



GLADNET

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

**Study Report
Netherlands**



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AS/tri Research and Consultancy Group**



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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.

The Project wishes to acknowledge the contribution of Dan Kearns who assisted with research design, supported the national informants and masterminded international tele-communications.

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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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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 affect the success of policies. They also examine the labour market factors which contribute to the retention or loss of jobs among disabled people.

It should be noted that the following description is made at a time of substantial changes in the area of benefit programmes (cf. Part II) as well as in rehabilitation policy and programmes. There are few evaluative studies of the previous arrangements, whereas the considerable legal and administrative changes currently occurring mean that only an outline of future developments can be provided. Where new structures or measures are clear, they are mentioned in the report. Where, however, the future administrative structure or policy regarding the rehabilitation and employment of disabled people is unclear, the discussion will be kept short. This report reflects the situation at 1 September 1997.

Finally a definitional point: we use the term 'work incapacitated' for absence from work due to sickness, impairment or injury, lasting up to one year. When work incapacity has lasted (fully or partially) for over one year it is called 'disability'.

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

Employment protection for work incapacitated employees is laid down in civil law (article 1639h of the Civil Code (BW), last amended in 1995) and for public servants in the 'Special Decree on Labour Relations' (BBA) of 1945 (article 6). The most important protective right is that employees who are work incapacitated may not be dismissed for up to two years, and that the employer has to do 'everything reasonable' to assist the work incapacitated employee.

The employment protection means that employees who are work incapacitated can only be dismissed if certain strict criteria are met. The background of the dismissal policy with regard to work incapacitated

workers is that they should not be dismissed because of their incapacity or illness. Both the employer and the employee should do everything reasonable to keep the employee in their current work or in an alternative job within the enterprise.

This 'ban' on dismissing a disabled employee extends for the first two years of work incapacity. Subsequently, the employer has to ask permission for dismissal at the Employment Service, which has to seek advice from a social security agency. Central to this advice, and to whether or not permission is given, is the question whether the employer has sufficiently proved that other or adapted work cannot be provided.

In 1995 the government explicitly stated that the protective measures against dismissal should be taken very seriously by all parties involved, in order to retain more employees in the workforce instead of letting them leave employment by claiming disability benefit. Special attention was required in the case of disabled employees with a disability level of less than 15 per cent (cf. II.1.1): existing protection was not effective as this group are not officially classed as disabled (cf. I.5.2).

The social security agencies which administer various employee benefit schemes (cf. II.1.3.) have a preventive function with regard to the dismissal of employees. From the first moment they have contact with the employer because of the long term work incapacity of an employee (cf. II.1.1), the social security agency should bear in mind that this situation could possibly lead to dismissal and, consequently, it should do everything possible to prevent this. One of the most important means is the 'work resumption plan' which has to be made at the latest 13 weeks after an employee reports sick (cf. II.1.1).

In 1995 the directors of the Employment Service agencies noticed a 22 per cent reduction in the number of requests for dismissal on grounds of disability (De Vos and Smitskam, 1997). The total number of requests for dismissal in that year was about 68,000. It is possible that this reduction was partly due to recent changes in the Sickness Benefits Act (ZW) and the Disablement Benefits Act (WAO) (cf. II.1.1). These changes aimed to increase employers' responsibilities in relation to sickness and disability, and to achieve an increased awareness of the risks and costs of disability among both employers and social security bodies. Legislation coming into force in January 1998, which extends employers' responsibilities and the costs resulting from employees' disabilities (see Appendix 1), cannot be regarded as a direct sanction for dismissing newly disabled employees. However, it is certainly meant as a disincentive to letting employees go on disability benefit after the first year and then dismissing them a year later (Maas-Grasmeijer 1996).

I.1.2 Legal obligations and binding agreements intended to promote the retention of employees who become disabled

Apart from disincentives and legal prohibitions to the dismissal of work incapacitated employees, there are some additional incentives and legal obligations to promote the retention of newly disabled workers. However, it is important to note that these 'positive, stimulating obligations' for a long time were not common in Dutch policy and measures.

Obligation to adapt work

The basic obligation is laid down in civil law (Art. 1638z BW). This is the obligation for the employer to adapt the work to employees' capacities. In practice this means that, if a partially disabled employee makes an offer to the employer to do other work that is suitable for him/her, the employer is obliged to accept this offer (although exceptions are possible) (De Vos and Smitskam 1997: 65). However, there are no data available to support the view that such initiatives are often taken by employees and accepted by employers.

Work resumption plan

Another important obligation on the part of the employer is to report a work incapacitated employee to the social security agency within 13 weeks of the person reporting sick. This measure aims to prevent permanent disability and to stimulate the employer to start rehabilitation and work resumption soon, if necessary in cooperation with the social security agency. The report has to be accompanied by a 'work resumption plan' in which the employer reports what has been done so far to promote job retention and what will be done in the near future to facilitate work resumption (art. 38 lid1 ZW and art. 71a WAO). If the employer does not comply with this reporting obligation, payment of the disability benefit (after 52 weeks of work incapacity) can be postponed until 39 weeks after the actual report is submitted. During this postponement the employer has to continue paying the regular wage.

The results of the work resumption plans have not been thoroughly evaluated yet. At first glance this seemed more a 'paper obligation' than a real action by employers. The social security agencies have to judge these plans and use them in their supervision of employers' reintegration policies. They also may fine an employer who does not provide the work resumption plan on time, with a maximum fine of Dfl 10.000 guilders.¹ (An insufficient plan can result in a fine of Dfl. 1000). (De Vos and Smitskam, 1997: 67 -71).

A recent study showed that the social security agencies consider that the information which is provided is in most cases inadequate to judge whether or not the employer has done enough to retain the employee. However, social security doctors and vocational experts seldom use the possibility of fines. It is not yet clear whether no fines are being levied, as social security administrative departments also have some discretion in this and the study discussed here did not include these departments (Van Deursen and Veerman, 1997).

1.1.3 Voluntary policies and programmes which encourage enterprises to retain newly disabled employees

The basic principle of Dutch job retention policy is that employers and employees are themselves mainly responsible for the continuation of employment in the former or adapted job. Financial incentives have been introduced to stimulate both parties, with employers now being required to pay wages at a 70 per cent level for up to 52 weeks (for details see II.1.1). Both employers and employees thus have a direct interest in keeping down sickness absence and promoting job retention.

¹ At 31 March 1998, one Dutch guilder was equivalent to 0.484 US dollars.

Since the introduction of this policy many employers have developed so-called 'sickness absence policies' (Veerman *et al.*, 1996; Ter Huurne *et al.*, 1997). The contents and intensity of these policies vary widely. Some enterprises only improved their sickness reporting procedures, while others began integration projects in which occupational health and safety aspects are evaluated and improved. These measures were often embedded within human resources management policies.

Usually the reasons why an employer begins a 'sickness absence policy' are high absence and work incapacity rates. In those cases the improvement of working conditions is a means of achieving several goals, amongst which a decrease in sickness absence and the retention of employees at risk of becoming disabled are only two parts (Kompier *et al.*, 1996). This means that enterprises which have relatively few problems with regard to sickness absence and the prevention of disability tend to pay little attention to this policy.

The situation can be summarized by saying that all job retention policies on the part of employers lie somewhere between 'compulsory' and 'voluntary'. Because of their legal obligations and the way these are checked by the social security agencies, employers have to put effort into job retention policies, but they are free to choose the way to do so.

It is unclear to what extent collective labour agreements include additional obligations for the integration of partially disabled persons. There is no published material about such voluntary agreements, and experts estimate that non-obligatory measures are rare.

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

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

The distinction between 'newly' disabled workers and disabled workers in general is not particularly relevant for many policy measures aimed at the job retention of disabled workers, as most of the measures that apply to newly disabled workers also apply to disabled workers in general.

Dismissal procedures have been discussed in I.1.1.

Obligations to create a non-disabling work environment

General obligations for employers are laid down in the Handicapped Workers Employment Act (WAGW). This Act has been in operation since 1986 but the implementation of various elements has not been successful.

An employer is obliged to adapt work and the workplace to the capacities of disabled worker as far as this can reasonably be demanded. There is a general obligation for employers, employers' organisations and labour unions to promote job retention and return to work for disabled workers.

Quota scheme

The WAGW aimed at a quota of three or five per cent of work places to be filled by disabled people, but the exact percentage for each economic sector was left to social partners to agree to. As these parties did not agree, there is not yet any obligation, nor any monitoring of the number of persons occupying a job which fulfils this arrangement.

Anti-discrimination legislation

So far, no explicit anti-discrimination legislation has been introduced in relation to disabled people. The general 'Law on Equal Treatment' prohibits discrimination due various reasons like religion, gender or marital status. Disability is not included as one of the grounds. A debate is now taking place as to whether disability should be explicitly included. The privatisation of sickness benefits (cf. II.1.1) gave rise to this debate, as employers applied stricter health-related criteria when engaging personnel, which is considered a most unwanted consequence. This debate has raised awareness that discrimination is still taking place against disabled people in the Netherlands and should be abolished.

New methods of financing the WAO, involving a greater role for employers (see Appendix 1 - the Pemba Act), could mean that employers may wish to introduce stricter health criteria when recruiting staff. To prevent this from happening, a new Medical Examinations Act, due to come into force in January 1998, will seek to prevent discrimination against disabled people in relation to employment (see Appendix 2).

I.2.2 Financial incentives which encourage enterprises to retain disabled workers in general

In general there are no rewards for an employer who retains a disabled worker, nor are there any targets set. Retaining a disabled employee is seen as part of an employer's normal legal obligations, that is, to offer the employee adapted work. Only in cases where exceptional costs are involved can some provisions be subsidised. The overall situation is different, however, for employers who recruit a disabled person from outside the enterprise. In their case, it is easier to obtain financial incentives (such as items I.1-3 on Table I.1), provided certain criteria are met, than it is for employers who retain existing employees.

Provisions

Despite financial responsibility lying with employers, there is a range of provision available which may, in certain circumstances, be used to stimulate or facilitate the continued employment or re-employment of persons with full or partial disability. The provisions directed at employers include:

1. Dispensation from the obligation to pay a specified minimum wage to disabled workers
2. Wage subsidy and training-on-the-job subsidy
3. Job coaching/supported employment
4. Exemption from compulsory wage payment in case of sickness
5. Early re-examination of disability level
6. Early award of disability benefit
7. Provisions for work adaptations

Obligations and sanctions for employers, on the other hand, include:

1. Obligation to adapt the workplace
2. Obligation to register and provide information
3. Quota obligation
4. Obligation to offer adapted work to own employee
5. Obligation to report a case of sickness absence within 13 weeks
6. Work resumption plan
7. Sanction for (non-) adapted work in the second year of work incapacity
8. Sanction for (non-) adapted work
9. Right of redress for social security agency
10. Obligation to have a working conditions policy

We will describe the most important financial provisions for employers who retain disabled workers.

Provision for work adaptations (werkvoorzieningen art. 57, lid 1 AAW - General Disablement Pensions Act)

If an employer incurs extensive costs in adapting a workplace to the condition of a disabled worker who receives partial disability benefit, then the employer can be subsidised for these extra costs. The employer has to meet strict criteria about the type of costs and the type of adaptations.

Research shows that employers seldom use these provisions (Donker *et al.*, 1996; De Vos *et al.*, 1995, 1996). In 1995 the costs of only 660 work adaptations were reimbursed. The main reasons were: the bureaucracy that accompanies this provision; the lack of information among employers about it; and the view among employers that, if they employ this person, it is in some ways easier for them to finance the extra costs themselves (as they do not have to find out the criteria, fill in forms or wait for decisions).

Wage subsidies for employers (LKS eigen werkgever, Art. 62 WAO)

Wage subsidies for an existing employer are available on condition that the subsidy is for a maximum of 25 per cent of gross income and the employee works at least 15 hours a week. If the employer offers work that can be regarded as 'normal', and requires a 'normal' contribution on the part of the employee, then the subsidy is not given (De Vos and Smitskam, 1987: 29).

The social security agencies have a discretionary power to interpret whether an employer meets the criteria. The social security agencies are very strict in interpreting the criteria, in particular the criterion that subsidies should only be for additions to employers' 'normal' efforts (cf. I.5.1). Therefore it is not surprising that the total subsidies given in 1994 were much less than policy makers had expected. This was especially the case with subsidies for existing employers in comparison with subsidies granted to 'new' employers. Only three per cent of all subsidies were awarded to existing employers (Donker *et al.*, 1996).

Exemption from compulsory wage payment in case of sickness

An important recent measure to enable partially disabled workers re-enter the workforce is the exemption from compulsory wage payments if the worker becomes sick. Those employees who received disability

benefit before starting work, or who were eligible for such a benefit, can apply for benefit during the first three years after re-entry into work instead of having the employer pay (70 per cent of) their wages. In this way the employer faces no financial consequences during the time they are work incapacitated.

It should be noted that all these provisions and subsidies are bound by strict conditions and are subject to extensive administrative procedures. Therefore the use that is made of these provisions and subsidies by employers who want to keep their employees at work, is very limited (see also V.12.3).

Another remarkable aspect is that they only can be applied to the employee who already has been evaluated for the disability benefit programme and has been recognised as 'partially disabled'.

