerve system diseases	0.7	(0.6)
Circulatory organs	0.7	(1.1)
Digestion, urinary and genital organs	2.3	(1.4)
Symptoms/ incomplete diagnosis	0.9	(1.8)
Injuries/ poisoning	2.7	1.6
Motory organs:		
1) Back illness (Lumbago, ischias, etc.)	0.6	1.6
2) Other soft tissue illness(Fibro myalgia, etc.)	0.8	(0.6)
3) Other motory organs	1.0	(0.9)

Notes: Based on 60,000 occasions of sickness with a duration of at least 60 days during 1991-1994. Insignificant categories in brackets ($p \leq 0.05$). The model checks for gender, age, marital status, ethnic origin, illness diagnosis, early periods of sick leave, employment, vocational group, psycho-social burden, region of employment and fiscal year.

Source: National Social Insurance Board (1997) *Risk and Health Factors*

It is primarily those on sick leave who are in serious need who undergo measures, which explains why the proportion of those receiving certificates of good health is generally lower in this group than among those who have not received rehabilitation measures. Different types of measures are also aimed at different target groups and thus have partially different purposes. Those on sick leave who undergo training courses have a certificate of good health level on a par with those on sick leave who do not undergo measures: given that they are in more serious need to start with, this would indicate that rehabilitation leads to good results.³⁶ The results expressed in terms of certificates of good health are, however, weaker for those who do work training at their own or another work place (as compared with those who do not do work training) and weakest for those who have investigative measures. This should be seen not only as an expression of the effectiveness of the measures, but also as an expression of the difficulties various groups of people on sick leave experience in getting back to work, regardless of the rehabilitation measures.

II.1.6 Effects on job retention and return to work resulting from the interaction between compensation programmes and out-of-work benefit programmes

It is difficult to find any distinction between the compensation system at work and when the person has no work. One cannot see any thought out, overall and clear difference between the systems. On the other hand, there are differences between certain parts of the systems which can provide an incentive in one direction or the other.

The rules governing benefits and compensation which may arise for unemployed persons (unemployment benefit funds, unemployment allowance, training allowance, sickness compensation, rehabilitation pay, social benefits, etc.) are not co-ordinated. This is an incongruity which can be said to counteract the emphasis on return to work. At many income levels it is more beneficial in financial terms for the individual to be on sick leave than unemployed. There is therefore a risk that an unemployed person who could work will try to obtain sick leave. For the same reasons there appear to be difficulties in bringing to a conclusion the many rehabilitation cases where the insured person is not convinced that the rehabilitation efforts will lead to employment.³⁷

The income ceiling for compensation from an unemployment benefit fund is much lower than the income ceiling for sickness compensation. Even if both systems entitle a person to compensation equivalent to 75 per cent of his/her salary (80 per cent with effect from 1998), then the calculation will be much less advantageous for persons with a medium or high income compared with the result for sickness compensation.

A further factor which is believed to induce insured persons not to want to be given a certificate of good health when they are unemployed, is that it is nowadays regarded as being of higher social status to be on sick leave than to be unemployed or dependent on social welfare.

³⁶ National Social Insurance Board reports 1997: 6. Risk and health factors - sick leave and rehabilitation in Sweden.

³⁷ National Audit Bureau. *Rehabilitation of Unemployed Persons on Sick Leave*, 1996:8.

When the compensation level for sickness compensation and rehabilitation pay is raised to 80 per cent of the salary, there will be some accentuation of the incentives for these forms of benefit compared with the compensation levels for early retirement.

II.2 OPPORTUNITIES TO COMBINE WORK AND BENEFIT

II.2.1 Provision for combining income from work and from disability-related social security benefits

Return to work with income

There are also a number of possibilities for a person receiving sickness benefit or early retirement pension to try working without their right to benefit being influenced immediately.

The rules for withdrawal of an early retirement pension have long been governed by an awareness of the importance of not disrupting a rehabilitation process. The social insurance office shall apply the rules on withdrawal or reduction of early retirement pension with caution if an insured person makes an attempt to return to work.

The insured person normally has the right to try out a job for up to three months without his/her entitlement to pension being affected. In addition, the forecast for the insured person's ability to be able to continue working should be good before the entitlement to pension is affected.

Return to work without income

A common form of rehabilitation focused on working life is 'training in an actual environment'. This measure involves the insured person making an attempt to return to his/her previous job, or another one that is better suited, with the approval of the social insurance office and still retaining compensation from the social insurance office. Training in an actual environment can be arranged, where appropriate, with the original employer or with another company. The idea behind this measure is that persons on sick leave can test their strength and capacity in a calm atmosphere, without any pressure to perform well. There is no formal limitation for the duration of this type of training. A measure of this kind can be broken off due to a deterioration in the insured person's health or the insured person demonstrating that he/she has some form of work capacity and returning to normal work. In the latter case the early pension is of course reconsidered. (A doctor who writes a sick note should clarify whether the patient can visit his/her work place despite their illness.)

Early retirement pension on hold

The General Insurance Act contains rules which make it possible to put an early retirement pension on hold. The purpose of the rules is to facilitate and create the right conditions for trying to work. A person who has had their early retirement pension withdrawn or reduced as a result of returning to gainful employment can apply for the benefit to be reinstated without requiring a doctor's certificate, provided that:

- the application is made within five years from the month the pension was withdrawn or reduced;

- the gainful employment on which the withdrawal or reduction of the pension was based has ceased; and
- the application refers to benefits corresponding to no more than, and calculated on the same pension points as applied to, the pension the insured person was drawing at the time of withdrawal or reduction.

The facility for putting an early retirement pension on hold has been used very rarely. However, no reliable statistics are available on how many applications are processed on the basis of the rules for putting an early retirement pension on hold. Nevertheless, they only amount to a few per annum.³⁸

A person who draws an early retirement pension or sickness benefit and who has begun rehabilitation aimed at returning to working life is entitled to retain his/her pension during the rehabilitation period. If the sickness benefit ceases during the period of rehabilitation, the insured person may be granted continued sickness benefit. The fact that the person is undergoing rehabilitation means that they cannot be considered as being fit for work.

II.2.2 Effects on numbers retaining and numbers returning to work

The number of persons on long term sick leave who regained the capacity to work in 1995/96 was slightly higher than in the previous year. This change is partly due to the provision of information and to partial sick leave being used to a greater extent. The number of partial compensations paid out within the sickness benefit system, in relation to full compensation, was higher than in the 1994/95 fiscal year. This can be explained by the fact that the social insurance offices' efforts, in the form of information to doctors and employers, mapping/analysis of sickness leave patterns, feedback of results to doctors and the time for work training, have been limited. Instead, partial sickness leave is being used to a greater extent.³⁹

II.2.3 Impact of definitions of disability or capacity for work on access to and coverage of benefit programmes

The conditions for being able to use the support measures described are in principle that the individual is insured according to the General Insurance Act. To receive this type of insurance, one must be a Swedish citizen or resident in Sweden. A strict medical examination is made to determine the various types of sickness compensation, without taking other factors into account. The social insurance office makes its decisions from case to case on whether the individual is entitled to any of the types of compensation or measures it can offer. Otherwise there are no special qualification requirements.

³⁸ SOU 1996:113.

³⁹ National Social Insurance Board. Annual Report 1995/96.

II.2.4 Interactions between in-work benefits and other in-work income support programmes

The main labour market policy instrument specially aimed at disabilities is employment with wage subsidy. At the end of 1996 the number of persons employed with support in the form of wage subsidies was around 45,000.

Wage subsidies can be paid to employers who recruit a person with a 'work disability'. Wage subsidies can only be paid for a person with a work disability who is already employed in a company if the employee returns to work after having received full sickness benefit in accordance with the insurance act, and is judged to be unable to retain the job without a subsidy being paid. The level of the subsidy is determined on the basis of the individual's capacity to work and the degree of disability. The maximum subsidy, with a few exceptions, is 80 per cent of the wage cost. The main rule is that no proportion of the employee's monthly wage in excess of 13,700 kronor may be used as a basis for the subsidy. The subsidy will be reviewed regularly. If a person who has received a subsidy moves over to employment without a subsidy, the payment of the subsidy may be resumed within three years, if the person with the disability suffers a reduction in his/her working capacity.

Employment with a wage subsidy shall be placed on the same footing as normal employment, which means that wage subsidy employment entitles the employee to sick pay, sickness compensation and sickness benefit and can be combined with these and with early retirement. A person can, for instance, be employed half-time and be on half-time early retirement. The half time worked can be subsidised by paying a wage subsidy to the employer. The level of the subsidy is based on the working capacity during the remaining half time.

Although it is difficult to comment on the importance of the possibility to combine wage subsidy with various types of benefits for sickness and injury, it would not be too bold to suggest that this possibility makes it easier to obtain gainful employment.

II.2.5 Disabled workers who benefit and those who miss out

No groups are explicitly excluded from either compensation for loss of income or wage subsidy. On the other hand, it may be the case that certain categories of employee are over-represented or under-represented in the system. However, statistics provided by the Swedish Labour Market Board in respect of disability registration and wage subsidies do not relate to identical groups, and they use a different definition of disability from the Statistics Sweden survey.

II.3 TRANSITION BETWEEN BENEFITS AND WORK

II.3.1 The effects of the disability benefit system on return to work

The pressure on individuals to return to work has been increased by increased demands to use partial compensation during illness, stricter requirements to take into account only medical factors when providing a sick note, and reduced levels of compensation. This can to some extent be noted in the radically reduced

number of sickness compensation payments and the reduced number of early retirement pensions being granted.

II.3.2 Effect of entitlement to benefits in kind on return to work

There are no special 'in kind' benefits attached to disability and work in Sweden.

II.3.3 Co-ordination between agencies in assessment for benefits eligibility

As the National Social Insurance Board is the central authority responsible for working life rehabilitation for persons already employed, there should be no major problems of co-ordination within the Board's area of activity. The social insurance offices' activities are governed by laws and legal precedents which also comprise the basis for the National Social Insurance Board's directives and general guidelines in this field.

However, co-ordination problems may arise between different authorities when it comes to working life rehabilitation.

At a national level discussions are held and agreements reached on closer co-operation on the issue of vocational rehabilitation in the 'Cæsar Group', a joint group containing representatives from the National Board of Occupational Safety and Health, the National Labour Market Board, the National Social Insurance Board and the National Board of Health and Welfare. The group has the task of co-ordinating and following up activities within the fields of the work environment and rehabilitation, on the basis of the government's targets and guidelines, and of producing proposals for measures to drive and stimulate the development of activities at local, regional and central levels. The authorities concerned have divided up the responsibility for rehabilitation activities in two central agreements.⁴⁰

At a local level there are co-ordination groups, which according to the National Social Insurance Board's directives should be found in each local government area, in order to facilitate the co-ordination of rehabilitation activities. The groups have the task of co-ordinating measures, deciding on priorities and agreeing on how collaboration should be organised in connection with the practical work relating to individuals. Corresponding co-ordination groups are also to be set up at county level.

⁴⁰ National Social Insurance Board. General Guidelines 1991:12.

III. EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

This Part examines the integration of personal support and rehabilitation services within the workplace. It deals with the external support services available to individual workers and their employers where continued employment is at risk because of disability. (Internal services, initiated and managed by enterprises, will be covered in Part V.) The discussion also includes services for early return to work once employment has been lost.

The main focus is on service interventions which support job retention by employees who become injured, ill or disabled and also their return to employment during the process of recovery. It concerns active rehabilitation services that help disabled people to recover capacities and skills, as well as services that support their re-adjustment to work. (Services involving adaptations to the work environment and to working arrangements will be discussed in Part IV.)

More specifically, sections III.1 to III.5 will cover policy about employment-related personal support and rehabilitation services, provide details of services and their providers, and describe the service beneficiaries. The remaining sections will examine the factors influencing the effectiveness of support services for job retention and early return to work. They include a discussion of relationships between the various employment support and rehabilitation services, their relationship to the employment sector, and their interaction with employment policies and compensation and benefit programmes.

III.1 POLICY AND RESPONSIBILITY FOR POLICY AND PROVISION

III.1.1 The main bodies responsible for employment support and rehabilitation policy, and links to other agencies with employment or benefits/compensation responsibilities

The National Social Insurance Board is the central administrative authority for social insurance and the associated system of benefits. The overall goal of the activities of the authority is to provide financial security during the various stages of life via the national insurance offices by means of the general social security insurances and the associated system of benefits. The National Social Insurance Board should also work to reduce the need for long periods of sick leave and early retirement.⁴¹

According to the ordinance on labour market policy activities, which provides guidelines for the Labour Market Board, the activities of the labour market authorities include vocationally related rehabilitation. According to the ordinance, this shall be provided by the Labour Market Institute.

