



LUND UNIVERSITY

**Measures on prevention of disability benefit dependency and activation of young persons**

**Sweden: Young persons with Health Problems and Employment**

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## Introduction to the national report

In 2016 the Swiss Law on Invalidity Insurance (IVG) is being revised, which also involves discussions on options for revision. Regarding the growth of the proportion of young persons in the inflow in the Swiss scheme (in particular young persons with mental health related problems), some experts proposed to introduction of a higher minimum age for eligibility to invalidity pensions. But also other measures can be taken to prevent disability pension dependency and improve labour market participation of the young. E.g.: specific benefits and support programme for young persons with health restrictions or disabilities.

The Federal Office of Social Insurance (FSIO/BSV) was very interested to know about reforms in other countries which focused on measures to prevent disability and disability pension dependency in young persons. In particular information was needed (“facts and figures”) about the backgrounds of the measures taken, how these measures have been conceptualized, what specific programmes or arrangements have been made, how they were implemented, what the reactions of different actors concerned were, and what implications the measure had. The inquiry should be mainly descriptive and not include recommendations but rather give pros and cons in a “neutral” manner and considering the national contexts.

Specific reforms have been described for in five countries, namely, Austria, Denmark, Netherlands, Sweden and the United Kingdom. The focus was on nationwide reforms, which actually have been implemented. Pilot projects and experiments fall out of the scope of the study, except when relevant as an example of “ongoing developments” after the reform described.

For each country a national expert collected literature and used – where necessary - additional sources. The project was coordinated by Rienk Prins Consultancy (Netherlands).

Depending on the national context, “evaluation culture” and implementation year of the reforms, national experts used multiple sources:

- Reports, policy papers, guidelines, etc., both official and “grey literature”;
- When available: elementary statistics on the situation before and after the reform;
- Research reports on evaluative studies carried out, position papers, etc.;
- (Telephone or face to face) interviews and email correspondence for those aspects where documentation was poor or not recent.

In its structure and terminology this national report reflects the questionnaire that has been used for each country to unify data collection. The report should be considered as a “working paper” which reflects the situation as in Summer 2016. Its content has been used for the comparative (final) report.

In the following the Swedish case, Activity Compensation (AC), is introduced. The presentation is guided by the questionnaire. As AC covers both persons with employment and those without, this distinction has not been relevant in the Swedish case. I have marked out (in bold) specific information concerning AC due to extended schooling. In terms of economic compensation, AC can be granted as an income based benefit or as guarantee benefit. See chapter two for further information on distinction between income based AC and AC for extended schooling. The description starts with a short summary.

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## Summary

Activity Compensation (AC) was introduced in 2003. The reform replaced disability pension for people aged between 19 and 29, whose capacity for work was assessed as reduced due to a medical cause. The reduction in capacity for work has to be longstanding, i.e. at least one year. AC cannot be granted as a permanent benefit. AC can be granted for a period of one to three years. After the granted period, the person has to reapply and get her/his capacity for work assessed once again (if her/his capacity for work has not improved). The right to take part in activities was a new element. The activities were to be 'tailor-made' in each case, in order for each individual to enhance the possibilities to return to work.

So, three facets characterize AC as a political reform and a change in the disability pension system targeting young persons. First, AC separates young persons from the rest of the population. Persons who are older than 29 cannot be granted AC. Second, AC is a time-limited benefit. It can be granted for a period up to three years. Third, taking part in activities is a right (not a duty).

AC has two entrances. One for persons who are in extended schooling and one for persons assessed with a medically caused incapacity for work.

With the above mentioned description of the reform launched more than ten years ago we can now summarize some of the lessons learned and conclude that the numbers of young persons on disability pension has more than doubled over the last 20 years. Nowadays, most young persons with AC have got a mental diagnosis on their medical certificate. The activities do not seem to have facilitated for young persons on AC to return to work. Though many of them are grateful and think that the opportunity to take a course at an evening school or do exercise at a gym have improved their life-quality, these activities do not seem to enhance people's possibilities to return to work.

Although the reform of 2003 has been criticized and some rules have been changed, AC is still there. New regulations are in the pipeline and one of the biggest political issues within this area is the increase in numbers of recipients who have entered the system due to extended schooling and then seem to 'be transferred' to the other entrance, when having finished school. Another topic being discussed is the experience done by persons who want to try out work/studies while on AC. Many young persons are afraid of losing their right to AC and therefore hesitate to take this step. Measures have been taken, and further measures are to be taken, in order to make it easier to combine work/studies without losing their right to AC.

# 1. BACKGROUNDS AND CONTEXT

## 1.1 The original problem triggering the reform

In the bill (prop. 2000/01:96) the new regulations concerning disability pension (förtidspension) and temporary disability allowance (sjukbidrag) were mainly introduced as a consequence of the fact that a new old age pension system was launched some years before. The large old age pension reform of 1994 had changed the premises of the whole pension system. Disability Pension should cease to exist and be replaced by sick compensation (for people aged 30 to 64) and activity compensation (for people aged 19-29). Sick compensation (SC) and Activity Compensation (AC) were placed in the health insurance system and thereby removed from the old age pension system.

In email-correspondence with Ingemar Svensson<sup>1</sup> at the Swedish Pension Agency, the political ambition to make use of ‘the remaining capacity for work’ is put forwards as the driving-force behind the reform. Even if there is a confirmed incapacity of work, there might be ways of enhancing and developing capacity. This argument is consistent with the stress on activity found in the preparatory works (see for example SOU 1998:106, Ds 2000:40).

Berit Andnor Bylund, Social Democrat and former Minister of Social Affairs 2004-2006, was the head of the social Committee 1998-2002. In an interview<sup>2</sup>, she puts forward another argument from her memories of the discussions that led up to the reform of 2003. She emphasizes the urge of meaningful activities for young individuals with severe disabilities.