There are no other external incentives to keep an employee at risk in the workforce. For instance we do not have an instrument such as 'contract compliance' to promote the job retention of disabled workers.

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

There are no mechanisms or organisations in the Netherlands to support the rights of individual employees whose job is at risk because of disability. The workers council (OR) has a right only to contribute to decisions on the choice of an occupational health and safety service and to discuss occupational health and safety policies in an enterprise in general. These rights do not apply to individual employees. If an individual is a union member and he or she is not satisfied with the efforts the employer makes to continue the job contract, then the individual could ask the union for help. But this is not a mechanism especially aimed at disabled workers at risk.

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

Difference between wage and benefit level

The most important financial incentive for an employee to stay in paid work is that, in all cases, the disability benefit is lower than the previous earned income. This is more than an absolute difference between the wage and the benefit: financial possibilities also differ markedly. In the case of disability benefits there are few possibilities to increase income, while in a more normal working situation, salary increases may be expected. Recent research among employees with a sickness absence of at least three months showed that the direct threat of the low level of the disability benefit does not, of itself, motivate employees to make particular efforts to return to work. The prospect of a lower income from disability benefit does, however, motivate employees to return to work after long-term work incapacity (Cuelenaere, 1997).

Wage supplements

Only a few incentives focus more directly on the employee's situation. Firstly, there is the possibility of a supplementary benefit. If the work meets certain criteria, especially criteria with regard to the fit between an employee's capacities and workplace demands, then the employee may qualify for a supplementary benefit. Under changes introduced in 1994 as a result of the 1993 Act to Restrict Claims for Disability Benefits, however, fewer people than before can apply for such a benefit. In many more cases, the social security agency will state that the employee is able to earn his or her old salary in other work. Therefore, staying in the old job with reduced work capacity is no longer rewarded with a supplementary benefit.

Postponement of disability assessment

A stimulating measure that usually applies more in the case of return to work than job retention, is the postponement of a disability assessment while a person is undergoing education or shortly after starting a new job. If a previously employed disabled person finds a new job following a course of education, the outcome of an early disability examination will probably be a lower disability percentage rating, which will therefore result in a lower rate of benefit or no further benefit at all (see section II.1.1). In order to give employees a trial period, in which they can test if they really can hold down the job or find a job that corresponds with their recent education, this examination is temporarily postponed. This measure functions as an indirect financial incentive or guarantee of income.

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

From January 1998, employers' contributions to the disability benefit scheme will be partly determined by the number of employees who have become entitled to disability benefit in previous year: the fewer the number of such employees, the lower the employer's contribution (see Appendix 1). Employers who are unable to arrange for an employee to stay in their own enterprise will have an incentive to try to arrange for the employee to move to another firm, thereby avoiding the need for a claim for disability benefit.

In the Netherlands there are three, fairly minimal, provisions to assist work incapacitated or disabled workers to work as self-employed. The first, income supplements (art. 59b AAW), is meant for self-employed people who are partially disabled and who continue their own business or profession, but earn less as a consequence of their disability. With this provision their income can be supplemented to the level of their previous earned income.

For partially disabled workers who want to become self-employed, there exists a credit facility (art. 57, lid 1 AAW). If one has a financially sound plan but nevertheless has problems obtaining credit elsewhere, the social security agency may provide a credit. This facility is not promoted and is therefore rarely used (De Vos and Smitskam, 1997). Another provision aimed at people becoming self-employed is the decree on 'Welfare for Self-Employed People'. People in receipt of income maintenance or an employee benefit (such as a disability benefit) and who want to start up as self-employed can, under strict conditions, receive a loan as well as a temporary supplementary social welfare benefit.

Self-employed people usually are privately insured against the risk of sickness and disability. The private insurance companies, which specialise in such policies, apply a wide variety of job retention or return to work measures and various forms of support. A private insurance company that holds about 25 per cent of the market of sickness and disability insurance for self-employed people, has stated (in a verbal communication) that it succeeds in helping 90 per cent of people back to some form of work: this is 90 per cent of all clients who had been work-incapacitated for two or three months and for whom full medical recovery was no longer expected. (In 1995 a total of 720,000 persons were self-employed.) This insurance company cooperates with outplacement agencies (which find employment for people who have been made redundant), commercial employment agencies, educational organisations and specialist agencies to help people with traumatic experiences (for instance, as a result of crime) to return to work.

I.4 BENEFICIARIES

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

Changes to the criteria and assessment methods for disability benefit (cf. II.1.1) mean that lower benefits are now payable when a person transfers to disability benefit after 52 weeks of work incapacity: such a transfer is now more difficult and less attractive.

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

Most of the policies and measures described in this Part of the report are applicable to employees who have been assessed and who receive full or partial disability benefit.

With regard to this category, three groups can be distinguished:

- a) *non-disabled people* (degree of disability < 15 per cent): if a person is not disabled in accordance with the disability criteria the theoretical loss of earning capacity is less than 15 per cent. The person is supposed to be able to earn about the same income as before the illness or impairment occurred. However, this does not mean that they have no restrictions, as they may still be unable to carry out their job.
- b) *partially disabled people* (15 - 80 per cent): being partially disabled means that a person has some remaining earning capacity. He or she will be entitled to a partial disability benefit for the (partial) loss of earning capacity. A partially disabled worker is entitled to services and work support from the social security agency or the employment agency.
- c) *fully disabled people* (80 - 100 per cent): a person is assessed as fully disabled if he/she has fully lost his or her earning capacity due to restrictions or loss of capabilities. Workers with mental disorders are likely to be more often assessed as fully disabled, because their work capacity is harder to

measure exactly than is the case with physical impairments. A fully disabled person is entitled to full disability benefit (cf. II.1.1).

Most job retention policies aim at the middle group: partially disabled people. There is little space for preventive measures, since a person has to be officially registered as disabled before any services are provided. There are few positive incentives for employers or employees to put efforts into return to work (job retention) (Wevers, 1997). It is only recently that more attention has been given to the first group: employees who still have the same earning capacity as they had before but who are often no longer able to do the work they are trained for and experienced in. Therefore this group also needs support when trying to find new work, either with their previous employer or with a new employer.

Gender differences

During the first year of sickness absence, women accounted for 42 per cent of the working population but 49 per cent of cases of sickness absence (CTSV, 1996b). Women were over-represented among people joining the disability benefit scheme in 1995 (of whom they constituted 51 per cent), but they accounted for 33 per cent of all disability benefit recipients (CTSV, 1996c).

Age differences

Younger employees (under the age of 35) are over represented among people on sickness absence: while they constituted 45 per cent of the working population in 1995, they accounted for 59 per cent of reported cases of sickness absence (CTSV, 1996b). Thirty-four per cent of employees entering the disability scheme were under 35: this group included 41 per cent of all women entering the scheme and 26 per cent of men (CTSV, 1996c).

Diagnosis

The most common diagnoses among people on sickness absence in 1995 were (in descending order of frequency) respiratory disorders, musculoskeletal impairments and psychological problems (CTSV, 1996b). Among people entering the disability scheme, the most common diagnosis groups were: psychological problems (27 per cent, including 24 per cent of men and 30 per cent of women) and musculoskeletal impairments (25 per cent: 27 per cent of men and 23 per cent of women) (CTSV, 1996c).

Earlier occurring disability

Discussions and policy changes regarding the (re-)employment of disabled persons mainly concentrates on insured people within the workforce. Small categories, such as people whose disability occurs early in their lives (including people with learning difficulties), are covered by a separate scheme which has no relationship with employment and which, consequently, largely falls outside the scope of this study.

I.5 JOB RETENTION POLICIES IN CONTEXT

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

In government policy a lot of attention has been given to long-term work-incapacitated employees, and particularly to ways of preventing them from claiming disability benefit. In recent years the obligations on employers to adapt work and to do 'everything reasonable' to keep the employee at work have been increasingly stressed. However, the first stage of a possible 'disability career' is mainly seen as the responsibility of the individual worker and the employer, and there are almost no financial incentives for the employee or employer to work towards job retention. Staying in employment is regarded as part of the normal work, personnel policy and obligations that employees and employers have. During the first year of work incapacity, only a restrictive incentives policy is operated, in which the government seeks to avoid 'subsidising' either the employer or the employee for actions they should take anyway.

At the same time, many studies stress the importance of early interventions in order to have the highest chance of successful job retention. The importance for job retention of action in this early work incapacity period is recognised by the Ministry of Social Affairs and Employment as well as by social security agencies. But, so far, the lack of concrete supportive measures that are available at this initial stage contrasts with the importance of this period.

More measures and incentives are available, however, to assist those workers to return to work who are already (fully or partially) disabled.

I.5.2 Policies affecting the retention of newly disabled workers

The majority of employees who are work-incapacitated return to work with their own employer, without the assistance of any special measures. Around two thirds of employees who have been absent for three months due to sickness return to work within 52 weeks of being able to do so (CTSV, 1996). The main factors that influence successful job retention are not so much policy factors, but relate more to the individual efforts of the employee and the employer (supported by the Occupational Safety and Health (OSH) service) and their motivation to continue their existing working relationship (De Vos, 1995; Cuelenaere, 1997). (See V.1.1 for details of contracts with OSH services.)

Compulsory wage payment during sickness period

In recent years we have witnessed a decrease in sickness absence rates, a slower growth of the number of disability benefit recipients compared to earlier years, and an increased awareness of sickness absence and job retention issues at an enterprise level. These changes have occurred since arrangements have focused on the financial responsibility of employers and employees themselves from 1994 (cf. section II.1.1). So far there is no evidence that a more recent change (in 1996) to extend employers' compulsory wage payments from 26 to 52 weeks has had any additional effects (Veerman *et al.*, 1996; Ter Huurne *et al.*, 1997).

I.6 IMPLEMENTATION OF JOB RETENTION POLICIES

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

Given that return-to-work policies have been relatively underdeveloped in the Netherlands, there are few monitoring or enforcement obligations. The most important means of enforcing an obligation lies in the way employment protection and the special dismissal procedure for disabled workers is monitored by the employment agency and, in the case of an appeal, by a judge. This obligation is subject to a high degree of legal protection and enforcement and is taken increasingly seriously; as noted earlier, the number of employees dismissed on health grounds has decreased (cf. I.1.1).

More attention is now being given to the enforcement of obligations. For instance, the Social Security Advisory Board (CTSV - cf. II.1.3) is now examining whether penalties are being, or could be, imposed by social insurance agencies if employers make no or insufficient work resumption plans.

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

Sickness absence policy, health and safety policy and job retention policy within an enterprise are generally influenced by an awareness of the financial problems caused by sickness absence (Kompier *et al.*, 1996). If, in an individual case, an employer is willing to support job retention, this often depends on the relationship between the employer and the individual employee. An employer is more willing to put efforts into job retention if an employee has performed well in the past, fulfils a specialised - and especially a core - function in the enterprise, and is generally valued by the employer (Veerman and Cavé, 1993; De Vos *et al.*, 1996). The severity of the disability and the possibilities of job adjustments within the enterprise influence the employer's willingness to promote job retention and the possibilities of doing so.

Furthermore, private insurers (cf. II.1.3) may stimulate and support employers to keep partially disabled employees in the workforce. Finally, more knowledge about provisions and measures may stimulate their take-up.

I.7 INTERACTIONS BETWEEN EMPLOYMENT POLICIES AND PROGRAMMES

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

Employers' increased financial responsibility for sickness absence and job retention has also led to a more restrictive policy in many enterprises concerning personnel recruitment and selection. Many employers control their employees' absence more strictly; in many enterprises, financial incentives have been introduced to reduce absence. Another consequence has been that employers select new employees more strictly according to their health risks (Veerman *et al.*, 1996; Wevers, 1997). Prevention and job retention

have so far received less attention in enterprises. One of the reasons is that there are almost no measures or (dis)incentives that focus on the crucial first period of absence and possible retention.

1.7.2 Impact of the distribution of responsibility for employment policy

In the first period of sickness absence it is mainly the employer, with the support of the OSH service, who is responsible for reintegration and job retention. When it becomes clear that an early and relatively smooth return to previous work is not possible, and especially when the employee crosses the barrier of the disability assessment, then the social security agency has more responsibility. A significant problem in this division of responsibility is the lack of information exchange between the OSH service and the social security agency. From the perspective of the employee and the employer it seems they have to give the same information to two organisations at different times. In some cases, depending on the way the OSH service operates and on the contract between the OSH service and employer, the OSH service continues to support the employee during the whole period in which the worker is work-incapacitated but still has a contract with the employer (usually a maximum of two years).

An employee who is classified as partially disabled and who is not working is in most cases entitled to two benefits: a disability benefit and an additional unemployment or social assistance allowance. Both benefits are provided by the social security agency, but by different departments of that agency. The eligibility criteria for unemployment and disability benefits differ, especially concerning availability for the labour market. Being unemployed means that a person has to be fully available to accept work. Participating in job retention provision such as vocational training or part-time work can interfere with this requirement. Unfortunately, the two departments rarely cooperate and therefore clients sometimes are confronted with conflicting demands or bureaucratic problems (Donker *et al.*, 1996; Wevers, 1997). This situation can form a barrier to job retention or, at the very least, is not conducive to efforts at job retention. Legislation is in preparation to restructure the administrative processes.

