

GOING DUTCH

DISABILITY REFORMS IN THE NETHERLANDS

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THE CASE FOR CHANGE

- 2002: low growth, weak participation
- Government Balkenende (Center-Right) got a mandate to make structural reforms
- Role Social Partners was key (advice, support)
- Disability act (WAO, 1967) was discussed and revised since 1982 without substantial result
- 2002: 1 out of 7 “disabled”, “mentally ill”

STRUCTURAL REFORMS

10 legislative programs

- Early Retirement premiums excluded from tax support
- New Pension Act to facilitate solid pensions (finance, communication)
- New Life Course Plan: tax support for savings for work-life-balance
- New Child Care Act: shift to private market with tax support for parents
- New Social Assistance Act: financial responsibility for local communities
- Reduction Unemployment Benefit reduction from 7,5 years to 38 months
- New Working Time Act focuses on responsibility Social Partners
- New Health and Safety at Work Act focuses on EU level + deregulation
- Administrative burden program realized 25% cost reduction
- NEW DISABILITY ACT: WAO BECOMES WIA (information campaign)

DISABILITY REFORM: the content

- Insurance of income, not of loss of capacity
- 2 years: employer (70%) – employee (30%)
- -35%: responsibility employer
- 35 – 80%: semi unemployment scheme
- 80+ temporary: semi unemployment scheme
- 80+ permanent: disability pension
- Experience rating in premiums
- Review disabled under 50 years (45)

DISABILITY REFORM: the process

- 1991: first attempt, crisis, repair of reforms
- 2002: advice Social Economic Council
- 2002: electoral mandate, clear agenda
- 2004: package deal with Social Partners
- 2004/5: negotiation with Parliament
- 2004/5: administrative hurdles
- 2006: NEW DISABILITY ACT (WIA)

DISABILITY REFORM: the result

- New claimants dropped from 100,000 in 2002 to 25,000 in 2006
- Review reduced claims with around 40%
- No significant shift to other social security schemes
- Disability Pensions from 70% back to 75%
- New Medical Guidelines (how to appraise, treat, help)
- New role for private insurance companies, collective bargaining
- Culture shift: not what you cannot do anymore, but what you can do
- New model: priority for social partners
- Annex reforms: Health and Safety, Unemployment, Early Retirement
- Remaining problems: Young Disabled without employer

Could US learn from Netherlands?

- Rapid increase of SSDI/SSI numbers
- Funds face exhaustion 20 years from now
- Medicare coverage is a threshold to re-enter

- Sickness Management Guidelines
- Reassessment for economic + social reasons
- Going Dutch: Employer + Employee