The role of the Occupational Health and Safety Board, which consists of the 11 labour inspectorate offices in the country, is to ensure that the provisions of the Work Environment Act with regard to the employer's responsibility to rehabilitate and adapt the working environment are respected.

⁴¹ Agency for Administrative Development, 1994:15.

The central authorities with responsibility in this field are therefore the National Social Insurance Board, the Labour Market Board and the Occupational Health and Safety Board.

The National Social Insurance Board is accountable to the Ministry of Social Welfare, while the Labour Market Board and the Occupational Health and Safety Board are accountable to the Ministry of Labour. All these authorities finance their activities out of budgets provided by the state.

III.1.2 The relative priority accorded to support for retention, return to work and first time entry to employment

If we measure the relative priorities for the various measures on the basis of the magnitude of the resources applied, the Labour Market Board's measures for disabled unemployed people are considerably greater than the amounts the social insurance offices provide in support to employees and employers who rehabilitate their workers. However, such a comparison is not strictly correct, since employers are also required to apply their own resources to rehabilitation.

No distinction is made between persons who are seeking work for the first time and those who have previously had employment but have become unemployed. It is therefore not possible to weigh the support for these two groups against each other.

III.1.3 The weight given to employment support and rehabilitation policies for disabled people in the national system

Efforts to provide active rehabilitation measures rather than passive benefits are especially clear and have become more evident during the 1990s.

III.2 SUPPORT SERVICES FOR JOB RETENTION

III.2.1 The main funders and providers of services to support job retention

Measures to promote job retention are primarily the responsibility of employers. The emphasis on employer responsibility was highlighted first in the work environment legislation and in the General Insurance Act from the beginning of the 1990s. Previously the employer's responsibility for rehabilitating employees was more diffusely defined.

The Work Environment Act 1977 (amended 1991) contains the requirement that the employer should adapt working conditions or take other appropriate measures to take into account the employee's particular capability for work. (Rehabilitation in the individual case is regulated in principle in Chapter 22 of the General Insurance Act.) The object of rehabilitation shall be to restore work capacity and the ability for supporting oneself by means of paid employment, in the case of a person who has had an illness. The insured person's employer shall be responsible, in consultation with the insured person, for ensuring that

the need for rehabilitation is clarified as soon as possible and that the necessary measures are taken for effective rehabilitation. Employers are entitled to financial aid from the state for certain measures, mainly via the national insurance offices. Developments during the 1990s have involved greater priority being given to job retention, which means a greater responsibility for the National Social Insurance Board. On the other hand, the role of the Labour Market Board and its resources for promoting employment for disabled people have not been reduced to any great extent.

Employers often require external support in rehabilitation and work environment activities. The procurement of such measures within this field takes place within a free market where some 400 companies currently supply services within the field of rehabilitation.⁴² The largest provider in this market is Working Life Services (Arbetslivstjänster) which was established in 1990 and is the contract services arm of the Labour Market Board within the field of vocational rehabilitation. Its business is directed towards companies and authorities and is fully financed by means of fees/charges. Working Life Services seeks to prevent and limit the exclusion of workers from working life due to changes at the work place, lack of competence or an unsatisfied need for rehabilitation. Rehabilitation should be the main focus and be complemented by preventive development work directed towards the individual and the group as well as at an organisational level.⁴³ Working Life Services accounted for 21 per cent of the social insurance offices' expenditure on the procurement of vocational rehabilitation during the first half of 1997. In total other private rehabilitation companies accounted for 28 per cent of their expenditure.⁴⁴

III.2.2 Relationships between the providers of services and bodies with policy responsibilities

Individual employers and insurance offices have no restrictions on the purchase of rehabilitation services. There are no specific limitations or restrictions for providers of rehabilitation services such as, for instance, accreditation.

In organisational terms, the dominant provider - Working Life Services (WLS) - is a part of the Labour Market Board's organisation. The decision making process moves down the line from the Director-General of the Board, via the Director of the County Labour Board, to the local manager of WLS at county level. The Director-General has decision-making authority over Arbetslivstjänster and is chairman of its Business Council. WLS has a presence in each county as an operative activity and is a resource in the same way as the Job Centres and the county Labour Market Institutes.

⁴² Interview with Gerd Elmfeldt 14/8-97, area manager for Working Life Services.

⁴³ National Labour Market Board. Working Life Services Under Development, 1997.

⁴⁴ National Labour Market Board. *Working Life Services Under Development*, 1997 (unpublished).

III.2.3 The range and types of services provided

The main principle behind WLS's activities is that each measure is tailor-made to meet each customer's individual needs.

The following services are provided by WLS:

- a) vocational guidance
- b) competence inventory/plan
- c) work-related psychological competence
- d) rehabilitation in working life
- e) work organisation competence
- f) business competence.

Rehabilitation in working life refers to those factors of expertise that influence the degree of success of rehabilitation activities. It includes factors such as motivation, assessment of work capacity and training, but also includes factors relating to the importance of the workplace and the role of other parties. It includes matters of a financial character, the legal framework for both the organisation and the individual, and consideration of the preventative strategies that are most beneficial. Rehabilitation competence also involves workplace analyses and the development of occupational technical aids or other changes at the place of work.

Transport

Disabled people who cannot make use of the normal public transport system can obtain special transport through their local authority. This special transport usually involves the provision of travel by taxi or a special vehicle at the rates applying on the ordinary public transport system or at a highly subsidised price. The special service usually entitles the recipient to travel to and from work.

III.2.4 Characteristics of enterprises using external support services for job retention

The breakdown of WLS's operating revenue for the first half of 1997 by users of its services is as follows: social insurance offices 50 per cent, county and municipal councils 16 per cent, internal 12 per cent, other private businesses ten per cent, manufacturing industry six per cent, government administration four per cent and state enterprises two per cent.⁴⁵

The users of WLS's services are predominantly large organisations.⁴⁶

⁴⁵ a.a

⁴⁶ Interview with Gerd Elkmfeldt, 14/8 1997, area manager for WLS.

The main reason why companies and authorities engage WLS is their desire to retain personnel and their recognition of the link between profitability and healthy personnel who are content at their place of work.

III.2.5 The prevalence of externally provided support services

The WLS activities currently most in demand are competence inventories, competence planning and aptitude tests.⁴⁷

Since 1 July 1990, the social insurance offices have been receiving special funds for the procurement of work related rehabilitation services. The amount has varied from one fiscal year to the next, but it has been running at between 500 and 700 million kronor, which is equivalent to some 20 per cent of the total costs for rehabilitation. The services the insurance offices purchase consist of rehabilitation analyses and direct measures intended to facilitate return to work. The procurement of different types of rehabilitation measure is determined by the need in each individual case on the basis of the aim of rehabilitation.⁴⁸

The social insurance offices engage the following leading companies in the field of rehabilitation. Ryghhälsan in Gothenburg, for instance, has rehabilitation programmes including medical assessments and courses of treatment/training for people with back complaints. WLS offers the services of the Job Centres and the Labour Market Institutes in return for a fee (see III.2.3). AMU-gruppen has considerable experience of tailoring training to meet the needs of employers. Work trials, examinations and training can also be purchased from Samhall or from local companies or organisations. Rygginstitutet endeavours to improve back care for individuals who wish to improve their expertise and training. If work related services of the kind described are provided by health care centres and hospitals, these may also be purchased by social insurance offices. Such services may include back and neck treatment for persons on sick leave.

Table III.1: Use of funds to purchase services, breakdown by producer

Producer	'91	'92	'93	'94	'95	'96	91-96	MSEK
Private producer	25	21	28	37	36	30	31	1,020
WLS	36	33	26	21	18	21	25	819
National Employment Training Board	17	20	17	12	10	10	13	450
Other education/ retraining	4	4	8	9	9	10	8	261
Samhall	6	5	5	7	9	10	7	249
Medical authority	7	8	7	6	7	8	7	239
Rygginstitutet	3	6	6	6	5	6	6	185
Other work training	1	1	1	1	2	3	2	53
Private consultancy services	1	1	1	2	3	3	2	65
Total	11	13	16	18	20	22	100	
MSEK	381	427	528	612	652	741		3,341

Source: National Social Insurance Board (1997) *Risk and Health Factors*

⁴⁷ a.a

⁴⁸ a.a

Even though WLS is still the largest producer in the field the proportion of services purchased from this company has gradually declined. The same downward trend is also true for purchases from AMU, whereas training provided by other producers has increased. Among the public producers, however, the social insurance offices have steadily increased their purchases from Samhall. Otherwise, purchases from private producers have increased most and most purchases are now made from the private sector. This trend can partly be explained by the growth and development of the market for purchased rehabilitation services since the social insurance offices were first granted funds for such purchases at the beginning of the 1990s.⁴⁹

III.2.6 The extent to which services support job retention

WLS completed more than 11,000 assignments in 1995/1996, in which the purpose was to return as many people as possible to work. The total consultation time amounted to almost 318,000 hours and 62 per cent of these assignments resulted in a recommendation for a return to work with the same employer or a recommended course of education or training. The remaining people were sent back to the social insurance office or to their employers for recommendations for technical aids at work, an enquiry with regard to early pension, etc.⁵⁰

WLS has also followed up how its customers perceive the quality of the services provided in 1996. 2,575 customers answered the question: 'How would you sum up your impression of WLS's methods of working?' The scale runs from 'Very good' (5 points), to 'Very poor' (1 point). The average number of points received was 4.3.

III.3 USERS OF SUPPORT SERVICES FOR JOB RETENTION

III.3.1 Eligibility criteria and procedures for identifying users (disabled workers and their employers)

In order to be entitled to rehabilitation measures from the local insurance office an individual has to be registered with the national social insurance office. To qualify for the protection, rehabilitation measures and adaptation of the work environment as stipulated in the Work Environment Act, it is sufficient to be in employment. In some areas the Work Environment Act also applies to students.

The General Insurance Act makes the employer responsible for ensuring that the need for rehabilitation measures is investigated and assessed (see II.1.3 and III.2.1). As was discussed in II.1.3, employers are obliged to carry out a rehabilitation investigation where required and send the results to the social insurance office. The aim is to enable rehabilitation measures to be introduced as soon as possible. There is a clear connection between early intervention and the degree of success. There should therefore be a strong

⁴⁹ a.a

⁵⁰ National Insurance Board. Annual Report 1995/96.

connection between the rules for identifying people who are in need of measures and successful job retention.

However, one factor which conflicts with this assumption is that the rules are often not followed. Rehabilitation investigations are seldom carried out. Where they are carried out, they are often of very poor quality and are sent to the insurance office too late.

In a survey of 100 cases of illness reported to an insurance office in 1994, the following results emerged:⁵¹

The social insurance offices had only received a rehabilitation investigation in 49 cases out of 100. A small number of these had been received within the statutory period - eight weeks from the commencement of sick leave. Few investigations had been sent in before the insurance office had reminded the employers of their obligations in one way or another. Several of the investigations sent in by the employed contained very scant information. It was difficult to form an opinion of the nature and extent of the problem on the basis of these documents. When it came to possible courses of action in these cases, the information was even more meagre.

A number of social insurance officers expressed feelings of resignation with regard to rehabilitation investigations. They felt that there was little point in putting a lot of time and energy into chasing investigations, which usually required supplementing.

During the 1990s there has nevertheless been a trend towards early measures in work-oriented rehabilitation. The average time for a measure in 1988/89 was around 300 days, while the corresponding average time in 1993/94 was around 140 days.⁵²

III.4 SUPPORT SERVICES FOR RETURN TO WORK

III.4.1 The main services for return to work

The Labour Market Board's measures for the unemployed can be divided up into measures related to the state of the economy, which are directed towards all those seeking work, including those with a disability, regardless of whether or not they were previously employed. In addition, there are special measures for individuals with disabilities.⁵³

The number of persons registered with the employment offices/labour market institutes who have a disability in December 1996 was 83,796. The total number of persons registered was 835,007.

⁵¹ National Audit Bureau, 1994a:18.

⁵² Marklund, S. (ed) *Risk and health factors*, 1997.

⁵³ Data in this section are taken from: National Labour Market Board (APra) 1997.

Measures related to the state of the economy

One of the goals of the National Labour Market Board is to maintain the proportion of disabled persons in measures which are related to the state of the economy. This was laid down in the government's instruction to the Board for 1995/96, which states that the proportion of disabled persons in cyclical labour market measures should be far higher in relation to their proportion among unemployed job seekers in general. It is a priority to put a high percentage of disabled persons in labour market training.

Below follows a brief description of the most common measures.

Labour market training is a form of training for individuals which is either purchased freely by the labour market authorities or involves the use of places in the regular education system. The training should be vocationally oriented.

Employment development is a six-month work period of practice for unemployed persons who are in receipt of unemployment benefit. This activity ceased at the end of 1996, when it was replaced by other measures.