1.8 LINKS TO LABOUR MARKET FACTORS

1.8.1 Elements in labour market policies which influence the effects of job retention measures

Until recently, policies to promote work resumption for long-term unemployed people, those on social welfare, and disabled workers were carried out by separate bodies with separate subsidy arrangements, authorities and regulations. Because of unsatisfactory results across this whole area, a more integrated administrative organisation is being implemented, the so-called 'SWI-policy' (literally: cooperation (between) work and income). The main goals of this new policy are to make the job retention measures operate more effectively, reorganise different measures for subsidies and provision, and bring more people back into the labour market. This is a very recent development and, so far, attention has mainly been paid to the organisational aspects of the new integrative policy. It is too early to evaluate any results for different client groups, such as for disabled workers (Wevers, 1997; Van der Krogt and Duijndam, 1997).

In general terms, it is worth mentioning that, because of their greater financial responsibility for sickness pay, employers have become more anxious about employees' health risks. Temporary workers, whether or not they are recruited through a non-governmental, commercial, employment agency, are still insured under the Sickness Benefits Act and therefore the employer does not have to pay when they are sick (cf. II.1.1). Temporary personnel have therefore become more attractive to employers. More employers have been using this option since the changes in the Sickness Benefits Act (Veerman *et al.*, 1996). At first glance this seems to be disadvantageous for employees, because of the increased job insecurity. On the other hand, developments in the commercial employment agencies seem more hopeful. Such developments include the greater professionalisation of workers who regularly work for a commercial employment agency. The larger commercial agencies offer their workers a legal position that is more secure and is more comparable to that of a regular employee with a permanent job, albeit with conditions attached. Although developments in sickness benefits policy lead to a higher demand for temporary workers, some temporary workers tend to gain some of the rights enjoyed by regular workers (such as pension schemes and parental leave).

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

The benefit programmes operated in the Netherlands in the case of work incapacity or disability have been subject to considerable changes in the past few years. The most recent, concerning the disability benefit scheme, were introduced in January 1998. This Part will describe the programmes currently in operation and also sketch the new regulations insofar as they have been decided by Parliament. In order to set that discussion in context, some of the major features of the current Dutch arrangements will first be outlined.

No distinction between work-related and non work-related work incapacity

A particular feature of health-related income replacement schemes in the Netherlands is the abolition of causality. Since 1967 no distinction has been made between work-related (occupational injury and disease) and non-work related incapacity (illness), either in eligibility criteria or in the level and duration of benefits payments. Both risks were covered by the same schemes: at the onset of work incapacity, the Sickness Benefits Act (ZW); in the case of permanent work incapacity, the Disability Benefits Act (WAO). The abandonment of causes of work incapacity originated from norms and values concerning the equal treatment of employees, irrespective of the reasons for their reduced work capacity, and was linked to a prevailing dimension in Dutch culture: the desirability of a reduction in inequality.

Sickness and disability: related programmes

The sickness benefit arrangement and the disability benefit programme are related. They can be regarded as two phases of one (work incapacity) process. This means that, contrary to the situation in many other countries, the sickness benefit arrangement is not part of the general health insurance scheme (cf. II.1.1) and, consequently, sick pay is not provided by sickness funds. Furthermore, the disability programme is not included in the old age pension scheme, but is considered as a follow-up arrangement for those who are long-term sick. Both programmes are administered by five 'executive agencies', which also provide other benefits (e.g. for unemployment).

Civil servants under private sector arrangements

The preceding comments do not relate just to the arrangements and organisation that apply to employees in the private sector. Civil servants, who traditionally have their own income replacement schemes, will increasingly be covered by the same arrangements as in the private sector. From 1998 the arrangements and procedures outlined here also apply to the public sector, so the following descriptions also cover the situation of the civil servants.

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

The Sickness Benefits Act (compensation for temporary work incapacity due to sickness and injury)

Since March 1996, the Dutch sickness benefits system has been changed considerably: the employer is now obliged to pay the wages of the sick employee for the first year of sickness, at a level of 70 per cent of the salary, but at least the minimum wage. The wage payment may be more than 70 per cent, where this has been included in collective labour agreements. Two waiting days may be applied (at the expense of the employee), where this has been stipulated in the employee's contract, the company's regulations, or the collective labour agreement.

Salary is paid for a maximum of 52 weeks, but not longer than the duration of the contract. After 52 weeks of sick leave the employee is covered by the Disability Benefits Act (WAO). The employer is free to insure fully or partially against the risk of wage payment in the case of sickness of employees. This voluntary insurance should be provided by a private insurance company.

The payment of sickness benefit (70 per cent of wages) from the first day (or after two waiting days) does not apply to certain categories of employees, such as:

- those who lost their job during the first year of sickness
- employees with a temporary labour contract
- unemployed people
- women who are sick due to pregnancy and childbirth (who receive 100 per cent of daily wage)
- previously disabled workers who re-engaged into employment (during the first three years of re-employment).

The procedure for those employees where the employer is obliged to continue wage payment in the case of sickness is as follows:

1. The employee reports sick to the employer (within a specified number of hours, as defined in a sickness protocol each employer should have, according to the law).
2. From 1 January 1998 each employer is legally obliged to engage an Occupational Safety and Health (OSH) Service. The contract between an employer and an OSH service includes an agreement about the way the OSH service will support the employer. A risk inventory and evaluation has to be part of this legal obligation. Occupational physicians themselves are employed by the OSH service and

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have their office at the service although, in the case of larger firms and where this is agreed in the contract, they may have an office base at the firm. The number of hours they spend at an enterprise is open to negotiation, as are the criteria for selecting the sick-listed employees whom they wish to see. Depending on the type of contract with the OSH service, the OSH lay inspector may visit the employee at home, or the client may - after some days - be invited to see the occupational physician.

3. The company doctor assesses whether the employee is unable to work, sets an expected date of work resumption, and supervises the return to work process. The physician reports to the employer on the legitimacy of the sickness absence, expected date of work resumption, need of (temporary) adaptations for early return, etc.
4. In case the client or the employer does not agree with the outcomes of the evaluation by the occupational physician, they may request a second opinion from the social security agency.
5. Depending on the terms of the collective labour agreement, the client receives 70 per cent or more of the wage (with a maximum of Dfl. 294.42) from the first, second or third day of sickness.
6. In the 13th week of work incapacity the employer has to present a work resumption plan to the social security agency. The agency checks whether the employer did 'everything reasonable' to make the (adapted) resumption of work possible. If the employer - without sound reasons - refuses to cooperate with this social security agency on work resumption, he may be fined.
7. Before the 40th week of work incapacity the client should claim disability benefit from the social security agencies.

For those few categories of employees that fall under the old Sickness Benefits Act arrangements, procedures are slightly different. The sickness benefit is paid by one of the five social security agencies, each administering the scheme for certain economic sectors. Evaluation of work incapacity is carried out one by the agencies' social security doctors, who also undertakes the assessment of disability when the employee does not return to work within 52 weeks. Sickness benefits are paid monthly.

The Disability Benefits Act (WAO) (originally 1967, last changes 1994)

The WAO entitles disabled employees to a full or partial disability benefit, after 52 weeks of work incapacity. This benefit can be claimed for a period of five years; benefit payment can be prolonged on application, provided that the eligibility criteria are met.

Disability benefit is awarded if the employee is partially or fully disabled and is unable to earn the same wage in current employment as in a previous occupation. This definition depends on the wage-earning capacity of the employee, not on the medical condition or impairment. In assessing the degree of disability, it is not only the last job in which the person was employed that is taken into account. The scheme considers any work that the employee might do in the light of his/her strength and capabilities (the principle of 'commonly accepted employment'). So the social security agency should not only consider the limitations of the insured

person but should also emphasize the work that can still be done (and, where appropriate, prescribe vocational rehabilitation).

After claiming disability benefit, the employee's eligibility is assessed by the social security agency doctor, a legal and a vocational expert. The amount of benefit awarded depends on three factors:

- a) the degree of disability
- b) the employee's last-earned wage (daily pay), and
- c) the age on the date on which benefit payment commences.

The Dutch scheme comprises seven classes of disability, which correspond with different benefit levels (cf. Table II.1.):

Table II.1 Degrees of disability and benefit levels (first phase)

<i>For a disability percentage of</i>	<i>The benefit is:</i>
	% of 100/108 times the daily wage
15 to 25%	14
25 to 35%	21
35 to 45%	28
45 to 55%	35
55 to 65%	42
65 to 80%	50.75
80% or more	70

The disability benefit consists of two phases, which vary as to duration and the basis of benefits:

1. Benefit to compensate for loss of income on the basis of the daily wage. The duration of this benefit depends on the employee's age on the date of commencement of benefit payment. Table II.2 gives an overview of these age-related periods.

Table II.2 Duration of disability benefit payment in the Dutch scheme (first phase)

<i>Age</i>	<i>Duration</i>
up to 32	0 years
33 - 37	½ year
38 - 42	1 year
43 - 47	1½ years
48 - 52	2 years
53 - 57	3 years
58	6 years
59 or older up	to the 65th birthday

2. A follow-up benefit, which may be awarded when the client claims a continuation of benefit payment after completion of the first phase.

By splitting the benefit payment into two separate stages, in which the client takes the initiative for the second stage, a re-examination of benefit recipients is guaranteed.

The benefit level is calculated as follows: for each year that a person is over 15 on the date on which his disability benefit is paid, two per cent of the difference between the previous wage (a maximum of Dfl. 297.51 per day as of 1 July 1997) and the minimum wage is added to the minimum wage. The amount thus obtained is used as the basis for calculating the benefit rate. The benefit percentage depends on the degree of disability.

Follow-up benefit may be paid until the recipient reaches the age of 65. This calculation applies to those persons who became, or will become, entitled to WAO on or after 25 January 1994.

Reform of the Disability Benefits Act

The Dutch parliament has recently agreed further reforms in the disability benefit scheme, operational from January 1998. Its main features reflect the changes that have already taken place in sickness benefit arrangements: the introduction of more responsibility for employers and employees to stay in employment, and an increase in the financial risks for employers when employees leave the workforce due to disability. (See Appendix 1 for further details.)

II.1.2 Influences of key actors involved in the process

The main actors involved in the operation of the present arrangements are the following institutions:

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- a) The role and responsibility of the *government*, specifically the Ministry of Social Affairs and Employment, is concentrated on setting the goals of social protection policy and elaborating laws and, to a limited extent, guidelines. It also decides on the levels of contributions to be paid by employers and employees. For some of its tasks it consults advisory bodies, consisting of representatives of employers' organisations, labour unions and independent experts.
- b) The *Social Security Advisory Board (CTSV)* is the independent supervisory body which assesses whether social security agencies administer social security regulations according to the law, guidelines and professional standards, in order to ensure fair and efficient operation. The board reports to the Ministry of Social Affairs and Employment.
- c) The administration of employees' social insurance programmes is assigned to the *National Institute for Social Security (LISV)*². Its executive board consists of representatives from employers' organisations, labour unions and members appointed by the Crown. Its responsibilities include the implementation of the Sickness Benefits Act, the Disability Benefits Act and the Unemployment Act. For this study it is important to note that the LISV has to collaborate with the job centres and municipal social assistance offices to reintegrate unemployed and disabled persons into the labour market.
- d) *Social security agencies* are commissioned by the LISV on a contract basis to carry out the allocation of benefits. The LISV stimulates competition between these administrative bodies in order to increase the quality of service and keep the price as low as possible.
- e) *Private insurers* play a role insofar as they insure the risk of continued wage payments to sick employees. As at spring 1997, 80 per cent of employers had a voluntary insurance policy for this risk, covering 45 per cent of employees (Ter Huurne, Veerman *et al.* 1997). Insurers cooperate or affiliate with groups of OSH services which provide medical and reintegration expertise.
- f) In the past few years private *OSH services* have played an important role in the operation of income replacement schemes in cases of sickness and disability. The legal task of OSH services is to support employers in implementing their sickness absence policies. To that end the occupational physician assesses the employee's work incapacity and advises the employer on measures for earlier work resumption. At the end of 1996, 86 per cent of employers were affiliated to an OSH (Ter Huurne, Veerman *et al.* 1997).

The role of *employers' organizations and labour unions* in the policy and operation of the benefit programmes under study has been limited in the past few years. They are represented in:

- sector councils, which advise the LISV on matters that are specific to the industrial branch it represents;

² With effect from March 1998, the name of the National Institute for Social Security has been changed to the National Institute for Social Insurances.

- the executive board of the LISV (where employers' organisations and labour unions each have three representatives);
- the Socio-Economic Council, which advises the government on the labour market, labour relations, social security policy, etc.

Finally, representative *organisations of patient/clients* or persons with an employment-related disability sometimes have a voluntary, not legally prescribed, consultative role to the government and the LISV regarding legal issues and administrative questions.

II.1.3 Characteristics of disabled workers who do or do not retain their employment or return to work following successful or unsuccessful claims

Table II.4 gives information on the number of successful and unsuccessful claims in recent years (cf. II.2.3). Unfortunately there are no statistics available on the labour market position of these successful and unsuccessful claimants.

In addition to those who claimed a disability benefit for the first time, there also is a group of disability benefit recipients who lost their benefit after re-examination. We know a little more about this group (Table II.3).