It was actually not a concern for a growing number of young individuals on disability pension that triggered the reform. “The totally dominating part of all disability pensions granted concerns individuals who due to illness are forced to leave the labour market after a long professional career. It is among older and well established individuals that almost the whole increase in disability pension has occurred. However, among the younger (16-29 years) the level of beneficiaries, approx. 15’000 individuals, has been unchanged for several decades. Among the very youngest (16-19 years) the number is approx. 3000.” (p. 9-10 SOU 1998:106, my translation).

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1 Email received 02-06-16.

2 Interview conducted in December 2012.

The above mentioned preparatory work (SOU 1998:106) also argues that the old system was designed for individuals who left the labour market after many years. It did not fit young persons with weak or no relation to the labour market. Therefore, a separate system designed for the young with medically caused incapacity for work should be introduced.

Below the number of recipients before and after the reform in 2003. Note that disability pension and temporary disability allowance were granted from the age of 16, while the corresponding age in AC is 19.

To sum up the change in 2003, AC replaced Disability Pension as a system against financial poverty for persons aged 19 to 29 years, whose work capacity is reduced with at least 25 percent due to a medical cause. The reform meant that a specific system for young adults was established, in which a right to participate in a qualified activity was included. Additionally, from the time of implementation, permanent benefit compensation was to be unavailable for these young people, who would instead have their compensation eligibility reassessed after no more than three years.

Furthermore, since the middle of the 1990s the number of young persons with Disability Pension and later, young persons with AC has more than doubled in Sweden, progressing from approximately 15'000 to around 37'000 individuals in 2015. Simultaneously the constitutional elements of the insured group have changed. The intended target group, young persons with a serious disability originating early in life, are now a small minority of the total group. Those diagnosed with mental health disorders stand for the vast majority. As an example, mental diagnoses stood for nearly 90 percent of the AC's in recent measuring made by the Swedish Social Insurance Agency.

## **1.2 Commitment: standpoints and positions before reform**

The idea that the disability pension system needed reform had broad support from all the political parties. Ingemar Svensson, one of the civil servants with own experience from the preparatory works leading up to the reform describes that the reform of the disability pension and that form the old age pensions were parallel social policy processes during many years in the 1980's and the 1990's.

In the political discussions in the middle of 1990's, two different kinds of systems were suggested (se for example SOU 1998:106). One system was to be targeting young people with a serious disability originating early in life and people who were in so called extended schooling (persons who due to disability needed more time in order to fulfill their education) – habilitation allowance

(habiliteringspenning). The other system was to be targeting young people with disabilities that were assessed to be less severe – long term sick allowance (långtidssjukpenning).

In the memorandum (Ds 2000:40) a few of the consultative bodies (i.e. representatives for the employers but also one of the biggest trade unions in Sweden) were critical and wanted the criteria concerning young people to be incorporated in the regime targeting adults. Many of the other consultative bodies (trade unions, user organizations etc.) were positive but noted that the distinction between the two systems was diffuse. The memorandum (Ds 2000:40) rejected the suggestion presented in the earlier preparatory work and suggested one single system targeting young people who for medical reasons have a reduced capacity for work. The suggested name was activity compensation (aktivitetsersättning).

The element of activity was a novelty and almost all of the consultative bodies were positive to this new element. Taking part of activities was to be considered a right, not a duty. The young individual was thought to have a large impact on the process of planning and accomplishing the activities. The preparatory works do not specify what is meant by activities, but stress the say of the young individual. What is a proper activity is to be assessed in every single case and the young person should take an active part in assessing this. Some of the consultative bodies cautioned for putting too much responsibility on the young person. The memorandum (Ds 2000:40) paid attention to this warning and explicitly placed the responsibility for planning and coordinating activities at the Swedish Social Insurance Agency (Försäkringskassan).

### **1.3 Main features of the legal institutional context before reform**

Before 2003, the Swedish disability system consisted of two parts, disability pension (förtidspension) and temporary disability allowance (sjukbidrag). These were available for people between 16 and 64. The incapacity for work had to be medical. Disability pension required an incapacity for work that was assessed as “permanent”. Sick allowance required an incapacity for work that was assessed as “longstanding, more than one year”. Both disability pension and temporary disability allowance could be granted for 100 percent, 75 percent, 50 percent and 25 percent.

To sum up the change in 2003, AC replaced Disability Pension as a system against financial poverty for persons aged 19 to 29 years, whose work capacity is reduced with at least 25 percent due to a medical cause. The reform meant that a specific system for young adults was established, in which a right to participate in a qualified activity was included. Additionally, from the time of

implementation, permanent benefit compensation was unavailable for these young people, who would instead have their compensation eligibility reassessed after no more than three years.

Furthermore, since the 1990s the number of young persons with disability pension, and later, young adults with AC has more than doubled in Sweden, progressing from approximately 15 000 to around 37 000 individuals. Simultaneously the constitutional elements of the insured group have changed. The intended target group, young persons with a serious disability originating early in life, has decreased in numbers while those diagnosed with mental health disorders have increased.

## 2. CONTENTS AND ORGANIZATION OF THE REFORM MEASURES

### 2.1 Legal features of the reform

Activity benefits are regulated under the social security insurance code (2010:110) Socialförsäkringsbalk (2010:110) in the Swedish statute book (2010:110, chap. 33-36) (Svensk författningssamling 2010:110, kap. 33-36)

Nota Bene! The present social security insurance code (2010:110) replaced the Swedish statute book (1962:381).