Workplace introduction is the name of a programme which enables unemployed persons to obtain work practice with an employer for six months. The condition for the employer to receive a trainee, is that the employer agrees to employ this person for at least six months after the expiry of the period of work practice. Some exceptions are made for individuals with a disability. They can have a longer period of work practice and the obligation for a further six months of employment may also be lifted.

Relief work: Persons who cannot be offered a job or other suitable labour market measure are instead placed in relief work. Only such necessary work tasks as increase the number of employees above a level that is feasible within the employer's ordinary budget can be regarded as relief work. The period doing relief work may not, as a main rule, exceed six months. A government subsidy may be paid to the employer amounting to no more than 50 per cent of the wage cost, up to a level that is capped at 7,000 kronor.

Datortek is a form of labour market training for young people between the ages of 20 and 25. Those who take part in these activities spend a maximum period of three months receiving half-time training in computing. The rest of the time they should be engaged on labour market projects.

Temporary training replacement: An employer who has a maximum of four employees and who allows one employee to take part in training and at the same time employs an unemployed person referred by the National Labour Market Board as a full-time temporary replacement, can be awarded a grant by the County Labour Board. The grant amounts to 500 kronor for each working day the replacement is employed, subject to a maximum of 40,000 kronor per person trained.

Result of the measures related to the state of the economy

There is no difference between the proportion of functionally-disabled persons and others looking for work who move to measures dependent on the state of the economy after being registered as unemployed with an employment office. For both groups the percentage was seven per cent per month in 1995/96.

Disabled persons accounted for 11.5 per cent of all those occupied on such measures during the 1995/96 fiscal year. During the same period this group accounted for 10.6 per cent of all those registered at employment offices and labour market institutes.

Of the disabled persons who left such measures during the 1995/96 fiscal year, 9.9 per cent went directly into employment. Of all the disabled persons who left such measures, a majority - 6.7 per cent - went to a job without support for disabled people. Among the other job seekers, i.e., persons without a disability, a much higher percentage - 17.3 per cent - went straight into employment. It is important to note that two-thirds of the disabled persons who obtained work in 1995/96 following measures dependent on the economic cycle still obtained work without the need for support for disabled people.

The most effective measure proved to be the temporary training replacement. 27.5 per cent of disabled people who worked as temporary training replacements went direct to a job. 18.7 per cent of disabled people who took part in work place introduction schemes went direct to a job.

A lower percentage than average went direct into employment after employment training (5.2 per cent), Datortek (5.7 per cent) and labour market training (7.1 per cent).

A higher proportion of disabled men (10.7 per cent) who finished cyclical measures found work than was the case with women (8.9 per cent). This is mainly the result of a larger number of men going to jobs with support for disabled people. The ranking order by measure in relation to the percentage going back to work is approximately the same for disabled men as it is for women.

People with learning difficulties had a relatively high percentage of transfers direct to employment after being occupied on cyclical measures - 12.0 per cent compared with 9.9 per cent for all disabled persons. People with learning difficulties had an exceptionally high rate of transfers to employment with support for disabled people (8.2 per cent), compared with the group as a whole (3.2 per cent).

These statistics relate to transfers to work immediately after completion of the measure. Studies of transfers to work six months after the completion of the measures indicate a much higher percentage in employment.

Special measures for disabled persons

Wage subsidies are the most comprehensive labour market policy measure for disabled persons and covered 45,000 people in September 1996. For a description of the rules regulating wage subsidies, see II.2.5.

The proportion of persons leaving wage-subsidised jobs was between 14 and 15 per cent per annum in the mid-1990s. During a six-month period in 1993 the following reasons were given for the cessation of a wage-subsidised job:

- 1.3 per cent continued with the same employer;
- 0.7 per cent went to another employer;
- 3.5 per cent left at their own request;
- 6.2 per cent were dismissed by the employer;
- 3.1 per cent other reasons.

Employment with wage subsidy, sheltered employment in the public sector, and employment at Samhall AB are all deemed to be employment with wage subsidy. Sheltered employment in the public sector and Samhall AB are sheltered activities set up primarily for disabled persons. It is most often persons with severe disabilities who work at these sheltered workplaces. These forms of employment shall only be used if a person cannot obtain work on the open labour market, with or without a wage subsidy.

Wage subsidies and cyclical measures are mainly financed using government funds administered by the National Labour Market Board in the case of wage subsidies and by the National Social Insurance Board in the case of training grants to cover the cost of labour market training, workplace introduction and employment development.

The systems for employment-oriented rehabilitation differ as regards both the responsible authorities and regulations, depending on whether the person concerned is an employee or seeking work. However, the insurance offices are responsible for co-ordinating labour market-oriented rehabilitation, which also covers the activities of the Labour Market Board. Decisions on individual cases of rehabilitation measures for job seekers are the responsibility of the Labour Market Board and cannot be imposed by the insurance offices or the National Social Insurance Board.

There are no special measures directed towards persons seeking work for the first time. Nor is it possible to distinguish this group in the National Labour Market Board's statistics.

III.4.2 Integrating return to work services into work environments

The measures described in III.4.1, as well as other less frequently used measures, are all based on the voluntary principle, on the part of both the job seeker and the employer. There are no direct or indirect coercive measures which can be used to create employment for disabled people.

Wage subsidies are by definition an integrated form of measure. One instrument to integrate employees with wage subsidies at the workplace is the demand for an action programme. This should contain agreements between employment offices, employers, employees and unions on work tasks and work adaptation. The purpose of the action programme is that it should support the rehabilitating focus of the job so that the wage subsidy can in time be reduced/abolished.⁵⁴

A survey carried out in 1994 showed that only 31 per cent of the employees with wage subsidies had an action programme. The content of these plans was often insufficient. The employment offices' files stated that a wage subsidy decision had been made, which parties were involved, the date of the follow-up and, in cases concerning the follow-up of a decision already taken, a description of the results. There was very

⁵⁴ SOU, 1997:5.

seldom any information about the future or information of significance to rehabilitation, such as work adaptation, training, support from co-workers, etc.⁵⁵

III.4.3 The types of enterprise providing return to work opportunities in co-operation with employment support and vocational rehabilitation services

The following table shows how many people received wage subsidies in particular types of employment.

Table III.2: The number of persons with wage-subsidised employment by type of employer

<i>Employer</i>	<i>Number in '95/96</i>	<i>Percentage in '95/96</i>
Government authorities	3,731	8.4
Institutions equivalent to government authorities	143	0.3
Social insurance offices	323	0.73
Non-profit organisations	15,316	34.4
Municipal authorities	5,838	13.1
County councils	1,313	3.0
Public utilities	56	0.1
Private sector companies	16,172	36.3
Other employers	1,642	3.7
Total	44,534	100.0

The lowest average level of wage subsidy is 42.7 per cent of the wage in county councils, and the highest level is that among public utilities and social insurance offices at 79.8 per cent and 79.9 per cent of the wage respectively.

III.5 USERS OF SUPPORT SERVICES FOR RETURN TO WORK

III.5.1 Mechanisms for identifying and accepting users who have left their employment

If it turns out that an applicant at an employment office is in need of special guidance or rehabilitation measures as a result of his/her disability, or they cannot obtain work without the labour market policy

⁵⁵ National Audit Bureau. *Evaluation of the Flexible Wage Subsidy*, 1994:4.

measures reserved for applicants with a disability, the disability shall be entered in the National Labour Market Board's register.⁵⁶

The applicant's consent is required for registration as a disabled person. If the applicant does not consider that he/she has a disability and is not interested in any measure reserved for those with disabilities, no disability shall be entered in the register. The code shall indicate the disability which, according to the assessment, is the main reason for the difficulty experienced in obtaining work.

The handicap codes are as follows:

1. Heart disease, vascular disease and/or lung disease
2. Impaired hearing/deafness
3. Impaired vision
4. Reduced mobility
5. Other somatic related disability (includes allergies, diabetes and stomach/bowel diseases)
6. Mental health problem
7. Learning difficulty
8. Socio-medical disability (refers to people with social problems which are the cause of their reduced work capacity; this would include drug- or alcohol-related problems, or problems related to criminal activities).

It is important to note that the definitions are in practice very broad and none of the established groups of disabilities or diagnoses are excluded.

Many persons with some form of disability are referred to the employment office by the social insurance office, the social services or some medical rehabilitation activity when the medical or social rehabilitation is regarded as complete. These referrals can be made, for instance, by making an appointment for the individual at the employment office. The transfer of persons to the employment office is also arranged by collaborating agencies.

III.5.2 Arrangements for user choice and user control of service packages

The National Labour Market Board's services for unemployed people can mainly be said to be based on obligations rather than rights. By this is meant that the various labour market policy measures which could be considered for a particular job seeker are not rights. There is usually no right of appeal against a decision to refer an individual to a measure. This may be contrasted with the benefits which follow from social insurance, which can usually be reconsidered by a higher instance or administrative court following an appeal by the person claiming the benefit.

⁵⁶ National Labour Market Board, APra 1997:3.

The freedom of choice which exists lies in there being no compulsion to accept employment. However, in the long run there is a risk of loss of unemployment benefit if a person refuses to accept a job to which he/she is referred.

There is no system of vouchers or the equivalent.

III.5.3 Disabled workers who benefit and those who miss out

Measures related to the state of the economy⁵⁷

The proportion of disabled women without work who transferred to measures related to the state of the economy in 1995/96 was the same as for men - seven per cent. A higher proportion of disabled men than women moved on to employment development and relief work. A higher proportion of the women moved to labour market training.

Disabled persons aged 24 and younger transferred to cyclical measures to a greater extent than older persons in 1995/96. Young people mainly transferred more frequently to workplace introduction.

The group of disabled people with the lowest percentage placed in measures dependent on the state of the economy in 1995/96 was that of persons with mental health problems. The proportion of this group who transferred to employment was also low.

Special measures for disabled people

Women were distinctly under-represented among the employees with wage subsidies. They accounted for 40 per cent of all such employees.

Older persons, aged 45 or more, comprise a majority (56 per cent) of the employees with wage subsidies. Persons aged 45 and over can be said to be represented fairly evenly in relation to the number of disabled persons registered at employment offices and labour market institutes.

With the exception of socio-medically disabled people, the various groups of disabled persons can be said to be represented among those with wage subsidies in relation to their percentage of disabled people registered at employment offices and labour market institutes.

⁵⁷ National Labour Market Board, APra 1997:3.

III.6 DESIGN AND DELIVERY OF EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

III.6.1 The effects of the distribution of responsibility for provision of services

The following account reflects the criticisms of the division of responsibility within the current system for rehabilitation.

Rehabilitation is a general concept for all measures of a medical, psychological, social, employment-oriented or career-oriented nature which are intended to help persons return to a normal life. The various rehabilitation measures overlap with one another, at the same time as each authority has its own methods of approach and its own concept of rehabilitation. Experiences of rehabilitation in recent years indicate a lack of co-ordination with regard to the goals of their activities. Often they do not all pull in the same direction, which leads to conflicts of priorities.⁵⁸

The need to co-ordinate resources to improve rehabilitation has been discussed in various contexts in recent years. There is a need to make more effective use of the collective resources to more satisfactorily meet individuals' needs for support measures. People who are chronically unemployed, or who have psychosocial or health problems, can easily end up in a grey zone between the different systems, as they do not fall straightforwardly into a particular authority's area of responsibility. This can often result in their being passed round in a circle to the social services, social insurance office, employment office and health and medical services, often resulting in short-term and ineffective measures.

The Swedish government considers that it is now time to introduce a possibility for voluntary co-operation for the authorities involved, with the purpose of supporting everyone in need of special measures. The local co-operation projects which will be developed will not require any special approval from the government or the respective authority, and the local units will themselves decide and implement the co-operation, on the basis of local conditions and requirements. With effect from 1998, therefore, funds will be made available to the social insurance offices with the aim of improving forms of co-operation and thus making rehabilitation more efficient, especially for groups for which more than one agency is responsible.

Criticism has been expressed that the current rehabilitation activities do not fully satisfy the requirements for differentiation and specialisation. The expected increased dispersion of various types of activity in the rehabilitation field through the creation of a market for purchasing services has been realised to some extent, but needs to be expanded further. In many areas only a few institutions are involved and their activities are relatively standardised.⁵⁹

The National Audit Agency has concluded that there are serious shortcomings in the medical decision-making process. The social insurance administration is forced to spend far too much time on

⁵⁸ Government Bill 1996/97:63.