Table II.3: Number of disability benefit recipients who no longer qualify for disability benefit

<i>Year</i>	<i>Number</i>	<i>Men</i>	<i>Women</i>
1993	95.400	61%	39%
1995	106.500	59%	41%

(CTSV, 1996b)

The reasons for no longer qualifying differ significantly for men and women. In 1995, 55 per cent of men no longer qualified because of retirement or death; for 45 per cent of the men the reason was recovery. For women we see an opposite pattern: 69 per cent no longer qualified because they recovered.

Unfortunately, recovering is here used as a technical benefit concept, meaning that their remaining earning capacity was 85 per cent or more and therefore the required minimum degree of disability of 15 per cent was not met. It is important to note that it is the theoretical and not the actual earning capacity which is taken into account and that the 'recovery' therefore gives no indication at all about the person's actual work situation.

II.1.4 Effects on job retention and return to work resulting from the interaction between compensation programmes and out-of-work benefit programmes

There is, in general, no explicit relationship between claiming a disability benefit and job retention or return to work. The available data do not provide information about the work status of disability benefit recipients. Therefore, it is not known how many recipients or which groups with a partial disability benefit are in work. However, from empirical research it is known that about one third of disability benefit recipients return to work within two years. The chances of returning to work are somewhat higher for recipients who are young, male, with a higher education and who still have good contact with their former colleagues and employer (Nijboer *et al.*, 1993).

II.2 OPPORTUNITIES TO COMBINE WORK AND BENEFIT

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

Under the present *sickness benefit scheme* (applicable to employees with a temporary contract, etc.) there is provision to combine the receipt of partial sickness benefit and a partial wage. This is called 'therapeutic work resumption' and comprises, on a temporary basis, the partial resumption of work in combination with the payment of partial sickness benefit for the remaining part of work incapacity.

Wage subsidies and training-on-the-job subsidies (inwerksubsidies) may be provided to an employer when engaging a previously partially disabled employee (cf. I.2.3).

The present *disability benefit programme* with seven degrees of disability intrinsically presupposes the combination of partial disability benefit receipt and partial employment. Furthermore, when the recipient of a partial benefit is not employed for the remainder of his/her work capacity, additional partial benefits may be paid from the unemployment scheme of the social assistance scheme.

In addition, persons with a partial disability benefit who re-enter employment may apply for a *supplementary benefit* when accepting a job with lower earnings than the earnings on which their benefit was based (related to previous job) (cf. I.3.2.).

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

One problem regarding the application and effects of integration measures concerns the lack of statistical data on their application and impact. In the past, the operation of arrangements for disabled people was mainly focused on the fair and rapid provision of benefits. The preventive and rehabilitative aims of social security were for a long time underdeveloped. Consequently, the recording, monitoring and reporting of data on clients, measures taken, decision process and impact, was poor. Moreover, five social security agencies carried out the arrangements, and they also differed to some extent in their administrative methods. Since the reforms, and the growth of an awareness of quality standards in social security administration, the

situation is improving and more unity is introduced. Nevertheless, it will take some time before adequate information is available on a regular basis.

II.2.3 Effects of claiming and assessment procedures on take-up of in-work benefits

The eligibility criteria for the disability benefit programme do not comprise means or income tests. The checks carried out by the social security agency relate to administrative criteria such as duration of employment, payment of insurance contributions, etc.

The main elements of the assessment procedure concern aspects of health and earning capacity, which lead to the following distribution of outcomes of the claiming process:

Table II.4: Accepted and refused disability benefit claims 1990-1995 (in thousands)

	<i>Accepted</i>	<i>Refusals</i>
1990	116.2	29.9
1991	115.8	33.8
1992	99.8	37.5
1993	103.9	36.7
1994	78.7	46.8
1995	72.0	50.1

Source: CTSV (1996) *Kroniek van de sociale verzekeringen 1996 (Social Insurance Chronicle 1996)*, S96/9. Zoetermeer: College van toezicht sociale verzekeringen.

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

In-work social security benefits as such do not exist in the Netherlands.

However, the possibility exists to combine a partial disability benefit with a partial wage (cf. II.2.1). This possibility can be attractive and has been shown to be effective in the past. Employees who can no longer fully perform their previous tasks could still be employed for a lower wage but without income loss (e.g. in a part of their old job, or in the same job but with lower productivity), if they qualified for a partial disability benefit.

However, qualifying for a partial benefit combined with (partially) performing former tasks has become more difficult since the introduction of the new concept of 'commonly accepted work' (cf. II.1.1). As a consequence, a work-incapacitated worker is more easily regarded as fit for other work and is supposed to look for another job, instead of receiving a partial benefit and performing part of the previous job.

(See also section V.10.2 about the impact of these arrangements on employers.)

II.3 TRANSITION BETWEEN BENEFITS AND WORK

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

Until the early 1990s the disability benefit system in the Netherlands showed, for almost all age groups, higher prevalence and incidence rates than in other countries. In particular the high 'entrance' rates in the younger age groups and low 'completion rates' ('leavers') evoked questions as to the health condition of young insured people and the incentives and operation of the scheme. Table II.5 shows that, for a large majority of Dutch beneficiaries, disability benefit receipt was almost a permanent status.

Table II.5 Disability benefit recipients, new recipients and completions by age in Belgium, Germany and the Netherlands (1986-1990)

Age	Recipients ¹			New recipients ²			Completions ³		
	B	G	N	B	G	N	B	G	N
up to 24 years	2	(0.2)	9	2	(0.2)	6	484	280	90
25-34 years	12	2	44	4	1	10	239	136	72
35-44 years	38	11	112	8	3	16	135	100	41
45-54 years	105	39	268	16	11	30	77	76	23
55-64 years	408	472	960	29	44	43	160	19	123
Total	56	75	137	8	8	15	140	30	73

Notes: ¹ per 1,000 people insured (1990)

² per 1,000 people insured (1986-1990)

³ per 1,000 disability benefit recipients (1986-1990)

Source: Beljaars & Prins 1997

The low rate of completion of benefit payment indicates that return to work was very low, which can be ascribed to various factors:

- no re-evaluation of disability
- a lack of reintegration measures and incentives for their application, bureaucratic procedures, contradicting criteria
- a passive attitude on the part of employers, social security agencies and clients
- comparatively favourable benefit conditions, compared to unemployment benefits and social assistance allowances.

Since the introduction of the new disability benefit arrangements, completion rates changed substantially. Whereas about 85,000 completions were noted in 1993, these rates increased to 105,000 in 1994 and 1995 - a 24 per cent increase (Nool *et al.*, 1996). These completions were almost entirely due to the re-assessment of beneficiaries in the light of the new eligibility criteria.

It had been expected that a lower rate of benefit, or the ending of benefit payment, would be decided for about 21 per cent of people who were re-assessed, and that 50 per cent of these would resume work (in the case of full disability benefit) or extend their working hours (in the case of partial disability).

Data from an interim evaluation (Nool *et al.*, 1996, Table II.6) describe the outcomes of assessments and decisions on a cohort aged under 35 years (1994, N= 53,000) and a cohort aged 35-40 years (1995, N=38,500). It is shown that a considerable proportion of persons received lower or no benefits (1994: 52 per cent, 1995: 35 per cent).

Table II.6 Outcomes of re-examinations of disability benefit recipients

<i>Outcomes of assessment</i>	<i>1994 (aged < 35 yrs.)</i>	<i>1995 (aged 35-40 yrs.)</i>
No longer disabled	37%	18%
Lower class of disability	15%	17%
Same class of disability	46%	61%
Higher class of disability	2%	4%
Total	100%	100%

Source: Nool *et al.*, 1996

However, the results indicate that far fewer persons resumed work than had been expected. One year after the re-assessment, only 22 per cent of re-assessed persons worked more hours than at the time of re-assessment. About 73 per cent did not work more hours. Of these 73 per cent, about 37 per cent received other benefits (unemployment, social assistance) and 36 per cent received no other benefit at all. So only 22 per cent of those re-assessed as being fully or partially able to work indeed had increased their (gainful) employment. Further analyses showed that work resumption was higher in the group that did not work at all before re-assessment, than in the group of partially disabled people who were already in partial work before re-assessment.

II.3.2 Provision for financial support to disabled workers for transition between benefits and work

No provision of this type exists.

II.3.3 Effect of entitlement to benefits in kind on return to work

This type of entitlement does not exist.

II.3.4 Co-ordination between agencies in assessment for benefits eligibility

The social security agencies that assess eligibility to disability benefits receive guidelines from the LISV, and are monitored by the CTSV. Coordination takes the form of working groups on technical, legal and professional subjects, and on the issue of compulsory guidelines.

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.

Introduction

In the Netherlands, major changes have been taking place in relation to policy and infrastructure for rehabilitation and reintegration:

1. Because of moves towards privatisation in income replacement policies, the role of social security agencies in respect of return to work measures is changing considerably.
2. A forthcoming Law on Reintegration (due to come into force later in 1998) will add further changes to the responsibilities, organisation, operation and criteria for interventions aiming at reintegration into the labour market.

The changes originating from the first point are already taking place. The main changes already decided and in preparation involve:

- a shift of responsibility for the provision of reintegration measures for disabled people from social security agencies to the employment services (which already deal with return to work for unemployed people);
- the partial integration of the *administration* of three sectors of social protection which (should) all promote return to work: one 'front office' will be introduced, carrying out intake and assessment of three categories of clients who are currently being treated separately: unemployed people

(employment service), social assistance clients (municipalities) and partially disabled clients (social security agencies).

The reforms relating to the forthcoming Law (point 2) have not yet been fully elaborated. The main areas of change concern: a reduction in the variation among criteria for eligibility for provision and measures, the streamlining of procedures, the introduction of new strategies (e.g. client vouchers), and the integration of budgets from various sources.

Consequently, the description in the following pages, even more than in the previous section, reflects a system in transition. We will try to describe the past (insofar as this is relevant), the present situation (which, in particular, lacks adequate empirical sources), and the main dimensions of future organisation (as far as can be seen now). The situation may therefore change over the coming months.

Finally, it should be noted that no distinction is made in the Dutch system (with regard to the available measures or the organisations dealing with these issues) between those still employed but at risk, and those who want or have to re-enter the labour market. Consequently, the difference between job retention and job return is not strictly applicable.

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

Responsibilities

The *National Institute for Social Security* (LISV) is responsible for employment support for partially disabled workers (or workers who are assessed as less than 15 per cent disabled but who, after a 52 week period of work incapacity, cannot return to their employer). The *Fund for Disability Insurance* (FAOP) is responsible for workers in the public sector.

The tasks of these two agencies with regard to employment support are carried out by the *social security agencies*. Until March 1997, these were responsible for the provision of employment support and rehabilitation. In their employment support work the social security agencies were able to use, buy or hire external services from external organisations. Following the reorganisation of social security, however, the primary role of the social security agencies in rehabilitation and reintegration has decreased. Following an interim holding arrangement for remainder of 1997, the *Employment Agency* will, from 1998, be the only institution responsible for the provision of employment support: the social security agencies will *have to* buy employment support from one of the larger employment support units (in one of the social security agencies) and from the employment services. The social security agency for the public sector (Uszo) also has a contract with a non-governmental employment agency (Boonk *et al.*, 1997).

At the present time, it is not yet clear how tasks, responsibilities and budgets will be divided between LISV, social security agencies and employment offices. From 1998, the social security agencies will only be

responsible for support for continued employment with a previous employer. The employment services will be responsible for employment support to people joining a new employer.

Assessment

An important element of employment support is assessment: the evaluation of a client's capacities in order to advise what type of work would be suitable. To carry out this assessment, several types of services are available in the Netherlands, which stem from different origins. Five main types (Mul & Hazelnet, 1996) are:

1. *Labour assessment centres ('Arbeidsonderzoekcentra')*

These centres originally carried out assessments for sheltered workplaces, and they cover all types of functional impairments. Their main activities are: assessment, training, support at the workplace (consultancy), organising placements and trial placements (to test the 'fit' between client and work). Their funds mainly derive from budget allocations that are restricted to sheltered workplaces, and from social security agencies and local welfare services.

2. *Labour exploration centres ("Arbeidsexploratiecentra")*

These were originally linked to medical rehabilitation centres. They deal mainly with clients with physical impairments who entered a medical rehabilitation programme. Their activities comprise: assessment (mainly medical tests), training and education, coaching at the workplace, and trial work placements. These activities are mainly commissioned and paid for by insurance companies, pension funds, enterprises, social security agencies, and health care organisations.

3. *Reintegration projects*

These projects are mainly initiated by health care social work and special foundations. They differ in respect of client groups (thus, different disabilities are taken into account). Activities covered in these projects are: assessment (mainly vocational tests), training and education programmes, coaching and direct support in placement at an employer, placements and trial placements. Funds for these projects are mainly provided by social security agencies and regional employment service bureaux.

4. *Vocational rehabilitation projects*

These are related to initiatives in mental health care. The activities carried out are assessment (mainly labour market orientation tests), vocational training and 'work-habitation'. These activities are financed by mental health care organisations, prevention institutes (for addiction), local social welfare services and health insurers.

5. *Private assessment consultants*

These are relatively new in the Dutch market. They operate on a commercial basis but no overview is available of the type or scope of their activities.

