

DISABILITY BENEFIT RECIPIENCY

Disability Benefit Programmes play an important role in some countries. Poland is the country with the highest disability benefit recipiency level in the OECD. In 1999, more than 12 percent of the working-age population received a public disability benefit. In Norway, the Netherlands, Sweden and Denmark disability benefit recipiency was between 9.2 percent and 7.7 percent. In twelve other countries the respective rates were between 6.7 percent and 3.9 percent (see Chart 1).

In 1999 spending on disability benefits ranged from 3.3 percent of GDP in Poland to 0.7 percent in Canada. Over the period 1990–99 the costs of disability benefits as a percentage of GDP increased slightly on an overall average of 17 OECD countries. The major increases took place in Switzerland and Australia. The greatest reductions occurred in Italy and the Netherlands (see Table).

Disability transfers are not the only types of transfer payments that people who identify themselves

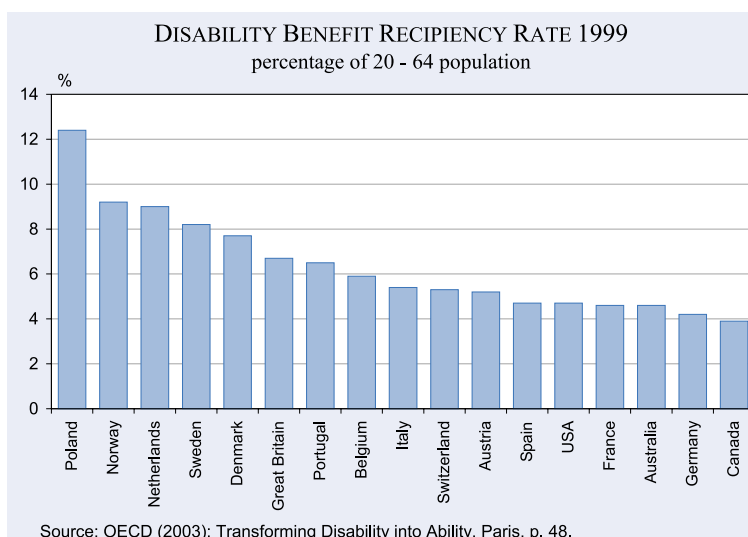
Disability programme expenditure, 1990 and 1999

	Percentage of GDP		Percentage of expenditure on unemployment compensation
	1990	1999	1999
Australia	0.51	0.86	137
Austria	1.30	1.75	254
Belgium	1.32	1.06	95
Canada	0.46	0.67	130
Denmark	2.31	2.28	227
France	0.73	0.83	113
Germany	1.05	1.01	146
Italy	1.69	0.95	330
Netherlands	3.42	2.65	178
Norway	2.23	2.36	1190
Poland	2.39	3.28	719
Portugal	1.32	1.03	235
Spain	0.96	1.24	162
Sweden	2.03	2.05	292
Switzerland	1.05	1.83	267
United Kingdom	0.88	1.27	268
United States	0.56	0.71	554

Source: OECD (2003), *Transforming Disability into Ability*, Paris, p. 17.

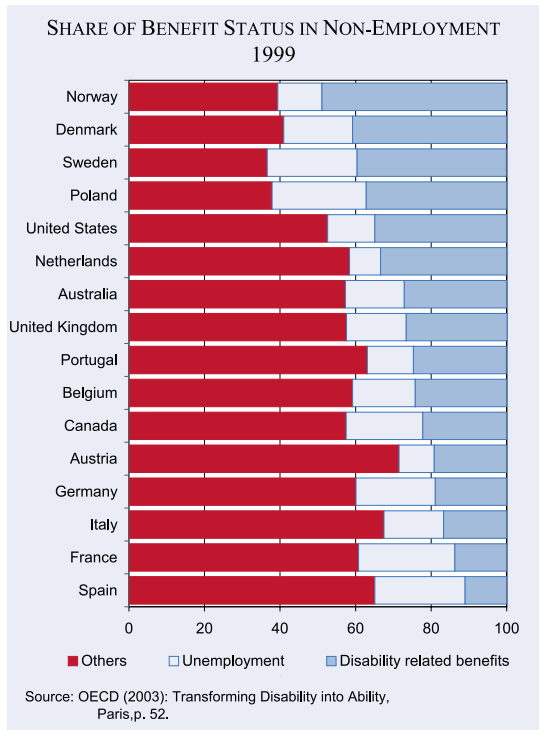
as disabled receive. On average, only one in two disabled persons who are not employed and receive some public benefit reports receiving a disability benefit. On the other hand, not all recipients of disability benefits are disabled. Sometimes these benefits are a substitute for unemployment benefits or some other kind of benefits.

Chart 1



By 1999, in all countries except Belgium, expenditure on disability-related programmes exceeded expenditure on unemployment compensation – on average by a factor of two and to a much larger extent in Norway, Poland and the United States (see Table). These findings are also reflected in the benefit distribution of the non-employed population. In the majority of countries, disability benefit recipiency is more widespread than unemployment benefit recipiency. The major exceptions are France and Italy. In some countries disability

Chart 2



benefit reciprocity is several times higher than the unemployment benefit reciprocity. This is particularly true for Norway, the Netherlands, Denmark and the United States, all of which have very low levels of unemployment (see Chart 2).

W.O.