⁵⁹ Marklund, S. (ed) *Risk and health factors*, 1997.

communicating in various ways with the medical sector to obtain more details and improvements in certificates and statements. In addition, local social insurance offices frequently have to follow up doctors in order to obtain information that has not been provided on sick notes. The time the social insurance administration spends on trying to influence the medical decision-making process, or at least part of it, could be better spent on developing actual rehabilitation activities.⁶⁰

The Agency for Administrative Development was requested by the government to make an overall analysis of rehabilitation, with an emphasis on employment-oriented rehabilitation. (The Agency for Administrative Development is an authority which provides support to the government and ministries in the work of reviewing state activities, making them more efficient and administering them.) Its report was prepared in 1994 and included a presentation of the following views concerning the division of responsibility and efficiency:⁶¹

‘There is no clear division of responsibility between many of the institutions involved. Nor is there a positive connection between rehabilitation and performance. There must be incentives even for those whose profession is working with rehabilitation. At present the system works so that one organisation saves money by refraining from taking measures regardless of the fact that higher costs are then charged against another budget.’

‘Those with an explicit responsibility for rehabilitation activities are accountable to different principals. No institution can be said to have an overall view of all the principals involved in any individual’s case, despite the co-ordinating role of the insurance office. Different bodies have different incentives to help promote the rehabilitation of an individual. The institutions also have different sources of finance and no one institution has responsibility for how resources should be used in total. Each one acts within its own budget. The costs can thus be passed over to another sector. With the existing model of institutions and financing, it is difficult to maximise cost efficiency. Common to all the institutions involved is the fact that there is very little information about the existence of persons who are passed around between the systems.’

‘In terms of competence, as well as ‘culturally’, there are differences between the personnel categories of the various institutions. In combination with the institutions’ differing priorities, this means in some cases that groups of individuals have difficulty in getting their needs met, as the institutions make their assessments on the basis of different frames of reference. For example, the local social insurance offices and employment offices often have differing opinions regarding when an unemployed person on sick leave has been completely rehabilitated.’

‘The regional and local organisations of the social insurance administration, the National Labour Market Board and the Board of Occupational Health and Safety differ from each other, which can make local collaboration difficult. A further complicating factor in densely populated areas is that the individual can be registered with a local social insurance office which is geographically remote from his/her workplace, which makes it that much more difficult for the insurance office and the employer to collaborate effectively.’

⁶⁰ RRV 1994:18.

⁶¹ Agency for Administrative Development, 1994.

'The social insurance administration, the National Labour Market Board and the municipal authorities shall balance active measures against the payment of cash benefits. A heavy workload on the personnel of one of these institutions could mean that the work of administering cash benefits is given higher priority than active measures. All public institutions in the rehabilitation field are also under great pressure to save. This involves a risk that incentives will be devised to shift the cost burden on to other institutions.'

'In order to make it possible to assess the results and effects of society's rehabilitation activities, the measures, means of control and activities must be measured against stated targets. If comparisons of cost-efficiency are to be made between different measures, means of control and activities, it is necessary that the overall goals are more in line with each other than they are at present. Specific targets for various measures and operational targets for various institutions should also correspond.'

'There is a risk that the effect of the resources devoted to supporting priority groups will diminish or disappear altogether if comparisons are made with the allocation of comparable resources to groups where the chances of success are greater. Claims have therefore been put forward by various parties that targets and rules for rehabilitation should be designed so that they are dependent on the economic climate.'

'The state's overall goal of healthy economic growth matches industry's targets. On the other hand, employers lack any direct incentives to promote the individual's welfare and employment. It can be difficult to combine employers' endeavours to conduct their activities rationally and cost effectively with, say, rehabilitation measures in the form of work adaptation. This assumes, for instance, that such measures are regarded as profitable and generate a financial return. Without incentives in the form of 'carrots' or sanctions, it is more difficult to create a sound work environment, provide support for rehabilitation and achieve society's overall welfare goals.'

'The greater responsibility of employers for the rehabilitation of employees found expression in changes in the general insurance law and the work environment law. However, experience shows that small and medium-sized companies in particular, which have few resources and little experience of rehabilitation, find it difficult to live up to their responsibilities. The social insurance offices have estimated that only 40-60 per cent of the rehabilitation investigations which should have been sent to them have been received. In many cases these offices have to take over tasks which are the employer's responsibility and this often happens several months after the employee has become ill. This creates a great deal of extra work for the insurance offices. Costs which should be defrayed by the employer are instead being passed over to the insurance offices which, in practice, have no sanctions that can be applied against negligent employers.'

'A perception of the goals of employment-oriented rehabilitation encompassing all sectors is today mainly implicit. The basic aim of the different systems is for individuals to be rehabilitated as far as possible so as to be able to function in working life. The question, however, is whether a more explicit shared perception of goals is required to prevent the different systems from working against each other. The control over employment-oriented rehabilitation would probably benefit from the further development of both common overall goals and the more operative targets connected to particular sectors. The same applies to follow-up and assessment.'

'The financial incentives for employers are difficult to describe unambiguously. No financial incentives for employers to fulfil their responsibilities in accordance with the General Insurance Act are incorporated into the system.'

'One particular problem in connection with authorities' rehabilitation activities is the procurement of services by social insurance offices and employment offices. It is impossible to obtain an overall view of the range of services and institutions on the market. This results in problems in guaranteeing the quality of the services purchased. Measures have been taken by both the social insurance offices and the labour market authorities to improve the purchasing skills of their personnel. This is probably not enough. There are a variety of ways of further supporting the personnel in this task.'

Differences of opinion sometimes occur between social insurance offices and the employment offices over when an unemployed person on sick leave is medically rehabilitated and healthy and thus ready for labour market measures. This is a problem which has grown in recent years, as a result of rising unemployment and thus more people on long-term sick leave without employment.⁶²

III.6.2 The results of vocational training and rehabilitation

In order to be able to describe the rehabilitation measures for those already in employment, we have to use studies of the rehabilitation of individuals on long-term sick leave, in the absence of more adequate surveys.⁶³ As the vast majority of the people on long-term sick leave still have their jobs, these surveys are still relevant.

The great majority of people on long-term sick leave will never undergo employment-oriented rehabilitation measures, but will return to work spontaneously. A majority of those on sick leave can thus be said not to need rehabilitation measures. This is the explanation why those on long-term sick leave who do begin rehabilitation measures have a 40 per cent lower level of obtaining a certificate of good health than those who do not undergo rehabilitation measures.

Persons on sick leave who have undergone investigations have a 70 per cent lower chance of receiving a certificate of good health than those who have not undergone any measures. The equivalent figure for persons who have undergone work training at another work place is 50 per cent, for work training at their own work place the figure is 30 per cent and for education/training it is ten per cent.

Persons on sick leave whose case is investigated undoubtedly have the greatest need for rehabilitation measures and are relatively infrequently given a certificate of good health after undergoing this measure. Often these individuals need further measures to enable them to receive a certificate of good health and return to work. Persons on sick leave who have received training probably have a better starting point before the training and may have undergone other rehabilitation measures before the training course.

⁶² Interview with Dan Ljungberg, September 9, 1997 - investigator at National Social Insurance Board.

⁶³ National Social Insurance Board. Annual report 1995/96.

Persons on sick leave who are offered work training at another workplace are more likely to have problems caused by their earlier work or other problems which make a return to their earlier work place difficult. It is thus mainly persons on sick leave who have undergone training or had the opportunity to do work training at their own workplace who most likely to return to work.

After taking account of participation in rehabilitation programmes, age and different diagnoses, it becomes evident that:

- persons who have completed sick leave where there has been rehabilitation have a 45 per cent greater chance of remaining healthy six months after being given a certificate of good health than those who finish their sick leave, but have not had rehabilitation;
- persons under the age of 35 on sick leave, who have undergone rehabilitation measures, have a very good chance of being given a certificate of good health, compared with older persons who have undergone measures;
- persons on sick leave with various types of back complaint also show very positive results when it comes to obtaining certificates of good health after employment-oriented rehabilitation.

The greatest risk of recurrent sick leave arises when the first employment-oriented rehabilitation is begun within 30 to 59 days of the person registering as sick. The chance of remaining healthy for at least six months after the sick period is 60 per cent greater for sick periods where rehabilitation measures are started very early during the period of sick leave, i.e. within 19 days of the first day of sick leave. However, the same positive effects are shown in sick leave where the first employment-oriented measures were begun after six months.

A common assumption is that the best rehabilitation results are achieved by taking early measures for rehabilitation. However, those with the best chances are chronically sick persons who began the first measure one year after registering as sick. It may nevertheless be the case that measures taken at an early stage produce better results, but that this is mainly the case with medical type measures. Here, however, we are considering employment-oriented measures.

The fact that rehabilitation measures are introduced at the right time during sick leave seems to have a decisive significance for the results of the measures. For some types of sick leave the right time could be at a relatively late stage.

(See III.4.1 for the results of the National Labour Market Board's rehabilitation work.)

III.6.3 Arrangements for outcome-related funding and financial incentives to staff

As was mentioned in III.6.1, there are currently no financial incentives to employers to fulfil their responsibilities in accordance with the legislation. Nor are there any targets against which rehabilitation activities can be measured.

III.7 LINKS WITH EMPLOYMENT POLICIES

III.7.1 The effects of employment policy obligations and agreements on opportunities for vocational rehabilitation

The General Insurance Act and the Work Environment Act do not give details as to how rehabilitation should be implemented. The idea is that the individual, the employer and the regional social insurance office should reach an agreement on the best possible rehabilitation measures, based on the needs of the individual, for instance rehabilitation at work. However, it is not possible to impose rehabilitation at the workplace against the wishes of the employer. The ability of the Labour Inspectorate to use its system of sanctions, as provided by the Work Environment Act, only arises in connection with inadequate adaptation of the work environment in individual concrete cases and the general organisation of rehabilitation activities at the workplace in question.

If it were the case that the lack of rehabilitation in the workplace is a general characteristic of the employer's rehabilitation activities and if this can be seen to contravene the statutory demands for suitably organised work adaptation and rehabilitation, then there is a possibility for the Labour Inspectorate to intervene. In the final analysis, this means that the Labour Inspectorate can demand that the employer organises the work adaptation and rehabilitation activities in a particular way or at least in a better way. On the other hand, the Labour Inspectorate cannot intervene in a specific individual rehabilitation case.⁶⁴

Rehabilitation at one's own workplace is one of the most common rehabilitation measures. A survey made of persons on long-term sick leave (90 days or more) in Stockholm and in Jämtland shows that, of those who underwent employment-oriented rehabilitation between the years 1992 and 1994, between 42 and 44 per cent were given training at their own workplaces. These percentages relate to persons on long-term sick leave who retained their jobs. The two regions compared are in many ways each other's opposites. The Stockholm region is densely populated and has the country's largest city, while Jämtland is a sparsely-populated region in the north-west of the country.⁶⁵

III.7.2 The effects of financial incentives to employers on opportunities for vocational rehabilitation in the workplace

It is difficult to detect any clear financial or other incentives to rehabilitate employees at their own workplaces. This is partly due to the fact that the employer cannot be compelled to do so, nor will he incur sanctions if he does not defray the cost of rehabilitation away from the employee's own workplace, even if this should be the employer's responsibility.

⁶⁴ Iseskog, The employer's responsibility for rehabilitation, 1994.

⁶⁵ Centre for social insurance research. Report 1997:2.

A possible financial incentive for an employer who is also prepared to take financial responsibility for rehabilitation could nonetheless be that rehabilitation at the employee's own workplace is cheaper than rehabilitation outside and the employee may be able to do some work at his/her own workplace as part of the rehabilitation. However, these and other potential factors which may promote rehabilitation at the employee's own workplace have not been investigated and it is therefore difficult to comment on whether there is any incentive for the employer on the whole. The high rate of rehabilitation at the employee's own workplace would indicate, however, that there is such a financial incentive.

III.7.3 The relative priorities given to disabled people and other client groups

Employment-oriented rehabilitation is in most cases intended for people with physical impairments or mental health problems. Such rehabilitation is a natural step for people whose work capacity has been reduced for medical reasons which may be of a more or less permanent nature.

According to the ordinance on labour market policy activities, the National Labour Market Board should pay particular attention to measures which promote the employment of elderly employees and employees with a reduced work capacity and make it easier for disabled persons to keep their jobs.

As mentioned above, the National Labour Market Board has to pay particular attention to measures to promote the employment of employees with a reduced work capacity and make it easier for disabled persons to keep their jobs. Each county has at least one labour market institute whose role is primarily to support measures that will help disabled people to find work. In addition, there are a number of labour market institutes which have special resources for certain groups of disabled persons; those with impaired vision, with impaired hearing or deaf, physically disabled people, people with learning difficulties, people with mental health problems and those who are socio-medically disabled.

The Board also has a special delegation for career-oriented rehabilitation and other labour market policy measures for disabled people. This has an advisory capacity and has, in particular, to follow and support the development of measures promoting employment for disabled people, co-ordinate state, local authority and other measures to utilise the work capacity of disabled people, and disseminate information in this field.