The reform (AC) took effect in January 1, 2003. The Swedish Social Insurance Agency (Försäkringskassan) is the responsible authority. AC has 'two entrances'. AC can be granted due to reduced capacity for work or AC can be granted due to extended schooling. The first entrance is the one entered by persons who are assessed by the Swedish Social Insurance, having a longstanding, medically caused, incapacity for work. The second one is entered by persons who due to disability need more time to finish school. These persons automatically get AC, they don't need to get their incapacity for work proved.

AC can be paid on guarantee level or as an income based compensation. The purpose of the program is to provide individuals with financial security when illness or injury makes salaried employment impossible and to encourage social engagement through participation in activities outside the home. These goals are not new ones, but in AC more emphasis than in the former program is placed on the latter goal. Hence, the goal of taking part in activities in order to improve work capacity and facilitate participation in society is stressed. References are made several times to the UN standard rules for persons with disabilities (see SOU 1998:106).

Below the official eligibility criteria for AC, as presented by the Swedish Social Security Office: You are eligible for activity compensation if you:

1. Cannot work full time in any job on the labour market for at least one year due to illness, injury or disability.
2. Are insured in Sweden at the time you become sick. You are insured in Sweden if you live or work here. You may be entitled to activity compensation even if you live in another country if you have lived or worked in Sweden previously. Contact the Customer Centre if you live in another country and want to know what applies for you.

3. You can receive activity compensation beginning the July of the year you turn 19 years of age up to the month before you turn 30.

The target group was individuals aged between 19 and 29 whose incapacity for work is 1. reduced with at least 25 percent, 2. medically caused, 3. estimated as long-standing (at least one year). Noteworthy is the opinion uttered by a former leading Social Democratic representative (see footnote 1). According to her, one of the motives behind the reform of 2003 was to facilitate activity for young persons with extensive psychical and physical disability.

## 2.2 Programmes and intervention(s) provided under the reform

### *AC for extended schooling (Aktivitetsersättning för förlängd skolgång)*

Persons aged between 19 and 29 who need more time to complete compulsory school or upper-secondary school due to a disability are eligible for AC for extended schooling.

A decision on activity compensation is valid for maximum 3 years. However, those who have not completed their education after that time can reapply until they have obtained basic knowledge at the upper-secondary level.

### *Income based AC and AC as guarantee benefit*

AC consists of two parts with relevance to economic compensation. One part of the program is income based. The other part consists of a guarantee benefit.

The first one normally targets employed persons (persons who have an income qualifying for sickness benefit). Persons who have worked previously receive 64.7 per cent of the average income in recent years. However, this amount is capped at SEK 17 800 (approx. €1920) before tax per month. The other part targets persons who have not worked previously or have had low income. The amount received here depends on age as follows:

1. at least 19 years old but have not turned 21: SEK 7 788 (approx. €840) before tax per month
2. at least 21 years old but have not turned 23: SEK 7 973 (approx. 860€) before tax per month
3. at least 23 years old but have not turned 25: SEK 8 158 (approx. 880€) before tax per month

4. at least 25 years old but have not turned 27: SEK 8 344 (approx. 900€) before tax per month
5. at least 27 years old but have not turned 29: SEK 8 529 (approx. 920€) before tax per month
6. at least 29 years old but have not turned 30:SEK 8 715 (approx. 940€) before tax per month

The amounts apply for persons receiving full activity compensation and who have lived in Sweden their entire life.

#### *Housing Supplement (bostadstillägg)*

Persons with AC are generally eligible for housing supplement for the same period that they have been granted activity compensation. Since the rules are perceived as complicated by many persons with AC, not everyone who is entitled housing supplement apply for it. In my study (Hultqvist 2014), some of the interviewed persons with AC described how they deliberately resigned this supplement since they were afraid of becoming liable for repayment. Others said that they planned to apply for housing supplement but had not gotten to the point yet, since the required paper work was so demanding.

The amount you receive depends on

1. how much you pay for your housing
2. the size of your income
3. if you are married or unmarried

#### *Financial Coordination (Finansiell samordning) and local collaboration agencies (samordningsförbund)*

Financial Coordination (finansiell samordning)<sup>3</sup> was introduced as a political measure on the field of labour market oriented rehabilitation. Financial coordination was not implemented specifically for young people with a medically caused incapacity for work. Instead, the target-group was individuals in need of coordinated services from two or more of the organizations involved in the coordination agency. The organizations involved are The Swedish Social Insurance Agency (Försäkringskassan), the Swedish Public Employment Service (Arbetsförmedlingen), municipalities and county councils. Hence, the participating citizens have different kinds of needs, ie. somatic, mental, social and/or vocational. However, young persons with AC have been a prioritized group in financial coordination. At many of

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<sup>3</sup> Law 2003:1210

the Coordination Agencies young persons with AC deliberately has been recruited as a specific target group. Scholars have discussed the issue of 'creaming' in relation to extensive resources directed towards this specific group (Hollertz 2016)

The purposes of financial coordination are the following:

1. The individual should reach or improve work ability
2. Avoid unnecessary vicious circles or grey areas between authorities
3. Develop well-functioning collaboration between authorities
4. Achieve a more effective use of resources in the whole system

As financial coordination is not mandatory, local initiatives are necessary in order to establish a unit of financial coordination – a local collaboration agency. In 2015 there were 80 collaboration agencies in 241 of Sweden's 290 municipalities.

### **2.3 What were the new elements in the social insurance programmes?**

Three facets of AC stand out, when compared to the old system. Persons aged 19-29 years, with a longstanding incapacity work were separated into a specific system, with an intention that no one should be excluded from the labor market at such an early stage of adulthood. In contrast to older age groups there was to be no permanent compensatory system for young adults. A decision on activity compensation is valid for maximum 3 years. If your capacity for work has not improved at the end to the granted period, you can reapply for AC until you reach the age of 29. Young adults accorded AC were given the right to take part in activities. Hence,

1. AC as a social security program singles out the young ones among the citizens. It is a program targeting citizens in a certain age span, namely persons aged 19-29.
2. AC cannot be granted permanently.
3. AC entails the right to take part in activities.