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

Until recently, the priority in Dutch policy has been on return to work. In the first stage of work incapacity, where job retention is at stake, it was left to employers and employees to take the initiative and policy support was not regarded as necessary. As indicated in Part II, however, recent changes in the Disability Benefits Act have forced the government and employer to pay more attention to job retention and return to work in general. Although it is clear from many studies, and accepted as a principle, that the best chances for work incapacitated workers to return to work are with their own employer, the Dutch arrangements did not comprise many measures or financial resources directed at this first stage of a possible 'disability career' (cf. Part I). Furthermore, measures for employment support were available for people whose disability arose at an early stage in their lives, but they did not play a substantial role in either expenditure or socio-political discussions.

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

Until the discussions on the forthcoming Law on Reintegration, most available measures and provision focused on clients who, after one year of work incapacity, had been assessed for disability benefit. So interventions often started too late.

Further, more weight has recently been given to improve the organisation of employment support and rehabilitation.

Regarding past arrangements, it should be noted that the available financial sources were not fully exhausted. It is generally accepted that, due to lack of knowledge and complex procedures, there was an under-utilization of the available measures and provision (De Vos & Smitskam, 1997).

III.2 SUPPORT SERVICES FOR JOB RETENTION OR RETURN TO WORK

Background

As was stated in the introduction to this Part, there is no clear distinction in the Dutch system between support services for job retention and support services for return to work (where job retention applies to return to work with the previous employer, with whom the employee still has a contract, while return to work applies to work with a new employer after a period of long-term work incapacity or receipt of disability benefit). This distinction is thus not relevant in the operation of support arrangements.

A more important distinction in the Dutch system concerns the timing of disability assessment, which generally takes place after continued wage payment has ended. The major distinction depends on whether or not a client has been assessed for eligibility under the Disability Benefits Act. This assessment of eligibility for full or partial disability benefit usually takes place after about one year of sickness and wage

payment due to work incapacity. The contract with the former employer, however, lasts at least until two years after the beginning of the long-term sickness period. The support services discussed in this section are all meant for workers who have undergone this disability assessment. For most of the services there exists no relevant differentiation for employees who still have an employment contract and those who do not.

This section, therefore, will refer to support for both job retention and return to work, although any relevant differences will be indicated. Some studies show that about 60 per cent of all clients assessed as disabled cannot return to their own employer (Boonk *et al.*, 1997).

III.2.1 The main funders and providers of services

As was indicated in III.1, the social security agencies are to be the main initiator of the use of services which, from 1998, have to be bought from employment services. The social security agencies are the starting point for the provision of services for job retention or return to work, and have to start the reintegration process.

The main funds for job retention and return to work support are the National Work Incapacity Funds (AOF and AAF), which derive their income from social security contributions paid by employers and employees. A distinction is made in these funds between the costs of general executive services and the costs of specific measures and provision (general costs in 1997 amounted to 170 million guilders, measures and provision to 220 mln. guilders; source: Boonk *et al.*, 1997). Other sources of funds, albeit of lesser importance, are the General Unemployment Fund and the European Social Fund (for specific measures or projects).

The forthcoming Law on Reintegration will establish a Reintegration Fund which will integrate various funding sources.

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

As indicated previously, the National Institute for Social Security (LISV, see II.1.3) has a coordinating role with regard to the organisation of job retention and return to work services, and also seeks to promote competition between social security agencies. Its tripartite composition (representatives from employers' organisations, labour unions and independent members appointed by the Crown) guarantees a relatively independent position vis-a-vis the Government, but also incorporates representatives from the major actors involved.

III.2.3 The range and types of services provided

In addition to what has already been described in section I.2.3, the following types of services can be initiated by social security agencies and provided by the employment service or private providers:

- assessment/vocational guidance test
- vocational training/education
- counselling about job search
- general counselling

It is estimated that each of these services is used by about one quarter of people who use employment support services (Mullenders *et al.*, 1997).

Most of the activities of social security agencies are carried out for clients who have recently entered the disability benefit scheme. Some disabled workers spontaneously ask for employment support at the social security agencies.

There are also a variety of mostly small-scale projects to help workers who are already disabled to return to work. Initiators of projects can vary: examples include social security agencies, patient/client organisations and mental health care organisations. Most projects work with a limited number of clients (between two and 50) and have a modest scope and content. The characteristics of clients vary considerably; some projects have been designed for former psychiatric patients. A common feature of the projects is that they try to take account of the needs of both clients and the labour market (employers). In practice this means that most projects focus on upgrading clients' qualifications as well as generating interest from employers. They also support employers with advice about the adaptation of work sites, working hours, possibilities for subsidies, etc. Most of these projects also work with some kind of 'after care': the project or provider keeps contact for a while after the client has found a workplace, in order to support the employee and employer in case problems arise. The small scale of the projects and the individual attention and support that are given are considered the basis of their success (Wevers *et al.*, 1993).

III.2.4 Characteristics of enterprises using external support services

In the Dutch system, employers (and their OSH services) rarely take the initiative to make use of job retention or return to work services. The contractors or the bodies that commission such support services are mainly the social security agencies or employment agencies. However, some larger enterprises, with a longer history of having their own OSH service, may also have a disability management programme (cf. Section V).

Statistics on reintegration measures provided by external agencies are not reported regularly. Consequently, there is no sound empirical information on the enterprises that make use of these services either directly or indirectly. The statistics provided by the agencies that initiate or fund measures only give an incomplete picture of the scope and costs of the services applied (Wevers, 1997). In general, the enterprises which employ a relatively high percentage of disabled workers are generally doing fairly well economically, tend to be industrial organisations (there are few partially disabled people in the hotel/cafe sector, for instance), have a 'good' sickness absence policy, and are larger than average; most of the disabled workers are employees who worked in the enterprise before becoming disabled.

III.2.5 Integrating return to work services into work environments

The integration of return to work services into work environments is limited in the Netherlands (trial placements were mentioned in III.1.1). The services that exist are in the form of small-scale projects, especially projects for workers with mental health problems (Wevers *et al.*, 1993). The emphasis in those projects is more on individual support and training than the operation of broader 'programmes'.

III.2.6 Arrangements for external providers to organise support in the workplace

The relationships between providers, employers and/or clients are indirect and mainly depend on activities or initiatives from the social security agencies. The new Law on Reintegration aims to stimulate 'self-initiatives' on the part of clients and employers.

III.2.7 The extent to which services support job retention/return to work

Despite the increased attention given to employment support in order to facilitate job retention, the results so far are generally considered disappointing. About 33 per cent of clients who receive employment support (in any form) find work within a year (Donker *et al.*, 1996). But this same percentage has been found in a group of clients who did not receive specific support. Clients themselves do not believe that the activities of the social security agency and employment services improve their chances to keep or obtain work (Donker *et al.*, 1996).

Specific projects sometimes have higher success rates, depending on the type of clients and the intensity of the service. In general when the vocational rehabilitation and employment service are customised rather than being a 'standard' programme, success rates seem to be higher (Ernste *et al.*, 1995). This is, however, less applicable in the case of clients with disabilities arising from mental disorders. The highest success rates were obtained in those few projects where the social security agency cooperated fruitfully with the employment agency and client organisations. (It should be noted that these outcomes concern the 'old' situation, which is going to change.)

III.3 USERS OF SUPPORT SERVICES

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

Work incapacitated workers who qualify for partial disability benefit or who are assessed as less than 15 per cent disabled (and have no opportunity to return to their employer) are eligible for employment support services. These clients, not their employers, are the users who have to be identified and encouraged to use vocational or re-employment services.

As indicated before, the Dutch situation was, until recently, characterised by a complex organisational structure, contrasting (or sometimes even conflicting) eligibility criteria, complaints about lengthy and non-transparent procedures, and - in general - initiatives beginning at too late a stage of the work-incapacity process.

Administrative aspects

The decision process for employment support is based on three sources:

- a) the disability assessment (eligibility to benefit)
- b) vocational check of possibilities for job retention
- c) assessment of motivation and other individual characteristics

When the employment service (from 1.1.1998 onwards) decides that a client needs employment support, the next step is to determine the type of support needed. This may involve an assessment, vocational guidance test, vocational education, job training or job search training.

Specialist organisations which provide services that can be purchased for a client by a social security agency include:

- commercial employment agencies (formerly temporary work agencies), which sometimes have specialists in employment support for clients with a labour market disability;
- centres for vocational training;
- job search training provided by the public employment services.

Methods and procedures for the assessment of a need of vocational rehabilitation and re-employment support are in a transitional phase. A new system for the intake and assessment of clients is being developed. As a starting point for the 'reintegration plan', this system classifies clients into four categories. They differ in the degree of 'distance from the labour market': the first category needs little or no support (just a little 'push'), whereas the fourth category comprises clients with a severe lack of labour market possibilities.

Outcomes

Some data are available for one of the current providers - which is still related to a social security agency, but which will be integrated in the employment services next year. The 48,100 clients receiving employment support in 1996 consisted of three categories (Boonk *et al.*, 1997):

- a) 'Regular clients': new ones as well as those who had been re-assessed. The 'new ones' were work-incapacitated workers for whom the results of the disability benefit assessment showed that they were partially disabled and that they had no possibility of returning to their former employer. Those who had been re-assessed were the disabled workers who were already receiving partial disability benefit and whose disability percentage was lowered following regular re-assessment. This group of regular clients consisted of 29,100 persons.

- b) Disabled workers who already received a partial disability benefit, and whose disability percentage was lowered after incidental re-assessment under the changed Disability Benefits Act arrangements. This group of clients comprised 11,200 persons.
- c) 'Spontaneous' clients: disabled workers who apply for employment support. This group consisted of 7,700 persons.

Most regular clients' first contact for employment support lasts about one year.

III.3.2 Arrangements for user choice and user control of service packages

No arrangements exist at the moment for user choice and user control of service packages.

Until recently, the client has generally been regarded as the 'motor' of the process, meaning that his or her motivation and activities are the main factors in determining the timing and content of support and the chances of success. In practice, this has meant that the employment support counsellor at the social security agency 'discusses' the whole process with the client and they determine together what support is needed.

Changes now in process include:

- a) a slow shift to a more disciplinary attitude on the part of the bodies that aim to motivate and support clients (originally this approach was introduced in respect of unemployed people and social assistance clients, but it is increasingly being applied with regard to disabled clients).
- b) the forthcoming Law on Reintegration explicitly foresees experimental projects with 're-employment vouchers' (personal budgets), which give clients the means:
 - to select and purchase the employment support needed ;
 - or to stimulate an employer to engage them: after a given period of employment, this will be rewarded with a bonus provided by the voucher.

The latter measure is the subject of much debate at present, but preparations are in hand for an experimental project.

III.3.3 Disabled workers who benefit and those who miss out

The clients who receive employment support are mainly those who:

- are already working, or were still working at the time of their disability examination;
- do not need to seek work because of a disability examination;
- have a relatively high educational level;
- are younger than average.

This means that clients who already have a 'better' starting position received more employment support than those who had less chances (Boonk *et al.*, 1997).

Although there is insufficient research information about the precise results of employment support, it can be estimated that around two thirds of clients who received employment support found a job with a new employer. However, this does not imply that these clients found a job because of the support they receive. The majority of the clients who found a job stated in an evaluation that they would have found this job anyway, even if they would have not received support (Boonk *et al.*, 1997; Mullenders *et al.*, 1997)

Wevers *et al.* noted in 1993 that better chances of return to work were found among younger, better educated male workers. However, if the disability was (at least partially) due to the working situation, the chances of returning to the former employer seemed to be low. In addition, motivation is generally considered an important factor, and motivation is also linked to perceived labour market chances. Men and younger incapacitated workers are more easily motivated to participate in these services and to return to work (Boonk *et al.*, 1997; Mullenders *et al.*, 1997). In a current International Social Security Association (ISSA) project on Work Incapacity and Reintegration we have found that being a 'breadwinner' (the only person in the household with an income) is also an important condition for return to work. However, the relationship with supportive measures has not yet been analysed.

III.4 DESIGN AND DELIVERY OF EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

III.4.1 The effects of the distribution of responsibility for provision of services

As outlined at the beginning of this Part, the distribution of responsibility for the provision of services is currently changing. Market competition between service providers has only recently been introduced and it is still too early to comment on its effects.

However, it can be questioned whether the concentration of decisions about services in the employment agency improves opportunities for disabled people (regardless of whether they are provided by private or public providers). Until 1998, support for disabled people lay in the hands of the social security bodies which had extensive vocational expertise (due to their role in making assessments for disability benefit). On the other hand, these agencies had less insight into the demand for labour, which is (somewhat) better monitored by the employment services.

III.4.2 The effect of relationships between services on their effectiveness

As described earlier, the previous situation was characterised by a complex infrastructure, lack of early interventions, and contrasts in criteria for interventions. These factors restricted their potential effectiveness.

III.4.3 The results of vocational training and rehabilitation

The current transitional process highlights the need for a modern system of vocational rehabilitation and reintegration. Aspects which are being discussed or are to be implemented include:

- the need for well-founded assessment ('distance from the labour market', cf. III.3.1);
- the need for individualised reintegration plans rather than general or standard programmes;
- the need to develop quality standards and an integrated system of monitoring and information about clients, measures, processing time, etc.;
- the need to give more consideration to the demand side of the labour market, and to simplify procedures in order to reduce employers' fear of a lot of paperwork.

