

Disability Policies: Reform Strategies in a Comparative Perspective

RENÉ BÖHEIM AND THOMAS LEONI

Key Findings and Policy Implications

This paper explores the characteristics and scope of reforms to disability policies across OECD countries since 1990. It relies on data provided by the OECD, based on a set of indicators that classify disability policy. The paper shows that:

- A set of OECD indicators are used to classify disability policy along two dimensions: compensation and integration. The compensation dimension encompasses the coverage and level of disability benefits, the minimum degree of incapacity needed for benefits, and the approach to medical and vocational assessment. The integration dimension considers the complexity and consistency of benefits and support systems, the degree of employer obligations towards their employees, the timing and extent of vocational rehabilitation, and the existence of work incentives for beneficiaries.
- Observing OECD countries collectively over the study period, there is a marked increase in the integration components of disability policy, and a moderate, but steady decrease in the compensation components. Many reforms affected the level of employer responsibility and involvement. Numerous countries also introduced larger programs and/or stronger incentives for workers with health impairments to remain employed. With respect to the compensation dimension, countries tried primarily to reduce the inflow into disability benefits implementing stricter gate-keeping and monitoring.
- The paper identifies three distinct country clusters with similarities in policy characteristics. The first cluster is characterized by high integration and high compensation levels. These are the “social democratic” countries of Northern Europe plus Germany, Switzerland, and the Netherlands. The second cluster includes countries with intermediate integration and low compensation levels, predominantly the Anglo-Saxon countries. The third cluster includes countries with intermediate compensation and low integration levels; mainly the Southern, Eastern, and remaining Continental European countries, plus Ireland and Mexico.

The survey of policy characteristics and policy reforms in other OECD countries is instructive in informing potential reforms to the United States disability insurance program, illustrating a range of approaches, strategic objectives, and perspectives from which to evaluate the various provisions that have been applied in other countries.

RENÉ BÖHEIM is an Associate Professor at Johannes Kepler University Linz and a consultant for Labor Market Research: Austrian Institute of Economic Research.

THOMAS LEONI is a Research staff member at Austrian Institute of Economic Research (WIFO).

Complete DRC Working Papers available on our website: <http://www.nber.org/aging/drc/papers/>

This research was supported by the U.S. Social Security Administration through grant #DRC12000002-03 to the National Bureau of Economic Research as part of the SSA Disability Research Consortium. The findings and conclusions expressed are solely those of the author(s) and do not represent the views of SSA, any agency of the Federal Government, or the NBER.

This research was supported by the U.S. Social Security Administration through grant #RRC08098400-05-00 to the National Bureau of Economic Research as part of the SSA Retirement Research Consortium. The findings and conclusions expressed are solely those of the author(s) and do not represent the views of SSA, any agency of the Federal Government, or the NBER.