To sum up the contents and the organization of the reform the three above mentioned facets characterize AC, and technically the system was moved away from the pensions and placed among the sickness benefits.

## 3. IMPLEMENTATION

### 3.1 Measures implemented

There were no quantitative goals connected to the reform. The goals were principle ones and aimed at making use of the remaining capacity for work and eliminate lock-in effects, by stressing activity.

According to Ingemar Svensson, the future development – with increasing numbers of recipients – was hard to forecast. This opinion agrees with the prognosis in the memorandum (Ds 2000:40). After having sketched three different future scenarios the following conclusion was drawn: All three scenarios indicate between 2000 and 3000 newly granted AC most of the years. Generally speaking, it is the demographic development that influences the granting rates over time (p. 75). In hindsight, this conclusion was wrong and the driving forces behind the development are to be found elsewhere than in demographic changes.

AC, as part of the Swedish National Social Insurance, was implemented by the Swedish Social Insurance Agency. The Swedish Social Insurance Agency consists of regional and local offices all around Sweden. Persons granted disability pension or temporary disability allowance were automatically transferred to the new system, to AC.

In a report published by the Swedish Social Insurance Inspectorate (ISF 2011:10, p. 15-20) the following hypotheses about the reasons behind the large increase are presented: The increase in numbers of pupils in special schools automatically leads to an increase in number of recipients of AC, since persons in extended schooling get AC without having their capacity for work assessed. Organizational changes in the Swedish school system, but also insufficient, and sometimes even faulty investigations are reasons behind the increase in pupils inscribed in special schools in Sweden.

Another hypothesis put forward in the report is changes in the health status among young persons. Self-reported mental ill-health is more common today than 25 years ago. Though, there is no obvious link between self-reported ill-health and the actual health-status measured by medical science. Revisions in the diagnostic manuals used by the physicians might be another explaining factor. Many of the mental diagnoses that have become common on medical certificates since the end of the 1990<sup>th</sup> are the same diagnoses that were introduced in ICD-10 in 1997.

During the last two centuries, the school achievements by Swedish pupils have deteriorated. Deteriorating school results might lead to difficulties at the labour market and possibly also to mental ill health.

A changing labour market in terms of temporary employments and unstable relations might have led to certain difficulties for young persons who have not yet been established on the labour market. Furthermore, many in the generation who were in their early twenties at the time for the economic crisis in the 1990<sup>ies</sup> got persistent scars from the failure they experienced when trying to enter the labour market without succeeding.

Finally, the report mentions changes in norms and attitudes as one possible reason behind the increasing numbers of recipients of AC. Mental ill-health and stress-related problems have obtained much attention in the media during the last two decades. This might have affected people's behavior in at least two ways. First, information can make people pay more attention to their own mental health status. Second, talking of mental ill health might result in decreasing stigma. Depression and anxiety are no longer suspicious and diffuse conditions, but rather medical diseases that can be cured.

As far as I am concerned, there is not actual evaluation going into depth with the process surrounding this actual shift, in terms of local practices before and after the implementation of the reform. Looking at the dramatic increase of numbers of recipients the years before, one can imagine that the administrators urged to get granted disability pension or temporary disability allowance for persons who had applied. Since the administrators were familiar with the old rules they rushed to handle as many cases as possible before the implementation of the new regulations in 2003. A well-known phenomenon, but just a speculation without scientific evidence for this example. The numbers continue to increase more than ten years after the implementation of the reform and the driving forces behind are still quite obscure. One personal reflection on the development concerns the name of the system. I consider Activity Compensation badly chosen for two reasons. Firstly, it is an euphemism that leads people to think of something else than disability pension. Secondly, the name is very similar to another benefit targeting unemployed persons. Together, this leads to endless misunderstandings. In my own study, I met persons with AC who had not realized that AC was 'a reformed version' of Disability Pension, commenting this insight: "If I've known that AC was the same thing that used to be called Disability Pension I would never had applied for it".

## **3.2 Implementation: roles and practices**

Responsibility for planning and coordinating activities was placed at the Social Insurance Agency (see also “Background”). This responsibility implicated a leading role in the collaboration with other authorities.

In connection with the implementation, many local Social Insurance Agencies set up certain positions called “activity coordinators”. The aim was to focus on one of the new important facets of AC, namely the activities. Once getting granted AC, there was an activity coordinator at your service. This professional role was separated from the traditional ‘bureaucratic’ role of approving/rejecting applications for AC. However, the job title “activity coordinator” was discarded after a short while. In a reorganization of the Social Insurance Agency a new professional role was introduced, “personal administrator”. The emphasis on activity was no longer outspoken in the job title. From now on, the important thing was that one professional answered for the contact with the young person. This professional did not act as decision-maker in the same case, but was well in on the case and was able to answer questions from the young person.

In the guidance booklet used by the administrators at local Social Security Offices, AC is often depicted as two processes. One concerns “the right to” and guides the administrators while assessing whether an applicant should be entitled AC or not. The other gives guidelines for the “period granted”, how to follow up on the case and support the young person. In this second guidance much emphasis is put on the activities.

Time is an important asset in case managing. In relation to AC, administrators have experienced (Försäkringskassan 2012, Hultqvist 2014) that lack of time has led to a scenario where making sure persons get their money on time has been prioritized before planning for activities together with the young persons. The content of the case has prioritized itself so to speak, since no one is able to concentrate on activities as long as he or she doesn’t have a secure financial situation.