III.4.4 Arrangements for outcome-related funding and financial incentives to staff

The intention of stimulating agencies and providers by means of outcome-related bonuses is being discussed but no concrete plans for guidelines have so far been developed.

III.4.5 Most significant factors in facilitating or impeding overall success

From the studies carried out some 'determinants' of success are generally accepted, e.g.:

- the client's motivation;
- the client's labour market characteristics (e.g. qualifications, age);
- individual, customised support instead of standard programmes.

III.5 LINKS WITH EMPLOYMENT POLICIES

III.5.1 The effects of employment policy obligations and agreements on opportunities for vocational rehabilitation

Employment policy obligations are not particularly relevant in the Dutch system. Neither collective labour agreements nor other agreements tend to include specific aims or actions concerning the re-integration and re-employment of disabled persons.

III.5.2 The effects of financial incentives to employers on opportunities for vocational rehabilitation in the workplace

No systematic study has been carried out into the impact of financial incentives to employers. The general impression (as given by rehabilitation and employment experts) is that the financial incentive to employing

a partly disabled person is only decisive for a small minority of employers. If an employer is convinced the person is the right one for the job (in terms of qualifications and motivation), financial extras have a secondary or negligible role. Moreover, the paperwork involved in obtaining financial support tends to be seen by employers as being a disadvantage.

III.5.3 The relative priorities given to disabled people and other client groups

One of the major issues in the whole employment support debate concerns the number of available jobs, and their lack of fit with the numbers and qualities (in terms of education and qualification) of the people who are to be reintegrated. This structural problem will become more obvious in the Netherlands when, from 1.1.1998 onwards, the employment services will also include disabled people among their clients. Competition between support to various categories of clients may then become more visible within the offices of the employment agencies.

III.5.4 Effects of changes in labour market structure and demand on opportunities for rehabilitation in the workplace

Two tendencies seem to be evident in the Netherlands:

- a) In contrast to many other countries, part-time working is increasingly accepted by Dutch employers. Opportunities for partially disabled persons should, as a consequence, become more favourable.
- b) At an administrative/operational level there still is a lack of insight into the demand side of the labour market. It is estimated that three quarters of vacancies are not reported to or known by the employment services, and this agency is just one of the ways used by employers to recruit personnel. There is also a lack of insight into the consequences of changes in technology for the required qualifications of people re-entering the labour market.

III.6 LINKS WITH BENEFIT AND COMPENSATION PROGRAMMES

III.6.1 The relationship between funding of benefit and compensation programmes and vocational rehabilitation policies and services

As indicated earlier, a new fund will be created under the forthcoming Law on Reintegration to facilitate the use of reintegration services and provision. At the moment the funding of measures is complex.

The experimental introduction of vouchers (cf. III.3.2) will be a new financial mechanism in employment support.

III.6.2 The effects of benefit or compensation regulations on opportunities for vocational rehabilitation

By improving his or her qualifications following vocational rehabilitation (especially through educational provision), a client can be assessed as being less disabled than before (see II.1.1). Since vocational rehabilitation does not include a job guarantee, this lower benefit was regarded as a disincentive to improve qualifications through vocational rehabilitation. To prevent this side-effect, measures were introduced in 1994 and 1995 not to carry out a new disability assessment in the first three years following rehabilitation.

III.6.3 The co-ordination of the assessment of eligibility for disability benefits and vocational rehabilitation services

The assessment of eligibility for disability benefits and for vocational rehabilitation services are separated in the Dutch system. Firstly a client has to be assessed as eligible for a disability benefit. If the client is partially disabled or less than 15 per cent disabled, he or she can become eligible for rehabilitation services. The benefit assessment is carried out by the social security agency and the rehabilitation assessment takes place at either the employment services or (until 1.1.1998) in a support unit of the social security agency. These two processes are thus separated by place and organisation as well as in time: the employment support and rehabilitation assessment takes place some time after the disability benefit assessment.

The two processes also differ in the extent to which strict procedures have been prescribed. The disability benefit assessment follows a fairly strict protocol, while more decisions are subject to the discretion of the official in the assessment procedure for rehabilitation services. In the latter process, more subjective criteria play a role, such as impressions of the client's presentation and motivation (Mullenders *et al.*, 1997).

The separation of these two assessment processes has at least two consequences. Firstly, an important period of time is wasted. The disability benefit assessment takes place between eight and 12 months after the start of work incapacity. The rehabilitation assessment happens later, beginning at about the 15th month after the start of work incapacity. A client therefore has to wait a few months, and these are crucial months. Secondly, this means that not all clients who are partially or less than 15 per cent disabled are assessed as being eligible for employment support or rehabilitation services. The group without support or rehabilitation consists partly of clients with good labour market chances, but mainly clients with few labour market chances. This group is supposed to have a theoretical earning capacity but, if the practical possibilities to earn this (theoretical) income are examined, it becomes apparent that there are no possibilities at all. This difference between theoretical and real possibilities is an important characteristic of the present Dutch system which leads to a group of partially disabled workers having no labour market prospects.

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 for job retention and return to work

According to both the letter and the philosophy of the law, it is individual employers who are mainly responsible for work environment policies, particularly with respect to job retention. Employers receive support from the Occupational Safety and Health (OSH) service - which they are obliged to do. When commissioned by employers (or their personnel managers), OSH experts carry out adaptations, sometimes making use of external experts/consultants, providers of technical devices, etc.

Social security agencies have to assess whether a (former) employer has tried 'everything reasonable' (in the text of the law) to promote job retention. One of the elements of the employer's efforts should be to examine whether adaptations can support job retention. The social security agency (in particular its vocational expert) also has to give advice about work adaptations or workplace adaptations that could keep the employee in the workforce. The social security agencies have (until recently) had technical experts who have advised employers about their specific situation, but this technical expertise is no longer so readily available. The social security agencies also decide whether costs of a workplace adaptation will be reimbursed (art 57a AAW; cf. I.2.2). In addition, social security agencies hold the primary responsibility for promoting adaptations in the case of return to work.

The largest social security agency (GAK) has now privatised the department which provides technical expertise. The resulting company, 'ZVN-advies' (Advice on Care Provision, Netherlands), advises employers on complex cases of return to work. They provide assistance with, for instance, deciding which subsidy is best suited to the situation of a specific employee. A division of ZVN-advies ('Welzorg werksupport' or 'Welfare Work Support') specialises in technical equipment and workplace adaptations. It has the expertise to advise on the adaptations needed in particular cases, and also has technical equipment

available in its various locations in most major cities. It also acts as an intermediary between employers and other external providers of technical adaptations.

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

As indicated earlier, Dutch policy does not make a real distinction between job retention and access to work. In the light of the large number of people now coming under the disability benefit arrangements, however, employers are increasingly focusing on job retention. This will be even more evident from now on, given that employers' contributions to the disability benefit scheme will depend on the number of employees that have entered the disability benefit scheme: the more employees who joined the scheme, the more the employer has to pay (see Appendix 1). While employers are thus increasingly concerned with job retention, national policy (in relation to social security) is focusing more on return to work.

IV.1.3 The main providers of technical and advisory services

Technical adaptations are mostly carried out by private, generally specialist, providers. Different providers operate in different local areas. They are often contracted and paid by the social security agency for carrying out such adaptations. Providers are aware of the conditions the adaptations have to meet in order to fit within the criteria for reimbursement.

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

In far as can be seen, there is no real relationship between these two types of providers.

IV.2 TECHNICAL AND ADVISORY SERVICES FOR MODIFICATIONS TO WORK-STATION AND WORKPLACE

Sections IV.2, IV.3 and IV.4 make a distinction between modifications to work station and workplace, adapted technical equipment and accommodating work routines. However, this distinction is not always an easy one to make in the Dutch situation. Under certain conditions, all work provisions or work adaptations can be financed on the basis of a single legal regulation (art. 57 and 57a AAW, cf. I.2.2). It can also be difficult to differentiate the various modifications, given that they may all form part of one rehabilitation process.

As an example: an employee can still perform a part of the task. In order to have a full-time job, a new task had to be added. This task is available, but requires some additional vocational training. To perform both tasks it is necessary that the employee can (for instance) use a chair when necessary, and that colleagues

help in lifting packages of more than seven kilograms. In this example probably only one formal aspect is acknowledged, the vocational training. The other elements, i.e. the restructuring of the work process (by combining two tasks), the new chair and the help of colleagues, are necessary in order to make this job retention a success, but they will not be officially reported. These important but informal elements of a rehabilitation process are therefore seldom recorded or found in statistics or other empirical sources.

An empirical study of disabled workers returning to work (albeit carried out some years ago and under the old system), shows the percentages of usage of type of adaptation (Table IV.1). (The study dealt with a sample of 7,322 employees who were absent due to sickness for one year between 1 July 1989 and 30 June 1990. One of the main research questions was how many of them had returned to work (with their own or a new employer) one and a half years later. It turned out that 2,224 (30 per cent) had returned to work, of whom 68 per cent had returned to their own employer.)

Table IV.1: Prevalence of adaptations among disabled workers who rejoined the workforce

<i>Adaptation type</i>	<i>Number</i>	<i>Percentage (of all employees who returned to work, n=2,224)</i>
task change (work content)	876	39
change in working hours	604	27
reducing speed of work	512	19
purchase/buying devices	121	5
training	93	4
adapting tools/equipment	49	2
otherwise	179	8

Notes: Multiple answers possible.

No information is available about the providers (internal or external) of these adaptations.

Source: Nijboer *et al.*, 1993

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

Several manufacturers and consultants provide technical support and equipment. Some employers' organisations also have their own advisory service, e.g. in the construction sector. However, many employees and employers find it difficult to obtain information about suppliers and possible adaptations. The support they receive depends on the OSH service and particularly the social security agency.

Funding for extensive adaptations is available under the General Disablement Pensions Act, subject to strict criteria being met (see I.2.2).

IV.2.2 The availability of technical and advisory services and their use by enterprises

A recent survey of a representative sample of about 4,000 employers showed that the formal provision to adapt the workplace (art 57.1 en 57a AAW) had been used only for 0.06 per cent of their employees. Informal adaptations (i.e. adaptations financed by employers themselves) were reported to be more frequent. Adaptation of the work environment took place for 0.25 per cent of employees (Veerman *et al.*, 1996).

IV.2.3 Factors which encourage or discourage the use of technical and advisory services

Enterprises mainly depend on their internal provider and consultant: the OSH service (cf. V.1.1). The OSH service holds the monopoly of information with respect to the employer. If the OSH service provides the employer with sufficient and sound information and support, this will encourage the use of technical and advisory services.

An important discouraging factor, however, is that many employers lack information. They have no overview of the market of technical and advisory services and possibilities, or any insight into possible financial sources for adaptations. The latter is also caused by the bureaucratic way in which applications for funding are handled by social security agencies.

IV.3 TECHNICAL EQUIPMENT

IV.3.1 The adequacy of provision

Little information is available about the use or adequacy of technical equipment. Nevertheless, in a sample of disabled workers re-entering the workforce, it was found that only four per cent used adapted tools or equipment and only ten per cent used any kind of technical provision at all (Nijboer *et al.*, 1993). The study by Veerman *et al.* (1996) reported that technical equipment had been adapted for 0.17 per cent of employees.

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

There is no overview of providers that support the client and employer in changing work procedures etc. In most cases of job retention or return to work, some adjustments of the work routine take place. This can vary from a change in tasks the employee has to do, to asking help from colleagues in specific situations. Reductions or shifts in working hours are usually organised without help from external services, but rely on the OSH service, client and employer.

IV.4.2 Factors which encourage or discourage take-up by employees and by enterprises

Accommodation of work routines or job content often happens informally. Employers and employees, sometimes with advice from the vocational expert from the social security agency, discuss what would be the best work procedure when taking into account the employees' functional limitations. Often this results in more or specific help from colleagues, a partially new task, or some other (usually small) modification. No records are kept of these kinds of changes and adaptations.

Statements from consultants indicate that factors facilitating these adaptations include: close cooperation between the OSH and social security expert, motivated employers and employees, indispensability of the employee and, more generally, a well developed social/sickness absence policy in the firm.

IV.5 SIGNIFICANT SERVICES FOR PROMOTING JOB RETENTION OR RETURN TO WORK

The most important factors in successful job retention and return to work are individual agreements between an employer and employee about how to adapt the work to keep the person in the workforce. These agreements arise through an informal process of negotiation, and on the basis of advice or suggestions from the OSH service. In the majority of cases of job retention or return to work some adaptations or change in the work is made, either temporarily or permanently. The majority of these are arranged informally.

IV.6 DESIGN AND IMPLEMENTATION

IV.6.1 The effects of inter-agency collaboration in the design and development of adaptive technologies

The design and development of adaptive technologies has a low policy priority and no information is available on inter-agency collaboration. The government does not support R&D in this area as the main actors have to arrange their research or collaboration when they feel the need. Other funds are used for financing actual measures rather than the evaluation and development of new strategies.

IV.6.2 Factors in control, funding, management or staffing which impede or facilitate adaptation services

Workplace adaptations do not take place very often. The strict criteria an employer has to meet in order to have adaptations reimbursed, and the long time the social security agency needs to decide whether or not an adaptation will be paid, are the main factors that reduced the use of financial incentives under the old system. The frequent lack of knowledge on the part of both clients and employers has already been noted.