Disabled people represent 30 per cent of all persons who take part in the National Labour Market Board's range of measures.⁶⁶ In autumn 1996, 14 per cent of all those registered with the employment offices/labour market institutes were disabled.⁶⁷ In the case of state budgets, the percentage of the budgeted funds used by disabled people is higher than the proportion of disabled people among those registered with an employment office.

⁶⁶ National Labour Market Board, APra 1997:3.

⁶⁷ Calculated by Thomas Liljegren, statistician at National Labour Market Board.

For 1995/96 the Swedish government stated in its official instruction to the National Labour Market Board that the proportion of disabled persons undergoing labour market policy measures dependent on the state of the economy should be much higher than the proportion of disabled people among all unemployed people seeking employment. This target was achieved during the period in question. The percentage of unemployed disabled people registered with employment offices or at labour market institutes was 10.6 per cent in 1995/96, while they accounted for 11.5 per cent of those undergoing measures dependent on the state of the economy.

One of the three targets set by the government for the National Social Insurance Board's operations in 1997 was to endeavour to prevent and reduce ill-health and, by actively working with and co-ordinating rehabilitation, to help to enable sick and disabled persons to return to work. It is almost impossible to relate the Board's measures for disabled people to other groups. The National Social Insurance Board has a special responsibility for employment-oriented rehabilitation. Otherwise the local social insurance offices work on administering social insurance benefits. They have no corresponding tasks with regard to any other group.

In other words, one can draw the conclusion that high priority is given to enabling disabled people to participate in the labour market, at least as far as the work of the National Labour Market Board and the National Social Insurance Board is concerned.

III.8 LINKS WITH BENEFIT AND COMPENSATION PROGRAMMES

III.8.1 The relationship between funding of benefit and compensation programmes and vocational rehabilitation policies and services

The financing of the various types of benefit in cases of illness within the social insurance system uses public funds, apart from the four first weeks of an employee's sick leave, which are paid for by the employer. Another exception is partial financing by the employer when applying for grants for occupational aids.

In the case of employment-oriented rehabilitation within the National Labour Market Board, a training grant may sometimes be paid in the form of a daily allowance from the local social insurance office. Daily allowances and other types of training grant are completely financed out of public funds.

The employer's responsibility for rehabilitation also includes responsibility for financing the measures. However, the financing obligation is not unlimited. Although it is stated that the employer has the primary responsibility for rehabilitation, the responsibility for financing must be limited to the responsibility the employer has for the measures which may be taken within or in connection with his own activities or so that the employee can remain with the company. An examination of the circumstances of each individual case, taking into account both the employee's and the employer's circumstances, is necessary to determine what can reasonably be demanded from an employer in terms of measures.⁶⁸ The secondary responsibility for

⁶⁸ National Social Insurance Board. General Guidelines 1991:12.

rehabilitation rests on the local social insurance office, in which case the costs are defrayed out of public funds.

In practice the local social insurance offices fund a large part of the total employment-oriented rehabilitation undergone by employees. A survey of employment-oriented rehabilitation for persons on long-term sick leave in Stockholm and Jämtland shows that between 74 and 79 per cent of the total rehabilitation costs for employees are covered by the local social insurance offices and not by the employer who has the primary responsibility for the financing.

III.8.2 The co-ordination of assessment of eligibility for disability benefits and vocational rehabilitation services

Both sickness compensation, in the form of sick pay and sickness benefit, and rehabilitation compensation are administered by local social insurance offices. As was noted earlier, the levels of sickness compensation and rehabilitation compensation are the same. This means that the potential for co-ordinating these two systems is good. The disbursement of life annuities to compensate for loss of income in connection with occupational injuries is also administered by the social insurance offices.

Sickness compensation and sickness benefit are paid out when work capacity is reduced as a result of illness and during medical treatment and rehabilitation.⁶⁹ Rehabilitation compensation is paid to a person who takes part in employment-oriented rehabilitation and includes rehabilitation pay to compensate for the reduction in work capacity which follows from participation in a rehabilitation measure.

III.8.3 Arrangements to combine the receipt of benefits with rehabilitation in the workplace

There are no limits placed on the possibility of combining sick-pay, life annuity and wage subsidy with rehabilitation at work. The lack of such combinations in practice could be due to the order of priority in a person's return from an active sickness period to work. The reduction in work capacity as a result of illness and participation in medical treatment and rehabilitation is compensated for by means of sick-pay and sickness benefit. At a later stage, after medical rehabilitation, there is often a need for employment-oriented rehabilitation. In these cases it may be necessary to pay rehabilitation compensation and make a grant for occupational aids.

⁶⁹ National Social Insurance Board. General Guidelines 1997:3.

III.9 LINKS WITH BENEFITS AND EMPLOYMENT POLICIES

III.9.1 The relationship between policies for vocational rehabilitation, benefits and employment

The General Insurance Act, which regulates both sickness benefits and employment-oriented rehabilitation for employees is imbued with a strong determination on the part of the government to restore the individual's work capacity as soon as possible.

These intentions are in practice counteracted by such factors as:

- lack of financial incentives for the employer to rehabilitate: rehabilitation measures may appear costly, especially to a small employer;
- comparatively high levels of compensation in the event of illness, and in some cases of early retirement, reduce the individual's interest in taking part in rehabilitation measures;
- a relatively high level of unemployment by Swedish standards, which provides a ready supply of labour, which in turn reduces the employer's interest in rehabilitation;
- insufficient knowledge among employers about employment-oriented rehabilitation;
- insufficient scope to impose sanctions on employers who contravene the rehabilitation regulations;
- an increasingly tough climate in the labour market and ever-increasing demands for flexibility and mobility, which in many cases make a return to work more difficult for persons with disabilities.

There has been a tendency in society in recent years for fewer persons to take sick leave and for the number of persons taking early retirement to decline. The increase in the number of unemployed persons with a disability has also been less than the increase in unemployment as a whole. It should be noted that the starting situation for the disabled group was much worse before the major employment crisis at the beginning of the 1990s.

The proportion of disabled persons who were employed in 1997, in the age group 16 to 64, was 55 per cent. The corresponding figure for the population as a whole is 71 per cent. For the most vulnerable groups of disabled persons (people with learning difficulties or mental health problems) the employment rate is between 12 and 22 per cent.

III.10 The most relevant factors influencing the integration of personal support and rehabilitation services into the workplace

Cost neutrality is a factor mentioned by employers as a condition for employing persons with a disability. By this they mean that a person with a disability should not result in the employer incurring extra costs because of his/her disability. The degree of financing and rehabilitation measures, aids and adaptation

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measures provided by the state therefore probably plays a significant role in how willing employers are to become involved in the rehabilitation process.

Another measure in demand among employers is help in administering their extensive rehabilitation responsibility. Many employers seem to perceive the processing of the various support systems for disabled people and their responsibility for rehabilitation as burdensome and they would like more and better support from local social insurance offices and employment offices.

The support of unions and employer associations is very important for successful rehabilitation work. The Labour Inspectorate and social insurance offices alone cannot take responsibility for ensuring that the work environment and rehabilitation activities within enterprises function satisfactorily. The unions especially have in practice tremendous opportunities to play an important and positive role in this context.

Sufficient resources and high competence among the personnel at social insurance offices and Labour Inspectorate offices are also of great importance for effective rehabilitation work in enterprises. Informal contacts between social insurance offices and employers probably represent the most frequently used means of providing support for enterprises.

IV. ADAPTATION OF WORK AND WORKPLACE

Part IV is concerned with practical solutions to adapting the work-station, workplace and job procedures to the needs of workers who become disabled. It focuses on external services available to enterprises to assist them in making adjustments, whether those services are accessed directly in the marketplace or via agencies. External services may provide advice or practical help both in adjusting the demands of the job and in adapting the work environment, temporarily or permanently. They may operate as private consultancies, voluntary bodies, quasi-governmental agencies, or as part of employment services.

The initial sections of this Part consider policy responsibilities, details of providers, funders and users, technical advisory services, sources of technical equipment and advice about accommodating work routines. Later sections focus on the factors which affect the success of adaptation services in promoting job retention and return to work.

IV.1 RESPONSIBILITY FOR POLICY AND PROVISION

IV.1.1 The main bodies responsible for work environment policies and their role in promoting adaptations

Issues relating to the work environment are regulated primarily by the Work Environment Act. As mentioned earlier, the work environment regulations also incorporate demands for the adaptation of the working conditions of individual employees. Such adaptation would include, for example, technical modifications, the adaptation of tools, and measures relating to the organisation of work. It is the responsibility of the Labour Market Board to ensure that the law is adhered to. The Labour Inspectorates are regional supervisory authorities in the field of the work environment and are part of the Board for Occupational Health and Safety. The Labour Inspectorates shall carry out inspections and issue injunctions and prohibitions to be enforced by means of penalties to ensure that the rules of the Work Environment Act are respected.

The Labour Market Board has a particular responsibility to ensure that the development of technical aids for work for disabled people is carried out with clear objectives and as efficiently as possible, and that procurement is arranged constructively and with foresight to encourage new technical solutions in concrete working situations.

The Disability Institute works on technology and methods development as well as on the testing of personal aids for disabled people. Although the work of the Institute is not specifically focused on technical aids at work, personal aids are also used in working life. The aim of the activities of the Institute is to improve the quality of life for people with a disability by means of effective technical aids and an accessible environment. The institute is the central organ for technical aid issues and is run by the state and by the County Councils Association. It engages in research and development, testing, competence development and information.

NUTEK (the National Board for Technical and Industrial Development) is a state authority which concentrates on technical support for disabled people and which has recently begun to co-operate with the National Board for Communications Research with regard to programme measures relating to disabilities and technology, although with no specific focus on disabled people in working life.

The National Social Insurance Board has secondary responsibility for rehabilitation under the terms of the General Insurance Act, in relation to the individual employer. If an employer, for whatever reason, fails to take the necessary steps for rehabilitation, the Social Insurance Office can intervene and initiate them. Such rehabilitation steps could include obtaining occupational aids and adaptation of the workplace.

Health care provided by county councils and municipal councils may also contribute to the provision of technical aids. In the first instance the county council is obliged to provide and finance technical aids for the individual, aids which may of course also be used at work.

IV.1.2 Comparison of the attention given to policies which promote job retention and those which promote access to work

The specific rules concerning grants for occupational aids are virtually identical for a person seeking employment and for the prospective employer, as for someone who is already employed and their employer. The rules are somewhat less favourable for an employer applying for a grant from the social insurance office.

The Work Environment Act and the rules in the General Insurance Act concerning the general responsibility of the employer to provide rehabilitation make extensive demands on the employer to adapt the work environment for an employee. Under the Work Environment Act, however, employers' responsibilities apply only to actual employees, not to job applicants. It may therefore be claimed that the needs of existing employees are accommodated to a far greater extent than those of potential employees.

If a law is passed against the discrimination of disabled people in work, interest may shift towards the job applicant. If insufficient access to the workplace is seen in some instances as discrimination, the employer may be forced to carry out adaptations at an early stage in order to meet the needs of the prospective employee.

IV.1.3 The main providers of technical and advisory services

The Labour Market Institute helps the unemployed person and the prospective employer by providing advice when the person is recruited. This advice covers adaptation measures generally without focusing on specific technical issues. In the latter case external assistance is called in.

Another party in the field with strong links to a state authority is Working Life Services. For a more detailed description of WLS see III.2.1 and III.2.3.

Other parties involved in the field of technical aids are independent of the authorities responsible for the provision of such aids. The individual employee and employer apply to the social insurance office for a grant for an occupational aid and/or adaptation of the workplace or the employer pays for such adaptation him/herself.

IV.1.4 The relationship between providers of technical and advisory services and providers of employment support and rehabilitation services

The parties in the field operate within a free market and any relationships between them are regulated by agreements. In some cases, the same company can be involved in the provision of occupational aids and other types of employment-related rehabilitation.

IV.2 TECHNICAL AND ADVISORY SERVICES FOR MODIFICATIONS TO WORKSTATION AND WORKPLACE

IV.2.1 Technical and advisory services available to enterprises in respect of modifications

Main providers

Two of the parties in the field (the Labour Market Institute and WLS) have already been described in earlier sections. The provision of technical aids is otherwise handled by a number of companies, either private or run by organisations for disabled people. These companies either manufacture the products themselves or act as agents for other producers. One of the largest companies in the field - Enter - is run by the National Association for Persons with Impaired Vision.

Occasionally the technical aid division of the county council participates in providing advice and help in acquiring a technical aid for work (such as chairs and computer aids).⁷⁰

Financing

The social insurance offices are responsible for grants for technical aids and modifications to the workplace for those who are already employed.

The Labour Market Board is responsible for ensuring that equivalent support is provided to unemployed people with disabilities to enable them to obtain and perform a job. The support is available when someone with a disability is employed and for any needs which may arise during the first twelve months of employment. Applications are made to the County Labour Board and social insurance offices which are part of the Labour Market Board and county authorities for general labour market issues.