## **3.3 Cooperation**

The activities were intended to be ‘tailor-made’ for each individual. As long as the participation was presumed to promote the overall goal with the activities – improvement of functional ability - he or she could, to a large extent, decide whether for example an internship at a company, an evening

course in French, swimming lessons, horse-riding or participation in some daily activity at a local coordination agency (see “Contents and Organization”) would suit.

As the activities in AC were to be exerted outside the Social Insurance Agency, the local context came to play a decisive role. In municipalities with a coordination agency young persons with AC could count on ‘a basic supply’, in terms of activities, as the coordination agency mostly welcomed exactly these persons to participate.

At places with lively civil societies, in terms of many non-governmental organizations like sport clubs, churches and other voluntary associations, there are many opportunities to take part in activities. Whereas places with a less flourishing civil society, often in rural areas, offer less opportunity to be active in terms of participating in courses, training and exercising.

Good access to internships – in the private sector and in the public – for young persons with AC also means more choices in terms of activities.

This arrangement, with the responsibility for planning and coordinating the activities placed at the Social Insurance Office has made the local context important. The administrator at the Social Insurance Office must be aware of all the possible activities and he or she must be able to establish a stable contact with the young persons. If there is a trustful relation between the young person and the administrator, and if the administrator has local knowledge and is familiar with the opportunities in terms of courses, internships etc., persons with AC could find fruitful ways of increasing their capability, by means of the right to activity inscribed in the law regulating AC. One of the main findings in my study (Hultqvist 2014) is that in the cases where there was a trustful relation between the young person and the administrator, the activities did take place and were often experienced as meaningful. However, in many cases there was no contact at all between the young person and the administrator. This lack of contact undermined the whole intention with the right to take part in activities, inscribed in the law.

Worth mentioning is that the activities are always voluntary while persons with AC may be obligated to participate in certain kinds of vocational rehabilitation, in order to get his or her capacity for work evaluated. This obligation concerns relatively few persons with AC (Kaltenbrunner et al 2013). However, the distinction between obligatory vocational rehabilitation and activity is not obvious for

all persons with AC. Some of them perceive participation in activity as a way of 'earning their right to AC' (Hultqvist 2014).

The fact that participation in activities is not mandatory within AC distinguishes this system from the social assistance. While young unemployed persons can be forced take part in activities in order to be eligible for social assistance, persons assessed with a medically caused incapacity for work have the right – not the duty – to be active.

To sum up the implementation of AC, the same authority as before, i.e. the Swedish Social Security Agency was responsible for procuring the target-group, young persons with a longstanding medically caused incapacity for work.

The right to participate in activities was thought to be realized outside the Swedish Social Security Agency, which meant that the surrounding society, including the regular labour-market and the civil society were of significant importance. Furthermore, a trustful relation between the young person and the administrator is a prerequisite for the right to take part in the activities to be realized.

## 4. IMPACT AND LESSONS

### 4.1 Impact on the target group

Below the number of recipients before and after the reform in 2003. Note that disability pension and temporary disability allowance were granted from the age of 16, while the corresponding age in AC is 19.

Table 1: Total number of persons with Disability Pension (förtidspension) and Temporary Disability Allowance (sjukbidrag) aged 16-29, in December 1999, 2000, 2001, 2002<sup>4</sup>

Age/Year	1999	2000	2001	2002
16-19	3 567	3 910	4 253	4 750
20-24	5 581	5 912	6 281	6 926
25-29	7 537	8 012	8 368	8 989
<b>Total</b>	16 685	17 834	18 902	20 665

As table 1 shows, the total number of persons aged between 16 and 29 with Disability Pension and Temporary Disability Allowance was steadily increasing in all age-groups the years before the implementation of the new reform in 2003. This trend was new at the time, since the number of young persons on Disability Pension and Temporary Disability Allowance had been stable in the middle of the 1990's.

Table 2: Total number of persons with Activity Compensation (aktivitetsersättning) aged 19-29, in December 2003, 2004, 2005, 2006<sup>5</sup>

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<sup>4</sup>Own arrangement, statistics downloaded from  
[https://www.forsakringskassan.se/statistik/statistik\\_och\\_analys2/Sjuk/sjuk\\_aktivitetsersattning\\_31-05-2016](https://www.forsakringskassan.se/statistik/statistik_och_analys2/Sjuk/sjuk_aktivitetsersattning_31-05-2016)

<sup>5</sup> Own arrangement, statistics downloaded from  
([https://www.forsakringskassan.se/statistik/statistik\\_och\\_analys2/Sjuk/sjuk\\_aktivitetsersattning!/ut/p/a1/jdBNDoIwEAXgs3gAaamFsG0gQFVQSqrQjQGDIQSoQZTri6zU-De7Sb6XvBkgQAJEk11LmXWlarLqvgtzh33H1j0bLLaBSyChTmjgMEJegAaQPglvjhXldM6Qz0xvHZv\\_5eGH](https://www.forsakringskassan.se/statistik/statistik_och_analys2/Sjuk/sjuk_aktivitetsersattning!/ut/p/a1/jdBNDoIwEAXgs3gAaamFsG0gQFVQSqrQjQGDIQSoQZTri6zU-De7Sb6XvBkgQAJEk11LmXWlarLqvgtzh33H1j0bLLaBSyChTmjgMEJegAaQPglvjhXldM6Qz0xvHZv_5eGH))

<b>Age/Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>19</b>	4 151	2 937	1 964	2 001
<b>20-24</b>	7 658	8 950	10 122	11 146
<b>25-29</b>	9 471	10 449	11 227	11 878
<b>Total</b>	21 280	22 336	23 313	25 025

Even if the trend of increasing numbers of young persons with disability allowance was not as clear in all the age-groups the years immediately after the implementation of the new reform in 2003, as in the years just before, the overall picture is the same. The rise in number started in the end of the 1990's and has continued ever since.