The new Law on Reintegration aims to improve the situation concerning funding, staff, flexible procedures (no waiting periods), scope for experiments and initiatives from clients themselves.

IV.7 LINKS WITH EMPLOYMENT POLICIES

IV.7.1 The effect of employment policies on the use of adaptation services

There is no information about the effect of employment agreements on the use of adaptation services. However, we do not expect there to be any real relationship between the two.

IV.7.2 Effect of labour market structure and demand on use of adaptation services

No specific information is available about the effect of labour market structure on the use of adaptation services. However, social security agencies have been interested to know whether claims for adaptation costs reflected investments that might more appropriately be considered as modernisation of the production process.

IV.8 LINKS WITH BENEFIT AND COMPENSATION PROGRAMMES

IV.8.1 Arrangements for joint funding of adaptation services

The main funding for work adaptations was described in I.2.2. Joint funding is rare.

IV.8.2 Opportunities to receive rehabilitation benefits in adjusted working arrangements

There are no specific arrangements for receiving benefits in adjusted working arrangements. Of course, the regular possibility of combining a partial income with a partial disability benefit is possible in this case too (cf. II.2.1).

IV.9 THE MOST RELEVANT FACTORS AFFECTING THE POTENTIAL OF JOB ADAPTATION MEASURES TO PROMOTE JOB RETENTION AND RETURN TO WORK

From the foregoing it can be concluded that job adaptation measures in the Netherlands are not clearly visible, often take place in an informal/internal setting, and have an uncertain but probably limited effect on promoting job retention and return to work. The factors that play a role are as follows:

Firstly, we can state that there is no history of job adaptation measures in the Netherlands aimed at overcoming the effects of disability. The main focus has always been on benefit systems for those who are

unable to work, not on adapting work to give disabled workers a chance to work. Recently there has been a shift in policy focus, with greater attention being paid to return to work and the adaptation measures this requires. So far, this has not led to any noticeable results with regard to the development or use of work adaptations.

Secondly, it is of course a very limited number of work incapacitated or disabled workers for whom adaptations would be a real solution. Most disabled workers are not so severely impaired that they need a lot of adaptations.

Thirdly, the criteria that have to be met in order to have costs of adaptations reimbursed are rather strict and entail a good deal of bureaucracy. Therefore the adaptations are not easily accessible.

Fourthly, the main actor in the job retention process is not an external but an internal service: the OSH service.

The individual employer and employee are mainly responsible for the whole reintegration process. Therefore the chances of successful job retention or return to work depend to a large extent on the employer's perception of the client's capacities, and possibilities to adapt the workplace or the work process.

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.

It will be clear that a noticeable change has occurred in Dutch firms during the past few years with regard to their responsibilities and either compulsory or voluntary actions towards sickness absence and the prevention of disability.

The majority of employers' actions still focus on the prevention and reduction of short-term absences and work incapacity, and underestimate the importance of - and opportunities for action on - longer-term work incapacity. Strategies which focus on the latter are less developed.

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

In Dutch company policy and practice, there are few corporate policies or plans which address the retention of employees who are or who become disabled. Equal opportunity or diversity policies are equally rare.

However, a number of enterprises have developed specific policy practices under the heading of sickness absence policy, stimulated by the Working Conditions Act. As mentioned earlier (cf. Parts I and II) the employer is the main responsible actor for payment and reintegration in the first year of sickness absence, and is obliged to do 'everything reasonable' to retain the employee in the workforce. It is important to bear in mind that policies for sickness absence and working conditions are linked in Dutch law and regulations. Improving working conditions is regarded as important to reduce long-term sickness absence and work incapacity. Therefore a relatively large part of corporate policies and plans deals with working conditions as well as with sickness absence.

Since the privatisation of the Sickness Benefits Act, a process that started in 1994, employers have become more aware of their responsibilities in this area. Most employers have some kind of sickness absence policy.

A survey of a representative sample of employers, carried out at the end of 1996, identified six types of approach with regard to working conditions (prevention), sickness absence and reintegration (Ter Huurne *et al.*, 1997). This classification, which is based on the content of the contract with an OSH service, comprises:

1. Enterprises without a contract with an OSH service

From 1998 onwards, all enterprises are obliged to have a contract with an OSH service, so this category will soon no longer apply. But at the end of 1996 about 14% of the sample in the survey had no such contract.

2. Enterprises with a limited contract for OSH services

These enterprises do have a contract with an OSH service, but it has a very limited scope (e.g. monitoring of sick employees). This was the case for 22 per cent of enterprises.

3. Enterprises with a policy characterized by procedural elements, directed at the individual employee
Important procedural elements include regulations about checking on absent employees, the provision of support to return to work as soon as possible, and rules regarding the notification and recording of sickness absence. About 33 per cent of employers applied this type of policy.

4. Policies with special elements directed at the individual employee

Important special elements are, for instance, the use of an in-company socio-medical team (consisting of an occupational physician, personnel department, line managers, OSH nurse) or the frequent use of pre-employment medical examinations. About 11 per cent of enterprises could be characterised by this type.

5. Enterprises with a policy directed mainly at working conditions

Important elements of this policy are the recording and reporting of occupational injuries, use of inventories of, and assessment of, workplace risks, and advice about the improvement of working conditions. About six per cent of enterprises in the sample had this type of policy.

6. Enterprises with an 'integral policy'

These enterprises have a policy that focuses both on the improvement of working conditions, and on elements directed at the individual employee. About 14 per cent of enterprises were characterised as having such an 'integral' policy.

Finally, it can be noted that policies which make use of financial incentives only focus on the prevention of short spells of work incapacity (e.g. extra holidays in the case of no absences in a year), not on the retention of employees.

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

The recent changes to the Sickness Benefits Act and the Working Conditions Act (cf. Part II) have institutionalized these developments.

On a much smaller scale, two national advocacy organisations should be mentioned: the Council for Disabled Persons ('Gehandicaptenraad') and the National Committee for Persons with a Chronic Disease ('NCCZ'). The Council for Disabled Persons is a coordinating organisation of several organisations for

disabled people: the member organisations generally represent people with one particular impairment. The NCCZ is an organisation of professionals, which aims to improve the position of chronically ill people in all areas of society. Through information and public relations exercises, both organisations try to influence employers' organisations, labour unions, the government and other relevant organisations. In a few instances, the two organisations, in cooperation with an employers' organisation, have contributed to the development of policies aiming at facilitating employment for disabled workers (e.g. by a large retailer).

The National Committee for Persons with a Chronic Disease last year also held a competition for enterprises that succeed in job retention for employees with long-term health problems ('models of good practice'). Many nominated enterprises focused on good and flexible working conditions and a well-balanced sickness absence policy. IBM Nederland won the competition in 1996. An important reason for their award was their sickness absence levels being below the average for the sector, and the fact that they contract a specialist trainer who supports employees during the reintegration process (Dynamiek, 1997).

Within Dutch firms there are no particular actors involved in the development of policies or plans for job retention: disabled people's representatives, as can be found in some German firms, are unknown in the Netherlands.

V.2 CO-ORDINATED RESPONSES TO DISABILITY

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

As mentioned earlier (e.g. V.1.1), most enterprises have some kind of sickness absence policy, as prescribed by law. Features of such policies include the importance of staying in contact with absent employees and keeping them informed about the work and the workplace, in order to prevent them from 'slipping away' out of the work process. Earlier studies showed that once this 'anonimization process' has reached a critical value (e.g. six - 13 weeks of work incapacity), it is more difficult for the employee to return to work (Klein Hesselink *et al.*, 1993; Veerman 1989). An extra barrier is then created, the so called 'work resumption threshold' (a famous term in Dutch sickness absence theory).

However, integrated disability management systems as such hardly exist in the Netherlands (which will not be surprising in the light of the developments sketched in earlier chapters). With employers' increasing financial responsibility and awareness of the need to improve the fit between work and worker in general, the need for this type of integrated approach may increase. At a national level, the Ministry of Social Affairs is now starting to consider the issue of disability management systems.

V.3 PRACTICAL PROGRAMMES AND INTERVENTIONS IN THE WORKPLACE

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

There are few examples of workplace medical clinics or therapies. With the increasing influence of private insurers we note, however, a growth in such facilities. Where employers contribute to particular insurance schemes, some private insurers already offer employees special medical services, such as training to cope with stress.

Developments continue to take place in the services offered by the private insurers for the prevention of work incapacity. Some larger insurance companies, with experience in disability insurance for self-employed people, offer comprehensive service packages for insured employers and their employees. These services include preventive measures like regular health check-ups, fitness programmes and psychological support. Employees who have become work incapacitated can apply for technical consultations, for instance, if adaptations are needed.

Such enterprise-oriented policies are relatively new in the Dutch system and no empirical data are yet available on the use of these services or their effects. Their role continues to be under discussion, given that employers and insurers also provide some services of this sort in order to prevent and avoid the waiting-lists that exist in some sectors of Dutch health care.

V.3.2 Enterprise personal support programmes

There are no work-related or enterprise-initiated programmes for personal care assistance, medical or therapeutic support, transport to work, counselling, mentoring or retraining. When disabled individuals need these types of support (for instance personal care assistance), they can apply for personal provision either on the basis of the General Act on Special Health Costs (AWBZ) or the General Disability Act (AAW). This application and support are independent of being an employee.

V.3.3 Enterprise-initiated programmes to adjust the workplace and work-station

Most attention is currently given to the earlier stages of work incapacity, i.e. the period of 52 weeks in which the employer has to pay wages. Programmes that are being developed tend to focus on working conditions and the prevention of sickness absence.

An example is a programme to improve the way in which scaffolds in the construction sector are built. This project was initiated by a foundation of employers and employees to improve working conditions in the construction sector. The results of the project were positive: the workers themselves judged the new working materials positively and reported fewer physical problems than before (Kompier *et al.*, 1996). But

it should be noted that such programmes are not directed at newly disabled persons: in such cases adaptations should be 'custom-made'.

V.3.4 Enterprise initiatives aimed at co-workers

There is no systematic attention given to the possible resistance of co-workers towards disabled colleagues. Nevertheless, general information is available, for instance in 'the personnel manager's handbook', aimed at informing colleagues and preparing immediate supervisors for the employment in the department of a new disabled worker.

V.4 WORK ACCOMMODATIONS

V.4.1 Schemes initiated by the enterprise to adapt working hours and work

Few schemes exist to adapt working hours or work; nor are there any overviews of company practices in this regard. Action from employers to adapt working hours and work demands are taken on the basis of individual cases (cf. Part IV).

Outcomes of such adaptations themselves have to be considered on a individual basis. When the employer and the employee are both motivated and the health problems of the employee do not deteriorate, then the outcomes of adaptations are usually considered positive, as shown in some studies (e.g. Cuelenaere, 1997; De Vos *et al.*, 1996).

V.5 'RETURN-TO-WORK' PROGRAMMES

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

The focus of employers' policies tends to be on 'sickness absence' in general, and not specifically on the return to work of people with a considerable work incapacity record. There are no enterprise-led 'return-to-work' programmes as such. However, some well accepted general notions, published in personnel management handbooks and articles, include recommendations such as:

- keep in contact with people who on long-term sickness absence, and
- consider opportunities for the resumption of work on a part-time basis.

Both of these aim at lowering the psychological threshold for work resumption.

When discussing policy and programmes, it is very important to keep in mind that long-term sickness absence forms only a small proportion of the total amount of sickness spells. Therefore it is not surprising

that only limited attention is given to long-term absence policy. For every 100 spells of sickness absence, about six to eight cases last longer than three months. So smaller enterprises, in particular, are rarely confronted with cases of long-term absence.

In the light of employers' basic obligation to do 'everything reasonable' to help the employee back to work, it is usually the employer or the direct supervisor of the employee who keeps in touch with the absent person. The occupational physician plays a supportive role and can, based on his/her contacts with the employee, suggest temporary adaptations in work content, working hours and workload. As mentioned before, since the privatisation of the Sickness Benefits Act, employers are paying more attention to sickness absence and also to employees on long-term absence. So far, this has slightly increased the opportunities of long-term absent employees to return to their own employer (Boonk *et al.*, 1997). The effect of this policy on return to work to a new employer is not yet clear.

V.5.3 Enterprise measures to help disabled workers to find suitable employment elsewhere

The responsibilities for job retention and return to work are legally divided between employers and social security agencies. Employers are responsible for job retention in their own firm. If the social security agencies' assessment of the work incapacitated worker and the workplace shows that there are no possibilities to retain a job with their existing employer, then the social security agency takes over responsibility.

The social security agency is responsible for trying to arrange employment with another employer. Therefore employers themselves do not have special mechanisms for helping a disabled employee to find a job with a new employer. However, this does sometimes happen informally.

From 1998, it will be more in the employer's own interest to support such 'outplacement' of work incapacitated workers, as the new law on the differentiation in employers' contributions for the disability arrangement will then come into force (see Appendix 1).

V.6 MOST PROMINENT STRATEGIES

From the information given here and in previous sections, it will be clear that national policy, as well as policies and strategies at an enterprise level, focuses more on short-term absence. Policy is directed at prevention, by improving working conditions, and at reducing the length of absence by keeping in close contact with absent employees. The forthcoming new arrangements will stimulate employers to prevent disability.