The County Labour Boards and social insurance offices have in practice very extensive influence over the equipment purchased. In many cases they decide for which equipment funds will be made available.

⁷⁰ Interview with Peter Lorentzon, 7/8 1997, case officer at the Disability Institute.

Regulations

The same rules apply to the payment of funds in two separate statutes, one for the social insurance offices and one for the county labour boards. Occupational aids is a general name for technical aids which could be personal or specific modifications of the workplace.

Grants for personal aids are applied for by the insured person, while the employer applies for funds for adaptation of the workplace. Grants can be given to both the employee and his/her employer at the same time for modifications to the workplace and for occupational aids. The grant amounts to a maximum of 50,000 kronor each for the employer and the employee. If the grant is for computer based aids a higher sum may be provided.

No grants may be paid for aids or modifications normally required at that workplace or which are required to ensure that the work environment is satisfactory. Nor may grants be paid for the repair of a fixture, a machine or a building.

In one respect, however, the regulations for the social insurance offices differ from those for the county labour boards. Grants paid by the social insurance office to the employer for technical aids may be provided with support for half the cost for the aid or modification in excess of 10,000 kronor. Somewhat less generous rules exist for the employer in comparison with the payment of grants by the county labour board.

Since both occupational aids and modifications to the workplace are generally part of the employer's responsibility for rehabilitation and the work environment, the employer is liable for the cost of equipment and modifications. This is also the case when a grant is not paid by the social insurance office or the labour market board. In general terms it should be the employer's responsibility to utilise the opportunities available to make retention of an employee who for medical reasons is unable to pursue his/her previous occupation as easy as possible. This responsibility includes obtaining technical aids in cases where this is necessary, within reasonable limits. In assessing the employer's responsibility, consideration is taken of the cost of the technical aids or modifications in question, how essential for the activities at the workplace the equipment is considered to be and how certain the assessment is that the employee will be assisted by the aid/modification.⁷¹

IV.2.2 Services specifically directed towards job retention

The provision of technical aids by the social insurance offices is for those already in employment which means that their activities are directed towards job retention.

⁷¹ National Social Insurance Board. General Guidelines 1991:8.

IV.2.3 The availability of technical and advisory services and their use by enterprises

Access to technical aids for work is generally good with regard to both technical solutions and the generosity of the system. In Sweden funds have been available for satisfying most of the reasonable requirements for development of technology for adapting the workplace in individual cases. It may be assumed, however, that the high cost of technical aids could deter small companies in particular. This tendency is exaggerated when the aid in question is not computer-based.

The rules are generous and the availability of technical aids is well distributed throughout the country. The system has possibly been more generous towards those with severe disabilities than towards those with minor disabilities who have not participated in any labour market policy measures.⁷²

Despite a lack of reliable evaluations we may conclude that the provision of technical aids does not constitute an obstacle for disabled people seeking employment. The problem is rather the lack of employers willing to take on a person with a disability.

IV.2.4 Factors which encourage or discourage the use of technical and advisory services

Limits on the grants from the social insurance office for purchases of technical aids present a restrictive factor in connection with the use of aids and modifications of the workplace. In practice, however, there is a fair chance of obtaining a larger grant than the stipulated 50,000 kronor due to the exception made for computer-related technical aids since, nowadays, most technical aids are computer based or contain such components.⁷³

One difficulty associated with the availability of technical aids is the lack of aids for numerically small groups of disabled persons or groups whose need for aids receives attention at a relatively late stage. People with learning difficulties are an example of such a group.

Some criticism has been expressed that personal occupational aids, particularly fixtures and workplace modifications, are not sufficiently and actively used to create sound working conditions for disabled people. This problem has been explained as stemming from a lack of incentive for employers along with the absence of guidelines on the responsibility for the provision of technical aids.⁷⁴

The lack of incentives for research, development and the dissemination of information in the field adds to the problem. There is a lack of tangible demand and easily accessible means for research and development to improve incentives. The number of organisations and people initiating and carrying out development projects is far too low.

⁷² Interview with Jan Breiding, 25/8 1997, departmental director at the Labour Market Board.

⁷³ a.a

⁷⁴ SOU, 1992:52.

An obvious factor which has an adverse effect on the employer's interest in obtaining technical aids is the high cost. This factor is particularly important for small companies. The company's costs are naturally influenced by the limits which exist on the amount of funding available and which technical aids are eligible for funds from the social insurance office and the Labour Market Board.

A positive factor is that the prices of technical aids, including computer based aids, have fallen in recent years.⁷⁵

Many workplaces are now computerised, which makes modification easier.⁷⁶

Unfavourable factors mentioned to explain the lack of technological development include the following:

- ideas for development have been lacking or have not been formulated adequately (i.e. What type of work? For what category of disability? etc.);
- there are far too few technical development researchers within the field of disability;
- a redefinition of disability is needed, which takes into consideration developments on the labour market, the importance of specialisation and the development of IT;
- an increase in general unemployment and therefore a greater tendency among employers to avoid hiring/retaining people with disabilities;
- a generous early retirement pension system which possibly reduces the incentive for technical development with the object of providing severely disabled people with adequate work opportunities.

IV.3 TECHNICAL EQUIPMENT

IV.3.1 The provision and funding of equipment to meet individual needs

Section IV.2.1 described the main providers and funders of workplace modifications and technical aids.

The view of the Labour Market Board is that targets are being fully met. The problem is not so much a lack of funding for technical aids, as a lack of job opportunities for disabled people.⁷⁷ During 1995/1996 the Labour Market Board spent just over 71 million kronor on technical equipment, of which around 33 million was for computer-based aids. This is a reduction of 20 per cent compared with 1994/1995.

⁷⁵ Interview with Magnus Arvidsson, 23/8 1997, bureau director at the National Social Insurance Board.

⁷⁶ Keijer U., *Working Life, Technology and Disabilities*, 1996.

⁷⁷ Interview with Jan Breeding 25/8 1997, departmental director of the Labour Market Board.

The National Social Insurance Board's annual report for 1995/1996 discloses that not all the funds earmarked for the purchase of occupational aids via the social insurance offices had been used. Only 85 per cent of the funds of just over 157 million kronor had been used during the fiscal year 1995/1996.

IV.3.2 The balance between provision to the disabled person and to the enterprise

The balance in the above-mentioned special rules for occupational aids is reflected in the employer and the employee being eligible for the same maximum amount of 50,000 kronor for the purchase of occupational aids.

An important distinction is that the employer applies for a grant for the adaptation of the workplace while the employee applies for a grant for an occupational aid. This distinction is generally in the interest of the disabled person since an occupational aid is generally more expensive than adaptation of the workplace.

When the employer applies for a grant from the social insurance office for an already employed person, he/she has to contribute 10,000 kronor of the cost of the equipment. The grant paid amounts to half the cost in excess of 10,000 kronor. When the grant is paid by the Labour Market Board for a disabled person to be hired and for needs arising during the first twelve months of employment, the cut-off amount of 50,000 kronor does not apply.

The Work Environment Act and the General Insurance Act make general demands on employers in respect of technical aids. Funding for appropriate provision, however, may need to be negotiated in individual cases and may require the input of resources from the employers themselves (see V.12.1).

IV.3.3 The adequacy of provision

Bertil Sköld, Department Director of the Association for Persons with Impaired Vision, believes that the provision of technical aids functions well in general and meets the needs that exist. The highly decentralised structure of the provision of equipment by the social insurance offices does, however, make expensive modifications something of a problem. In many cases the social insurance offices would prefer not to pay the full cost of the more expensive items of equipment and modifications.

According to Guy Lööv, ombudsman for the National Federation of Disabled People, it is relatively common for social insurance offices to feel that the provision of an occupational aid or a fixture is classified as a work environment undertaking which should be paid for by the employer. This can include even less expensive aids. The handling of the financial support varies depending on who deals with the case, the social insurance office involved and the type of aid in question. In certain cases, particularly the procurement of non-computer based aids, the ceiling of 50,000 kronor is a problem. On account of the ambiguity of the rules it can be hard to predict whether the sum requested for a certain technical aid will be granted or not.

The County Labour Board, on the other hand, is more willing to accommodate the applicant, according to Guy Lööv. The Labour Market Board has a stronger labour market perspective than the social insurance offices. Personnel cuts in recent years at the social insurance offices, without any reduction in their workload, have meant that an increasingly literal interpretation of the rules has clouded their labour market perspective.

IV.3.4 Factors which encourage or discourage take-up by employees and by enterprises

The Labour Market Board regards the dissemination of information as a problem.⁷⁸ They also mention the attitude of employers as creating difficulties in this context.⁷⁹

The cost of technical aids is perceived to be high, especially among small companies.

IV.3.5 Disabled people who benefit and those who miss out

Large groups of people who have so far managed to retain their jobs on the open market find it difficult to fend for themselves in the transition from an industrial to an information and service-oriented economy. Those suffering from dyslexia and people with learning difficulties are such groups.

Smaller groups of disabled persons are often ignored in connection with investments in technological development, by comparison with the traditionally stronger groups of disabled persons (partially impaired vision and hearing, and those with motor disabilities). Those who are both deaf and blind, and others with multiple disabilities, may be included in this group.

A disproportionately large proportion of adaptations carried out in 1990 was for those with impaired vision. Although the figures since 1990 may have changed slightly, the same basic ratio still applies - adaptations for the benefit of persons with impaired vision predominate, despite the relatively small size of this group among the total group of disabled people of working age. This can be explained by impaired vision being perceived to be more work-related and eligible for compensation within the systems existing within employment provision. Adaptations for people with visual impairments are also often easier to specify. A visual impairment is often of a technical nature, which means that if the concrete disability can be compensated for, the disabled person can then often function very well in his/her daily life.⁸⁰

⁷⁸ a.a

⁷⁹ Keijer U., *Working Life, Technology and Disabilities*, 1996.

⁸⁰ a.a

IV.4 ACCOMMODATING WORK ROUTINES TO THE DISABLED WORKER

IV.4.1 External advice services which assist in the adjustment of work routines to individual needs

Most companies that sell rehabilitation services also deal with issues concerning changes in the organisation of work. Work organisation is an integrated aspect of the work of these companies, alongside rehabilitation and adaptation (as discussed in III.2.1 and III.2.2).

For the person seeking employment, discussions concerning the organisation of the work with the employer are included as part of the Labour Market Institutes' adaptation of the workplace.

IV.4.2 Comparison of the availability and use of provision to support job retention with provision to support access to work

An employer's responsibility to adapt the organisation of work is a consequence of the Work Environment Act and relates to all existing employees. There is, however, no corresponding responsibility towards potential new employees, in either individual or general terms.

IV.4.3 Factors which encourage or discourage take-up by employees and by enterprises

The extensive cuts carried out in public sector administration have reduced opportunities for adapting tasks and supervision.⁸¹

The high level of competence of the personnel at the Labour Market Institutes, as well as the close contacts between the Institutes and employers, makes the adaptation required for formerly unemployed disabled people easier when they wish to return to working life.

The demands made on employers by the Work Environment Act to adapt the organisation of work on the basis of the individual capabilities of the employee are naturally a positive factor in this context.

The increasingly high tempo of working life makes adaptation of the work organisation more complicated.

⁸¹ Interview with Ulf Keijer, 27/8 1997, researcher at the Royal College of Technology.

IV.4.4 Disabled people who benefit and those who miss out

Those groups who require an adaptation of work routines are particularly affected by problems since this area remains rather underdeveloped in Sweden. People with learning difficulties and those with repetitive strain injuries are examples of such groups.⁸²

IV.5 DESIGN AND IMPLEMENTATION

IV.5.1 The effects of inter-agency collaboration in the design and development of adaptive technologies

In Sweden there has been extensive co-operation between government, research establishments, manufacturers, educational institutes and disability organisations, particularly in relation to technologically advanced development projects or where basic awareness has been lacking. The advanced projects to develop technical solutions have numbered around 100 during the 1990s. The co-operation has demanded extensive work input and called for co-ordination since the parties came from different organisations. A positive effect of this co-operation has been achieved in terms of organisational goals (that the technology is put to good use in the organisation) and technical goals.⁸³

IV.5.2 Factors in control, funding, management or staffing which impede or facilitate adaptation services

The financing of joint projects is not a particular problem. There is, however, no unified management of financing and therefore no unified control of the projects. Most of the projects are conducted at local level and the results have not been sufficiently disseminated - which means it has been difficult to replicate them elsewhere.⁸⁴

There is a lack of awareness among the social insurance offices, the personnel at the Labour Market Institutes and among companies of the potential that new technology provides for adapting work procedures.