Table 3 shows the share of the age group, indicating an increasing share of the young population having Disability Pension/Temporary Disability Allowance before 2003 and Activity Compensation after 2003.

Table 3: Share of the age group in the population with Disability Pension/Temporary Disability Allowance/Activity Compensation<sup>6</sup>

<b>Percent/ Year</b>	<b>1998</b>	<b>2002</b>	<b>2006</b>	<b>2007</b>
<b>under 20</b>	0,8	1,1	0,4	0,5
<b>20-24</b>	1,0	1,3	2,1	2,2
<b>25-29</b>	1,2	1,6	2,2	2,3
<b>Total</b>	1,0	1,4	1,6	1,7

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6 SOU 2008:102, p. 66, my translation

Table 4 and 5 show new ACs per 100 000 individuals in the population. Here with focus on mental illness and two different categories of diagnoses – mood disorders and anxiety – and stress related disorders. Table 4 shows women. Table 5 shows men.

Table 4: New ACs/100 000 in the population – with focus on mental illness and two sub-categories, mood disorders (F40-48) and anxiety- and stress-related disorders (F30-39), women aged 19-29 years<sup>7</sup>

<b>Year/Diagnosis Group</b>	<b>Mental Illness</b>	<b>Mood Disorders</b>	<b>Anxiety-and stressrelated disorders</b>
1990	43,7	2,4	11,3
1995	67,6	5,1	17,9
2000	118,1	18,0	28,0
2005	266,1	86,3	61,5

Table 5: New ACs/100 000 in the population – with focus on mental illness and two sub-categories, mood disorders (F40-48) and anxiety- and stress-related disorders (F30-39), men aged 19-29 years<sup>8</sup>

<b>Year/Diagnosis Group</b>	<b>Mental Illness</b>	<b>Mood Disorders</b>	<b>Anxiety- and stress related disorders</b>
1990	56,0	1,9	8,6
1995	73,5	5,0	9,6
2000	110,4	9,5	14,6
2005	214,9	32,6	46,6

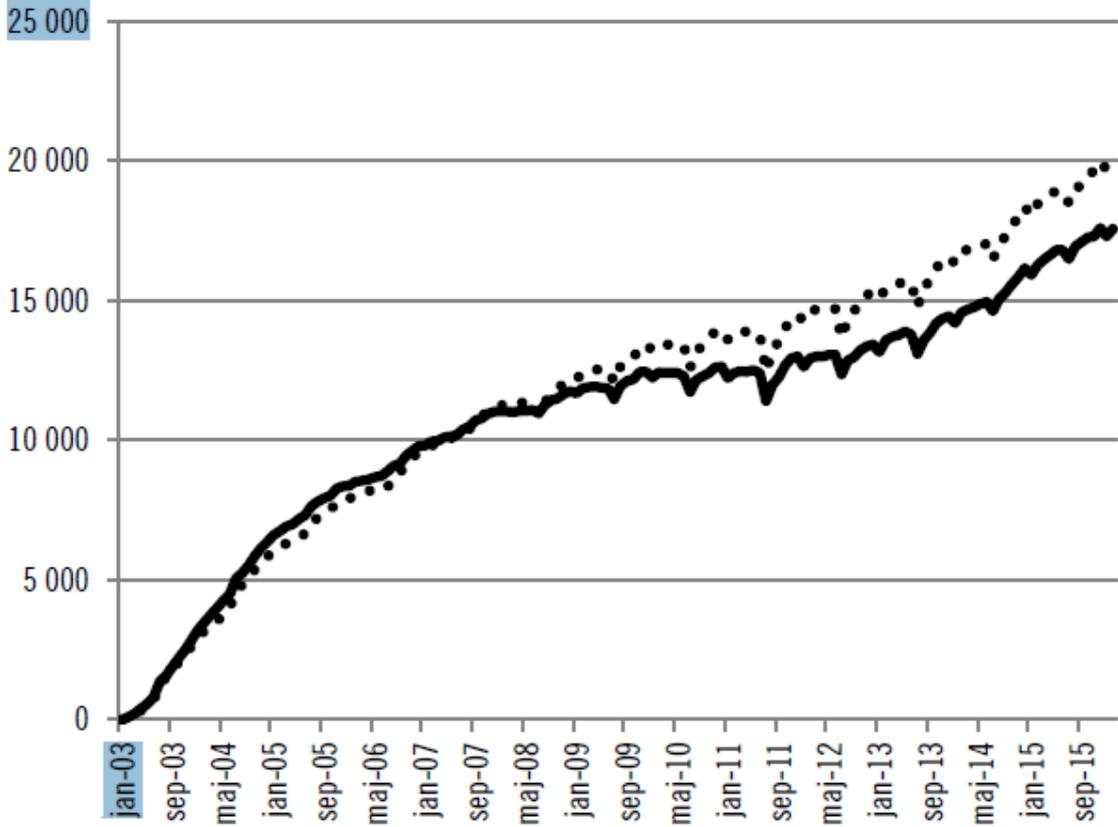
Figure 1 shows that more men than women have AC. As an example, 17 600 women had AC in December 2015, while the corresponding number for men was 20 000. This trend has been clear the last 7 years.