V.7 DEFINITION AND ASSESSMENT OF DISABILITY

V.7.1 The effect of perceptions of 'disability' on enterprise job retention programmes

An important feature of the Dutch situation is that sickness and disability are, to a certain extent, regarded as private matters which, at first sight, are not the employer's business. Therefore an employer does not have the right to be informed about the diagnosis, problems or medical condition of the absent employee - only about the existence of work incapacity. The work incapacitated employee has to inform the occupational physician, but this doctor is not allowed to pass on this information to the employer, at least not without the employee's consent.

Consequently, employers seldom have any problem- or illness-related programmes. In particular, problems such as alcohol dependence and obesity are regarded as private matters, about which the employees involved are reluctant to inform their employer or colleagues (who should not ask for details). In many cases, however, employees do inform their employer or direct supervisor directly, and on a voluntary basis. But this depends purely on the wishes of the employee and his/her relationship with the employer or supervisor.

V.7.2 The effect of procedures for assessing disability at work on access to enterprise job retention and 'return-to-work' programmes

The assessment of work incapacity is the responsibility of the occupational physician (or, after 52 weeks, a social security doctor). Consequently, there is one key actor who both examines the employee and knows the working conditions and personnel policy. So the conditions for quick and adequate actions are optimal. The type of contract between the employer and the OSH service, however, determines how well this works in practice.

V.8 INTERNAL RELATIONSHIPS

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

Several conditions within an enterprise facilitate job retention. We may summarise them as follows (based on handbooks and the comments of other specialist commentators):

- a) Management has to acknowledge the problem of sickness absence and support attention being given to this subject. It should also be acknowledged that there often are financial costs involved.
- b) The cooperation and commitment of line managers is needed: they should accept sickness management as part of their job.

- c) Within the enterprise there should be a minimal consensus about the type of measures needed to reduce high sickness absence rates.
- d) The approach to reduce sickness absence and promote job retention should not only focus on person-related causes and conditions, but should also include changes in the structural causes of absence or barriers for job retention (e.g. time constraints, type of leadership, etc.).

V.8.2 The effects of recruitment practices on job retention

The recruitment and employment strategies applied by employers do not give any particular consideration to disabled people.

Although it has been mentioned that health screening has increased as part of enterprises' recruitment practices (due to the prolonging of the wage payment period for the employer), we do not know how this affects job retention. Higher employer sensitivity to the health condition of employees also leads to the use of more temporary contracts, which are not renewed for people with problematic attendance records.

V.8.3 Financial opportunities for internal job retention measures

As a reaction to their increased financial responsibility for sickness absence, some employers have also increased financial incentives and disincentives for employees with regard to sickness absence. In some enterprises employees receive one or more extra days off if they have no absences during an entire year. In other enterprises, the employees do not receive their wages for the first day of sickness absence (the 'waiting day'). By the end of 1996 these financial measures to reduce sickness absence were applied by about one third of enterprises. Medium-sized enterprises in particular (with ten to 100 employees) applied this type of measures (Veerman *et al.*, 1996).

No information is available about financial incentives provided by employers to reduce the duration of the work incapacity period and to improve return to work (apart from the general issue of the income-benefit ratio).

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

V.9.1 Enterprise compliance with disability employment obligations and agreements

In the Netherlands, employment obligations concerning disabled people have never come into force. The Handicapped Workers Employment Act (WAGW) does prescribe that employers and labour unions should agree in their sector on a percentage of disabled workers that has to be employed. This percentage varies between three per cent and seven per cent. However, employers' organisations and unions never decided

on this issue, so the enforcement of these quotas has never been carried out (cf. I.2.1). Consequently, employers vary in the degree to which they follow these recommended percentages.

V.9.2 Congruence between enterprise strategies and external practice recommendations and standards

External recommendations and standards have not been elaborated, apart from what has been said about general sickness absence management guidelines. Some enterprises probably have their own codes. But we have no information about these, or about which standards have been met.

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

It has been argued that, as a result of the privatisation of the Sickness Benefits Act, employers will be able to select new personnel more critically in respect of health matters. Indeed, since 1994 we have seen an increase in pre-employment medical assessments (health screening). The financial risks for employers will increase from 1998 onwards, when a higher disability benefit contribution has to be paid if employees become disabled and qualify for disability benefit.

In addition, the unions have argued that the dismissal policy of enterprises has become more strict and that more employees have been dismissed on health grounds. This is hard to prove, though, since health reasons are not formally allowed as a reason for dismissal.

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

In-work social security benefits as such do not exist in the Netherlands, although a partial disability benefit may be combined with a partial wage (see II.2.4).

The recent introduction of the concept of 'commonly accepted work' in relation to disability benefit (see II.1.1) means, however, that it is more difficult to qualify for a partial benefit and combine this with part-time work. For a worker who does not qualify for partial benefit, the reduction in income may be too great for the employer to supplement. This has made it more difficult for employers to keep partially disabled workers in the workforce.

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

We have no information on the coordination or cooperation between social security agencies and individual employers where the latter employ disabled workers. Anecdotal evidence indicates examples of both good relations and communication, as well as complaints about bureaucracy.

V.10.4 Co-ordination of the benefit-wage package by benefits agencies and enterprises

Social security agencies and enterprises generally operate separately, and the coordination of partial benefits and wages is not necessary. The employee has to inform the social security agency about his or her income. In some cases the social security agency pays the benefit to the employer and the employer pays the 'full' salary to the employee.

V.10.5 Opportunities for disabled employees to join, self-fund or top-up pension plans

The basic old age pension (AOW, funded through general insurance) is not affected by receiving a disability benefit. Supplementary pensions, arranged with enterprise or sector pension funds, can be affected. Some of these supplementary pension funds do keep former contributors who have become disabled. Others cancel their eligibility for benefits and cease collecting contributions once a worker has become disabled. The practices of the pension funds differ by sector.

V.11 LINKS WITH EMPLOYMENT SUPPORT AND REHABILITATION SERVICES

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

Job retention and return to work occur more in some sectors than in others, even though the external support or advisory services do not differ. Since the process of job retention depends mainly on the efforts of the individual employer and employee, the employer's individual attitude to or perception of job retention is an important factor that determines the use of external support.

In the cleaning sector, for instance, we know that employers are reluctant to use support or to promote gradual job retention in general. Although it is known that gradual return to work is important for successful job retention, this is not always appreciated by the employers. Employers in this sector state that strong competition in the sector leads to very small margins in the way they can organise their work.

Even if job retention measures do not lead to extra costs, employers do not use these measures because of the extra work they cause. (They seem to fear that extra activities will reduce their competitiveness.)

V.11.2 Opportunities and barriers to the effective co-ordination of external support services and enterprise programmes

Given that few specific enterprise programmes exist, coordination with external support services is not relevant. In more general terms, barriers arise over cooperation between external agencies and enterprises in the processes of job retention or return to work.

The organisation of employment support and other elements of external support is still in transition. Part of the tasks that were previously conducted by social security agencies were transferred to the employment agencies in January 1998. However, tasks have not yet been clearly distributed between these organisations. It is, therefore, sometimes difficult for employers to find out where they can receive what type of support and, even more importantly, which organisation will provide them with the necessary information.

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

V.12.1 Enterprise response to external services to undertake adaptations

The perception of the effort it takes to use support, independently of the type of support, mainly determines the use of support. Of course this perception can be influenced by better access to information and support.

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

More and more private consultants operate in the 'reintegration market'. They offer information about possibilities of facilitating return to work, relevant services, and support for employers in claiming assistance. In fact this work should be done by the vocational expert of the social security agency. There is a difference between social security agencies (which operate in different sectors) in the intensity of their contact with individual employers. Social security agencies generally keep better contact with larger employers, for instance through meetings of the socio-medical team, than with smaller employers.

V.12.3 The match between available services and user requirements

Especially with regard to work adaptations, the match between available adaptations and user requirements has generally been poor (De Vos et al, 1996). The criteria an employer has to meet in applying for an adaptation are too strict. The main impeding criteria are, firstly, that the adaptation has to be purely employee-oriented and not workplace-oriented. The adaptation will only be reimbursed if it creates an adapted workplace for the individual employee who needs this and if the adaptation needed is exceptional. Many workplace adaptations will either not be regarded as exceptional or will be regarded as improving the quality of the workplace in general and not just the individual position. Other criteria are that the adaptation may not be used to make good any outstanding maintenance needs or to produce unfair competition.

APPENDIX 1: The Pemba Act

The objectives of the Contribution Differentiation and Market Forces in Connection with Disablement Benefits (Pemba) Act are to offer financial incentives to employers to prevent disability in the workforce and stimulate reintegration policies (Ministerie van Sociale Zaken en Werkgelegenheid, 1997b). The new legislation comes into force on 1 January 1998. It was introduced in order to create another incentive for the employer to do 'everything reasonable' to keep employees in the workforce. If this is not possible within an enterprise, employers will have an incentive to try to arrange for the employees to move to another firm, thereby preventing them from entering the disability benefit scheme.

Up to 1 January 1998, all employees paid contributions for WAO (Disablement Benefits Act) and AAW (the General Disablement Pensions Act). Employers provide part compensation for these contributions by way of the so-called 'compensatory allowance'. As of 1 January 1998 employees will no longer pay WAO and AAW contributions since these will be replaced by a single WAO contribution to be paid in full by the employer. Several compensatory measures will be introduced so that neither the employee nor the employer will notice this in terms of salary or salary costs. For employees, the level and duration of benefits will not change.

Employers' contributions will be partially determined by the number of employees that became entitled to a disability benefit in previous years. The fewer employees who claimed disability benefit, the lower the contribution the employer has to pay. Employers will pay the same basic contribution percentage, plus a differentiated contribution which will differ for each enterprise, depending on the number of employees claiming disablement benefit (the 'disablement risk'). If, for a particular company, this risk is lower than the national average, then the employer will be given a reduction on the contribution to be paid. A higher than average risk implies a higher contribution.

The differentiated contribution will be used to cover the costs of benefits that will have to be paid out after 1 January 1998. It will pay for the costs incurred over the first five years of an employee's disability. The basic contribution will be deposited in a fund which will be used to cover the costs of long-term disabled persons (longer than five years) and the cost of existing benefits (benefits which commenced prior to 1 January 1998). Employers will pay these contributions to one of the social insurance agencies.

An employer is under an obligation to pay the basic contribution: the differentiated contribution is not compulsory and employers may choose to bear the risk themselves. If this is the case, then they must pay out disablement benefit to any employee who becomes incapacitated for work after 1 January 1998, for the first five years of disablement. If an employer does not choose to bear the risk, they must pay the differentiated contribution to the social insurance agency. In that case, if a claim is then made for disablement benefit, it will be paid out by this agency.

An employer choosing to bear the financial risk of any of employee who becomes disabled may wish to cover that risk by taking out insurance with a private insurance company. The government's intention is to allow market forces to take effect by means of competition.

If an employer chooses to bear the financial risk, it is very important for the employees that the compulsory WAO contributions can be paid; even if the company runs into less fortunate times. Employers which apply

for acceptance as employer that bear the risk themselves must be able to provide security in the form of a declaration drawn up by a reliable credit institution or insurer stating that any benefits will be met, even in the event of the company's insolvency.

Employers who bear the risk themselves pay out disablement benefit during the first five years of disablement of any of their employees. In other words, they are under an obligation to pay out disablement benefit to all those employees who were in their employ at the time they became ill. It goes without saying that this only applies with respect to employees who become incapacitated for work after 1 January 1998. It is quite possible that employers might be required to pay out disablement benefit to a person who is no longer in their employ.

Employers bearing the financial risk themselves are also responsible for reintegration. If such employers feel there are no further possibilities for adapted work in their company, they may request the social insurance agency to take over their reintegration activities. The agency will then check whether the employer who has undertaken to bear the risk has taken adequate action to make a return to work in the company possible. This will be done on the basis of a set of minimum requirements. Employers who fail to prove that they have done their absolute best run the risk of a Dfl. 25,000 fine.

Employers who engage a disabled person can be rewarded by way of remission and reduction of WAO contributions. If employers spends more than five per cent of their total salary bill on staff with a disability, they do not have to pay the basic WAO contribution for those employees. They are also given a reduction on the basic contribution for their other employees. This reduction applies up to a maximum of 15 times the average salary bill per employee. This measure makes it attractive for employers to take on disabled persons or persons with a chronic illness.

APPENDIX 2: The Medical Examinations Act

The Medical Examinations Act will come into force on 1 January 1998. The Act stipulates that medical examinations are prohibited except for jobs which require specific medical requirements: in other words, if health problems could give rise to risks involving the safety or health of the employee or that of others. For instance, it could be necessary to have prospective engine drivers undergo a medical examination to see whether or not they are colour-blind (Ministerie van Sociale Zaken en Werkgelegenheid, 1997b).

During job interviews, employers may not ask any questions concerning the candidate's health or past sick-leave record. The new Act also prohibits medical examinations in connection with collective insurance taken out by the employer. For example, this includes collective pension insurance and supplementary occupational disability insurance, as well as insurance taken out by employers to cover their own financial risk in connection with the sickness of their personnel. Medical questionnaires or medical statements are also regarded as a form of medical examination and are consequently forbidden.

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