⁸² a.a

⁸³ a.a

⁸⁴ a.a

IV.6 LINKS WITH EMPLOYMENT POLICIES

IV.6.1 The effect of employment policies on the use of adaptation services

The rules laid down in the Work Environment Act represent a direct demand that the employer should adapt working conditions to each individual employee's capacity for work. The Labour Inspectorates are also able to impose sanctions for breaches of these rules, even though in practice this very seldom occurs. The unions, via the health and safety officers, who represent the employee in connection with the work environment and who seek to promote a satisfactory work environment, can take up issues concerning adaptation of the workplace in negotiations with the employer.

The adaptation of the individual worker's environment is also an integrated aspect of the employer's responsibility for rehabilitation. The General Insurance Act, however, makes it impossible to impose sanctions on employers who do not fulfil their satisfactory obligations.

Inadequate adaptation can be an obstacle to the possible dismissal of an employee in the case of illness, injury or disability. Inadequate rehabilitation measures, such as inadequate adaptation of the work environment, can make a dismissal null and void.

All in all, these three laws make considerable demands on the employer to adapt the individual's working conditions. The potential for adaptation would be more favourable if the opportunity to obtain grants from the social insurance office were used more.

The 1997 survey by Statistics Sweden confirms that the combined effects of these measures are not completely sufficient. Forty-three per cent of disabled people in employment who are in need of technical aids, a support assistant or workplace adaptation, believe that their employer has done nothing to adapt the workplace on the basis of their needs.

IV.6.2 Effect of labour market structure and demand on use of adaptation services

The current situation of high unemployment can be assumed to reduce the interest of employers in rehabilitation and adaptation of the workplace since there is a considerable reserve of labour ready to accept any vacancies.

IV.7 LINKS WITH BENEFIT AND COMPENSATION PROGRAMMES

IV.7.1 Arrangements for the joint funding of adaptation services

From the description in IV.2.1 of the regulatory system, it is clear that the main idea behind the rules is that the financing of occupational aids and other modifications should be shared. In practice, a considerable part of the equipment is financed out of public funds via the social insurance offices and county labour boards.

IV.7.2 Opportunities to receive rehabilitation benefits in adjusted working arrangements

There are no links between other rehabilitation measures and the adaptation of work and the workplace. It is, in other words, completely feasible to combine the use of occupational aids with the provision of other support for rehabilitation.

IV.8 LINKS WITH EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

IV.8.1 Co-ordination between employment support, rehabilitation and workplace adaptation services

Despite shortcomings, there is a high degree of co-ordination between employment support and rehabilitation and the adaptation of the workplace. The co-ordinating role of the social insurance offices for the rehabilitation of individuals is perhaps the most obvious evidence.

In several studies, it has been concluded that there are a number of failures of co-ordination (as discussed in III.6.1). The positive effects of closer co-ordination between the parties in this field have not been studied in any depth.

IV.9 The most relevant factors affecting the potential of job adaptation measures to promote job retention and return to work

The most relevant factors affecting the potential for job retention and return to work are:⁸⁵

- information for, and improvement of awareness by, employers;
- help by means of advice to employers to find tasks for disabled people in purely practical terms;
- training to improve the competence of personnel at Labour Market Institutes and social insurance offices - particularly in respect of technical solutions, the work situations where technical solutions have been successful, and, more generally, the opportunities for disabled people arising from changes in the labour market;
- stimulating the procurement of technical aids by the government or by state authorities and the continuation of generous rules relating to the procurement of occupational aids.

⁸⁵ a.a

V. ENTERPRISE STRATEGIES

This final Part provides information about effective enterprise policies, management systems and programmes to retain workers whose continued employment is at risk because of disability. The focus is on activities which are introduced and managed by enterprises as an integral part of human resource and workplace relations management. It includes both integrated policies for the management of disability and specific practical initiatives in the workplace to promote job retention.

V.1 CORPORATE POLICIES AND PLANS

V.1.1 The development and prevalence of corporate employment policies and plans for the retention of disabled employees

The employer's responsibility for job retention is governed by the Work Environment Act and the General Insurance Act. The regulations in the Work Environment Act also cover the organisation and planning of the employer's job retention activities. The extensive regulation of this area and the local insurance offices' supervisory role in individual rehabilitation cases means that the Swedish system is marked by a large measure of involvement on the part of various public institutions. The employer's scope for independent action is greatly circumscribed by the existing regulations.

The Working Life Fund

From 1990 to 1995, the state and individual enterprises co-operated in a unique initiative called the Working Life Fund, which aimed to create a better work environment, increase productivity in companies, and reduce the amount of sick leave.⁸⁶ The latter objective was to be accomplished through grants to employers to improve the working environment and to provide rehabilitation. The Fund had 11 billion kronor at its disposal (excluding inputs from individual enterprises themselves) and it initiated 25,000 workplace programmes. More than 50 per cent of employees in the country were estimated to be somehow affected by these programmes. The Fund was time-limited. Although established during an economic boom, it operated through a period of extreme recession and completed its work at a time of mixed economic development.

The management of the Fund's grants was undertaken in a 'mild' way and was directed more towards influencing employers through persuasion rather than through administrative pressure. Its influence often consisted in broadening a project from a focus on just the physical environment to the organisational aspects of the work environment. Just over a fifth of grants were allocated to measures aimed at improving the physical environment (representing more traditional work environment measures), less than a fifth were for rehabilitation measures, and more than one half were for changes in work organisation: for instance, changing from Tayloristic, functional systems to target-managed groups.

⁸⁶ 'Support and development - an evaluation of the Working Life Fund', home page of the Working Life Fund on the Internet.

Although the Fund has been the subject of many analyses and evaluations, these have mostly been limited to specific themes or sections or types of enterprise. There has been little evaluation of the overall effects of the Fund. One of the problems relating to evaluation is that some of the positive effects achieved through the Fund were also accomplished in enterprises which were not in contact with the Fund - changes which were due to economic and political changes in society during the 1990s. It is highly unclear to what extent the measures for a better work environment led to permanent improvements. The Fund has been criticised for not establishing what lessons might be learnt from the initiative.

Some of the effects of the Fund have nonetheless been included in a final evaluation by the Working Life Institute in 1997.⁸⁷ This found that rehabilitation measures and an improved work environment, resulting from the activities of the Fund, led to good socio-economic outcomes. A major cost/benefit study, in which enterprises which received grants from the Fund were compared with similar enterprises which did not receive grants, showed a clear pay-off in terms of sick leave as a result of an improved work environment. According to the Swedish Confederation of Blue-Collar Workers, the Fund played a very important role in improving the work environment. The programmes made employers aware that it can be economically profitable to invest in a better work environment and better work organisation.

One study showed the following positive effects of the work of the Fund:

- work environment projects were carried out sooner and were more comprehensive due to the intervention of the Fund;
- the so-called 'soft' issues were given a higher priority;
- there were more organisational changes and more work to increase the competence of employees in the projects of the Fund than in other projects;
- there was a greater awareness of the importance of the work environment for the enterprise, not least an awareness of the connection between work environment and the balance sheet;
- the work environment of women was improved to a greater extent than in other projects which did not receive grants from the Fund.

A survey based on 37 per cent of the workplaces on the Fund's register showed that the savings for society over a period of five years would be 3.5 billion kronor. Another study showed that the contributions of the Fund led to two thirds of the reduction in absenteeism at the workplace.

⁸⁷ von Otter C., Final Report, Perspective on the Working Life Fund - analysis and comments, 1997:3.

V.1.2 Prominent actors and influences in the development of policies and plans for the retention of disabled employees

The most important partners for employers in the planning and organisation of rehabilitation and adaptation work are the union organisations at the workplace and the local social insurance offices.

It is reasonable that the social insurance offices and the unions should have some influence on rehabilitation activities, especially in view of their right to report any shortcomings to the Labour Inspectorate.

V.2 CO-ORDINATED RESPONSES TO DISABILITY

V.2.1 The development and prevalence of integrated disability management systems

No information is currently available on this topic. Some companies have earned a reputation for working systematically to recruit disabled persons. One such example of a large company is McDonalds, which has long had several employees with learning difficulties.

One likely reason for the lack of information in this field, and probably for a lack of practical experience, is the considerable responsibility assumed by the state with regard to both the financing of support for employment of disabled people and the implementation of the various labour market policy measures.

V.3 PRACTICAL PROGRAMMES AND INTERVENTIONS IN THE WORKPLACE

V.3.1 Enterprise programmes targeted at employees potentially absent from work because of disability

It is obvious that some companies have developed 'early warning systems' to help them identify potential problems. These initiatives have come about as a result of the efforts of the Working Life Fund (V.1.1). The question of whether the systems will remain is not known, and the dispersion effect is also unknown.⁸⁸

V.3.2 Enterprise-initiated programmes to adjust the workplace and work-station

If such programmes do exist, they are a part of the rehabilitation and adaptation work commented on under V.1.1. Occupational aids and equipment for disabled people at the workplace are the responsibility of the employer, according to the Work Environment Act.

⁴² Kjell Eriksson, PhD Sociology.

V.3.3 Enterprise initiatives aimed at co-workers

There are no comprehensive surveys which provide specific information on this issue. Initiatives in this area can of course be fitted into the framework of the employer's responsibility for rehabilitation, but there are no explicit requirements. Special programmes directed towards employees with the aim of improving knowledge of and feelings of solidarity with disabled persons are probably a relatively rare phenomenon.

Two surveys carried out by the Disabled Persons Ombudsman in the form of questionnaires asked two categories of employer, state authority and local authority about the existence of training for personnel in fields relating to disabilities.

State authorities

The Disabled Persons Ombudsman carried out a survey of 192 state authorities' accessibility for physically disabled persons in 1995.⁸⁹ Twenty-nine per cent of authorities said they provided training for staff on disability. Almost one-third of these stated that the training was for colleagues of employees with a disability. In connection with the recruitment of the disabled person, they had organised training related to that person's disability, for instance, teaching in sign language if the person was deaf or hearing impaired.

Regularly recurring training for all or some of the personnel was provided in one in five authorities.

The category of personnel given this training varies, depending on the activities. At universities and colleges it is usually the student counsellor or contact persons for disabled students, at museums and theatres it is personnel who have contacts with the public, at government authorities and companies in the real estate and communications field it is managers, supervisors and engineers with special areas of responsibility. In other areas it could be the safety representative or the occupational health and safety committees.

The size of the authority, as well as whether there is an employee with a severe disability, are significant factors determining whether or not any training is organised.

Local authorities

A similar survey to that relating to state authorities was carried out by the Disabled Persons Ombudsman in 1996 to chart the local authorities' accessibility for disabled people.⁹⁰

During the 1990-1996 period, 75 per cent of the country's 288 local authorities had provided training for their personnel in questions relating to disabilities.

These training courses had taken place in connection with the recruitment of personnel at seven per cent of local authorities. More general training for all or some of the personnel had been provided by 37 per cent

⁸⁹ Disabled Persons Ombudsman, Report to the government, autumn 1995.

⁹⁰ Disabled Persons Ombudsman. Report to the government, 1996.

of local authorities, and training of personnel with a special responsibility in connection with disabled people had been provided by 52 per cent of local authorities.

Other initiatives

The 'Lika Villkor' Trust (or 'Equal terms') is a newly-formed joint project involving a number of central union and employer organisations and three associations for disabled people. The aim of the project is to draw attention to the opportunities which should also be given to people with disabilities to get into the labour market. Today some 50 companies are involved in the 'Equal terms' project.⁹¹

A company which becomes involved in 'Equal terms' is obliged to inform its employees that it has done so, and what it involves. Most affiliated companies have taken on work experience trainees who have some form of disability. In connection with this, around half of the companies have organised speeches at personnel meetings on the effects of the disabilities.⁹²

The project as a whole is still fairly new and of limited scope, and little documentation is available about it. Its impact has yet to become clear.

V.4 WORK ACCOMMODATIONS

V.4.1 Schemes initiated by enterprises to adapt working hours and work demands

The adaptation of working hours for disabled employees has not been studied and it is therefore difficult to comment on it. However, this report has indicated that adapting the organisation of work is one of the least developed areas in Swedish work environment policy (see IV.4.3).

V.5 'RETURN-TO-WORK' PROGRAMMES

V.5.1 Enterprise-led 'return-to-work' programmes targeted at employees absent from work because of disability

These are also areas which have only been surveyed to a limited extent. As a result of the extensive responsibility assumed by the state, there is also only a limited interest among employers in taking independent initiatives.

Employers' circles

With the support of funds from the Working Life Fund, there were attempts to start up 'employers' circles' at the beginning of the 1990s. These activities have continued, even after the winding up of the Working

⁹¹ 'Equal terms' information pamphlet, Stockholm, 1996.

⁹² Interview with Anna Johansson, project administrator at 'Equal terms'.