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7 Försäkringskassan Redovisar 2007:4, p. 24, own arrangement and translation

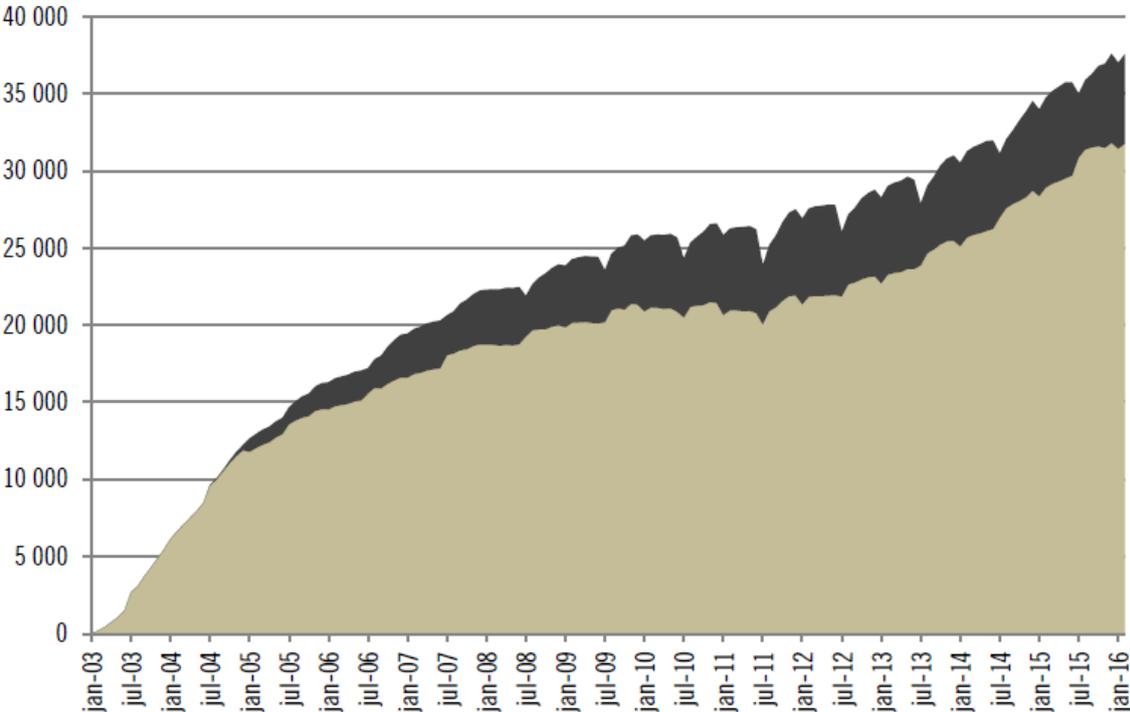
8 Försäkringskassan Redovisar 2007:4, p. 27, own arrangement and translation

Figure 1: Number of persons with AC, men (dots) and women (black line), January 2003 - September 2015



In December 2015, approx. 38.000 persons had AC. Approx. 85 percent of them were granted AC due to reduced capacity for work and 15 percent were granted AC due to extended schooling. Though looking specifically at the very youngest age groups, a majority is granted AC due to extended schooling.

Figure 2: Numbers with AC, distributed by type of entrance. AC due to reduced capacity for work (grey) and AC due to extended schooling , January 2003 - September 2015



The investigations preceding inscriptions in special schools have been discussed and criticized in Sweden. Evaluations have pointed to the fact that the inclusion criteria are unclear and the assessments leading up to a placement in a special school have sometimes been poor. Since many of the persons who have been granted AC due to extended schooling are inscribed in special schools, inaccuracy in the special school system automatically cause inaccuracy in AC.

Table 6: Number of days with sickness cash benefit (short-term) among persons aged 16-29 years. December 2000, 2005, 2010, 2015<sup>9</sup>

Year/Age	2000	2005	2010	2015
16-29	676 2000	671 2000	344 5000	6 633 000

Stricter eligibility rules and a time-limit were introduced in 2008. These changes had, as expected, a very strong impact of the numbers of days with sickness cash benefit, by cutting this figure by half for a short time.

Table 7: Activity Compensations in December 2003, 2008, 2013, number of persons<sup>10</sup>

Year/Age	2003	2008	2013
19-29	21 280	27 883	32 083

9 Own arrangement, statistics downloaded from

[https://www.forsakringskassan.se/statistik/statistik\\_och\\_analys2/Sjuk/sjuk\\_rehabiliteringspenning/!ut/p/a1/pVPbUslwEP0WHnzMJA3p7bFThgIKSitC-9JJeoFwKYXGS\\_16wwyiRbCl-5BsJie7Z\\_dsYAAAnMMjoc59SwdcZXe7OgRaStstWHBvd3vfbFrK6rYFKBkPs2BocwwAGUSZyMYN-tM5EkokuUGFkCEKwRdVd\\_68X8NtMqOML7ItjybFnmSZXL\\_9XKXKo94DH1qpiqKVASaJtUBUSkFJiUY6ISiVE-ljJJDcvclD3TGLFQtzXBxS5bW7brt\\_p2i2Or-QHgeEMJUEYu7ria8-Bpf3z\\_E3BJa2sqqMY4QbEKQKOntkxCBn1jOMJkRGCvDiCr4PPNjrCkzDt53wSc1Ov86YbraBZSOUIIEWLoy47oZzvikdD7kpgxpqfSgKZQBRDDZMBkzAAojtI0ZlhHanzM\\_qQGV7A\\_TOkx4yORPPyd8UVD2atT\\_Z-Mr\\_pX-WplNEvOwcl1yub7Y7oaA8qM8tVqND4AxIGO3A!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk\\_rehabiliteringspenning%2Fsjukpen\\_offstat1%2Fsjukpen\\_offstat1 07-06-2016](https://www.forsakringskassan.se/statistik/statistik_och_analys2/Sjuk/sjuk_rehabiliteringspenning/!ut/p/a1/pVPbUslwEP0WHnzMJA3p7bFThgIKSitC-9JJeoFwKYXGS_16wwyiRbCl-5BsJie7Z_dsYAAAnMMjoc59SwdcZXe7OgRaStstWHBvd3vfbFrK6rYFKBkPs2BocwwAGUSZyMYN-tM5EkokuUGFkCEKwRdVd_68X8NtMqOML7ItjybFnmSZXL_9XKXKo94DH1qpiqKVASaJtUBUSkFJiUY6ISiVE-ljJJDcvclD3TGLFQtzXBxS5bW7brt_p2i2Or-QHgeEMJUEYu7ria8-Bpf3z_E3BJa2sqqMY4QbEKQKOntkxCBn1jOMJkRGCvDiCr4PPNjrCkzDt53wSc1Ov86YbraBZSOUIIEWLoy47oZzvikdD7kpgxpqfSgKZQBRDDZMBkzAAojtI0ZlhHanzM_qQGV7A_TOkx4yORPPyd8UVD2atT_Z-Mr_pX-WplNEvOwcl1yub7Y7oaA8qM8tVqND4AxIGO3A!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk_rehabiliteringspenning%2Fsjukpen_offstat1%2Fsjukpen_offstat1 07-06-2016)