Life Fund in 1995, although with less intensity. An employers' circle can be described as a voluntary collaboration between employers in a certain region, primarily on rehabilitation issues. Such collaboration can also cover other activities in the field which are intended to raise competence. The activities include work training in various companies and the transfer of employees from one company in the circle to another. As member of a circle, an employer must be prepared to accept employees from other member companies in the circle. There is some exchange of experiences regarding each other's work in such fields as rehabilitation, but also other types of experiences.⁹³

In the country as a whole, the number of employers' circles is estimated to be 10 to 15, including approximately 200 enterprises. In the region of Stockholm there are only a few circles, with five to seven companies in each. The member companies are generally large companies with many employees. These circles do not show any tendency to break up - which indicates that members are satisfied with their work. However, the circles have not managed to take in many new companies.⁹⁴

Arbetslivstjänster, companies specialising in health issues within enterprises, and private consultancy firms are the usual administrators of the circles; their administrative work is carried out on a commercial basis.

Galaxy

In section I.2.2, reference was made to the Galaxy project in the construction industry, which involves the placement of disabled people in regular employment with the aid of a wage subsidy.

V.6 MOST PROMINENT STRATEGIES

Responsible companies usually have a strategy of adhering to the rules on rehabilitation in the General Insurance Act and the Work Environment Act and of working closely with the National Labour Market Board, which arranges placements for employees with disabilities.

V.7 DEFINITION AND ASSESSMENT OF DISABILITY

V.7.1 The effect of procedures for identifying disability at work on access to enterprise job retention and 'return-to-work' programmes

In Sweden a fairly broad concept of disability is applied, which is reflected in the various regulations in this field. This also means that companies assimilate this broad categorisation in their internal work. Most recognised diagnoses, which involve a physical impairment or mental health problem, are included here, even 'invisible' disabilities. For an example of the most common groups of disabilities, see the Table in I.8.2 concerning disabled people in employment.

⁹³ Interview with Lars Lindahl, October 1, 1997, investigator at a regional social insurance office in Stockholm.

⁹⁴ Interview with Britta Ohlund, specialist on insurance issues at the Social Insurance Office for the Stockholm region, 1 October 1997.

Some groups which usually fall outside the definition of disabled people are individuals addicted to drugs and alcohol and persons suffering from stress, unless this stress is expressed in the form of a mental health problem or physical disability. Nor has the group of severely overweight persons made much impact as an established group of disabled people.

The interesting point about the group comprising alcohol and drug abusers is that they have been defined by the National Labour Market Board as disabled in certain contexts and then come under the heading of socio-medically disabled. These groups' organisations do not regard themselves and are not generally regarded as organisations for disabled people.

V.8 INTERNAL RELATIONSHIPS

V.8.1 Effects of the relationship between actors within the enterprise on strategies to promote job retention

The involvement of the union in questions relating to disabled people is very important for disabled persons' job retention. The unions have both extensive power and opportunities to utilise the instruments which exist to support individuals in the Employment Security Act, the Co-Determination at Work Act, the Work Environment Act and the General Insurance Act. An employee who has a union on their side in a court case against an employer does not run the risk of having to pay expensive court costs in the event of losing the case. The Work Environment Act and the Co-Determination at Work Act also give the unions special powers (for instance in relation to the appointment of workers with a remit for the Work Environment Act, and for calling meetings with employers on work environment issues).

However, union involvement does not always exist, which can make it very difficult for a person with a disability whose employer is against them: unions are often not very concerned with disability issues in general, and many disabled people have felt themselves let down by the unions.

Nor is it unusual for other employees primarily to express solidarity with the employer, rather than with the disabled person, in the event of a dispute.

V.8.2 Effects of hiring and remuneration practices on job retention

As a result of the Employment Security Act, the Work Environment Act and the General Insurance Act, hiring and remuneration practices do not constitute any direct obstacle to disabled persons' possibilities of retaining their jobs.

The main problems are experienced by disabled persons seeking work. As yet there is no protection against discrimination against disabled persons seeking employment and there are no rules limiting the use of medical tests in connection with the hiring of persons in the private sector.

V.8.3 Financial opportunities for and obstacles to internal job retention measures

Given a lack of surveys or other information, it is difficult to find any material for an analysis of financial opportunities or obstacles for internal job retention.

V.9 LINKS WITH EMPLOYMENT POLICY OBLIGATIONS, RECOMMENDATIONS AND INCENTIVES

V.9.1 Congruence between enterprise strategies and external practice recommendations and standards

Earlier comments show that the requirements of the Work Environment Act with regard to the work environment of disabled persons are far from fulfilled, whether with regard to the organisation of rehabilitation activities or individual work adaptation.

The same applies to a similar extent to employers' work on individual rehabilitation.

However, it is important to bear in mind that Swedish legislation still makes relatively limited demands on employers. There is currently no ban on discrimination at work due to disability, no requirement for the employer to recruit persons with disabilities and no requirement for any form of action programmes or policies in this field, with the exception of those already mentioned concerning the organisation of rehabilitation activities.

V.9.2 Ways in which employment and labour market policies impede or facilitate enterprise-led work adaptation programmes

On the whole, Swedish labour market policy provides support for employers' attempts to adapt the work environment. This is partly achieved through the demands made on employers in the Work Environment Act, demands which in the final analysis could also result in sanctions, and partly through the relatively generous system which exists for grants for purchasing occupational aids and equipment for the workplace and the system of wage subsidies.

However, one might suspect that the local social insurance offices' responsibility for the rehabilitation of those who are already employed and their ability to finance rehabilitation measures in many cases represent a negative incentive for less ambitious and more calculating employers.

V.10 ENTERPRISE STRATEGIES AND BENEFIT/COMPENSATION PROGRAMMES

V.10.1 Effects of the availability and level of out-of-work benefits on enterprise recruitment and dismissal policies

The state's assumption of responsibility for persons without work in the form of labour market policy measures and subsidies makes it easier for an employer to dismiss employees or to avoid recruiting persons with disabilities, with a good conscience.

V.10.2 Enterprise responses to in-work social security benefits

The will to hire or retain employees with disabilities is dependent on whether or not the employment involves extra costs for an employer. Long periods of sick leave, which the employer is responsible for financing, have a negative influence on the desire to hire and/or retain disabled employees.

It is not known to what extent partial sickness compensation, sickness benefit and early retirement appeal to employers. However, in recent times there has been an increase in the number of persons in receipt of partial sickness compensation.

It does happen that employers in wage negotiations have wanted to penalise financially persons who have extensive or long-term sick leave. There are examples of cases where disabled persons have also suffered from such a policy.

V.10.3 The co-ordination by benefits agencies and enterprises of disabled workers' transition from benefits support to waged income

Section II.1.3 describes the procedures to be undertaken by social insurance offices to draw up and monitor rehabilitation plans.

V.10.4 Opportunities for disabled employees to join, self-fund or top-up workplace health benefits and pension plans

Insurances and other benefits which follow from collective agreements do not exclude persons with disabilities. Many disabled persons usually find it hard to take out private insurance policies which contain a risk analysis.

V.11 LINKS WITH EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

V.11.1 Enterprise responses to externally funded support and advisory services

Companies are unsurprisingly receptive to the idea of financial support in connection with the hiring of persons with disabilities. The National Labour Market Board cites the reduced scope for wage subsidy jobs in 1995/96 as an explanation for the difficulties in getting disabled persons into employment during that period.⁹⁵

V.11.2 Co-funding and partnership between enterprises and other agencies

Shared financing and collaboration in the field of rehabilitation is mainly between the employer and the local social insurance office, as described earlier.

V.11.3 Opportunities and barriers to effective co-ordination of external support services and enterprise programmes

One factor in favour of hiring external assistance is the professionalism of the help and in many cases an external source of financing, i.e. the local social insurance office.

V.11.4 Opportunities for and barriers to disabled workers' co-ordination of their workplace support

In some cases it is the employee who applies for rehabilitation and work adaptation. This is the case with grants for occupational aids to the extent that these aids are intended for the employee personally.

The employer should be responsible, in consultation with the employee, for ensuring that the employee's need for rehabilitation is made clear and for any necessary measures being taken. A potential rehabilitation plan that the local social insurance office sets up should also, where possible, be established in consultation with the employee.

V.12 LINKS WITH SERVICES FOR ADAPTATION OF WORK AND WORKPLACE

V.12.1 Enterprise response to external services to undertake adaptations

A common complaint from officers at local social insurance offices is that employers are not prepared to invest resources in adapting the workplace.⁹⁶

⁹⁵ National Labour Market Board, APra 1997:3.

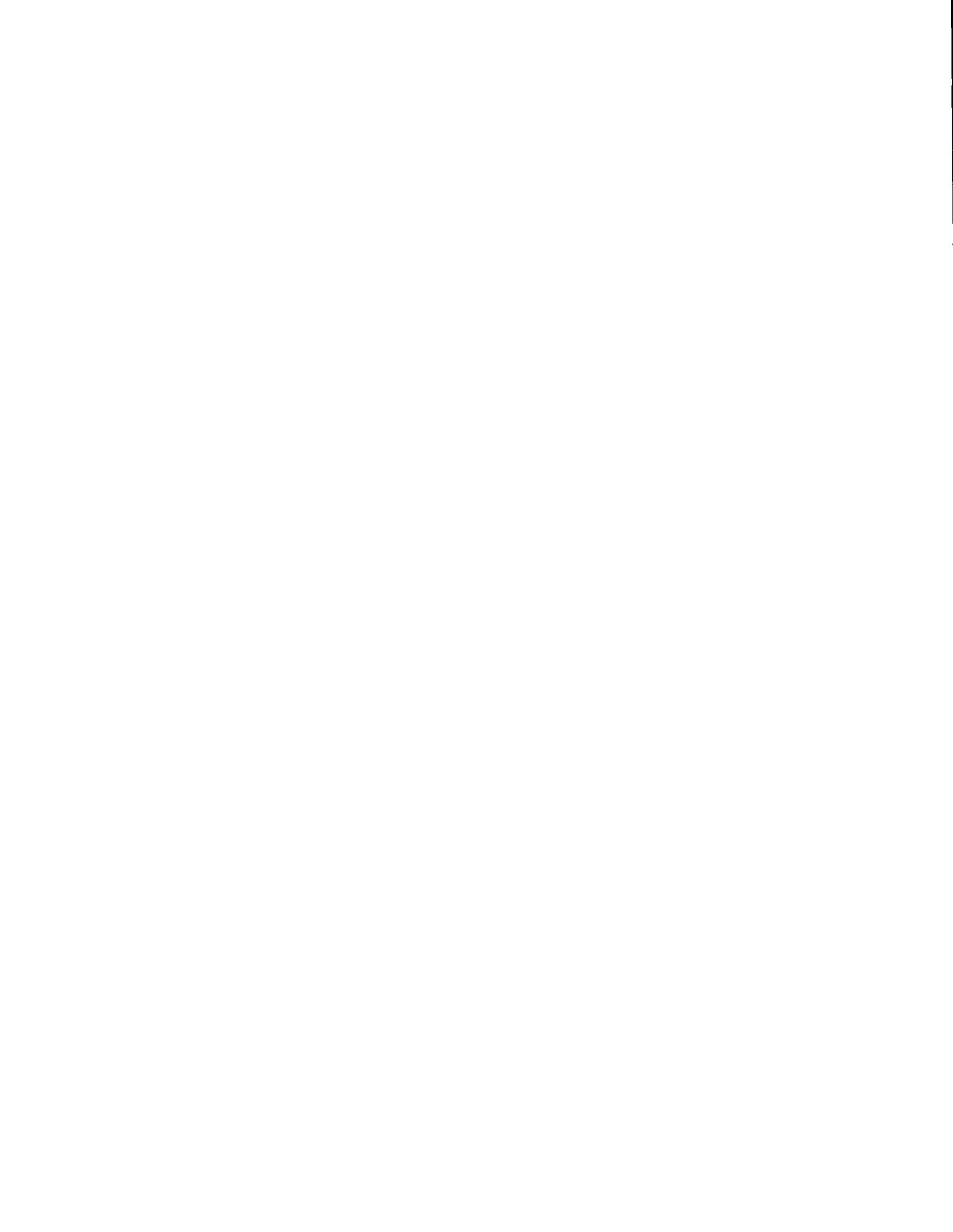
⁹⁹ Kjell Eriksson, PhD Sociology.

It can also be seen from the survey of employment conditions for disabled people referred to earlier that a very high percentage of all disabled persons feels that their employer does not meet their needs for adaptation measures at the workplace.⁹⁷ Almost one in two people (43 per cent) said that the employer had done nothing to adapt the workplace to their disability.

V.12.2 Arrangements to assist enterprises with purchase of external services

Since the beginning of the 1990s the local social insurance offices have been allocated funds for the independent procurement of employment-oriented rehabilitation. These funds can also be used for the rehabilitation of those already employed, which makes the local social insurance offices an important co-financier for the employer.

⁹⁷ Statistics Sweden. Disabled persons' situation in the labour market, 1997.



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