10 Own arrangement, statistics downloaded from

[https://www.forsakringskassan.se/statistik/statistik\\_och\\_analys2/Sjuk/sjuk\\_aktivitetsersattning/!ut/p/a1/pVNNU8lwEP0tHDxmqbpb17EDUKCL0lqhvXSSiKJACTil1I9vmEG0CBZ0D5nN5O3u230bGMERjHK64RMq-DKnT9t7pMek02oqThPd3LltG9ndVI8j\\_QF2XAYHMIJRkouVmMIwWeZinItifiUKIVMUgs-r7uxld8Z0LviGi7FEPxdUiJznk1-etmVVCU9hiChREpXowNATBRCCGoCa1AJI1ZLUsijTLcx5h5I3OmE2qrZlergl2-p2vbZ7qyhNbRe\\_Bzj-QAKUwMMdT3fuff3C-J-Ac8Za00E1xxGKVQAKHtuyCOM75iDAJCCwVweQXfDZeh3ZUuKttG8Cjuo1\\_nTjZTKNqdyisogxDOVEjJMT8RXof0nMGDMyaUBXqJTYtBiwGDMBSpMsSxk2kJYesj-qwR\\_Y7zf0kPGBSNfkO-OzlrJXp\\_o\\_GV\\_8p1aLhamWnIO5Z5bq-002GALKzPLVbjQ-ALBprNY!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk\\_aktivitetsersattning%2Fsjukers\\_aktors\\_offstat2%2Fsjukers\\_aktors\\_offstat2 2016-06-07](https://www.forsakringskassan.se/statistik/statistik_och_analys2/Sjuk/sjuk_aktivitetsersattning/!ut/p/a1/pVNNU8lwEP0tHDxmqbpb17EDUKCL0lqhvXSSiKJACTil1I9vmEG0CBZ0D5nN5O3u230bGMERjHK64RMq-DKnT9t7pMek02oqThPd3LltG9ndVI8j_QF2XAYHMIJRkouVmMIwWeZinItifiUKIVMUgs-r7uxld8Z0LviGi7FEPxdUiJznk1-etmVVCU9hiChREpXowNATBRCCGoCa1AJI1ZLUsijTLcx5h5I3OmE2qrZlergl2-p2vbZ7qyhNbRe_Bzj-QAKUwMMdT3fuff3C-J-Ac8Za00E1xxGKVQAKHtuyCOM75iDAJCCwVweQXfDZeh3ZUuKttG8Cjuo1_nTjZTKNqdyisogxDOVEjJMT8RXof0nMGDMyaUBXqJTYtBiwGDMBSpMsSxk2kJYesj-qwR_Y7zf0kPGBSNfkO-OzlrJXp_o_GV_8p1aLhamWnIO5Z5bq-002GALKzPLVbjQ-ALBprNY!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk_aktivitetsersattning%2Fsjukers_aktors_offstat2%2Fsjukers_aktors_offstat2 2016-06-07)

While the numbers of days with sickness cash benefit decreased after the implementation of stricter rules, the same tendency does not occur in the number of persons with AC. Even though some of the stricter rules also affected AC, the numbers of recipients has continued to increase.

Table 8: New activity compensations, number of persons in December 2003, 2008, 2013<sup>11</sup>

<b>Year/Age</b>	<b>2003</b>	<b>2008</b>	<b>2013</b>
<b>19-29</b>	4 727	6 247	7 328

The increasing number of persons on AC is both a result of more persons entering the system and of difficulties leaving the system. AC was introduced to make it easier for young persons to take up work after a period of long term disability/disease. This aim has not been fulfilled.

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11 Own arrangement, statistics downloaded from

[https://www.forsakringskassan.se/statistik/statistik\\_och\\_analys2/Sjuk/sjuk\\_aktivitetsersattning/lut/p/a1/pVNNU8lwEP0tHDxmkqbp17EDUKL0lqhvXSSIkJACTil1I9vmEG0CBZ0D5nN5O3u230bGMERjHK64RMq-DKnT9t7pMek02oqThPd3LltG9ndVI8j\\_QF2XAYHMIJRkouVmMIwWeZinItifUKIVMUgs-r7uxld8Z0LviGi7FEPxdUiJznk1-etmVVCU9hiChREpXowNATBRCCGoCa1AJI1ZLUsijTLCx5h5I3OmE2qrZlergl2-p2vbZ7qyhNbRe\\_Bzj-QAKUwMMdT3fuff3C-J-Ac8Za00E1xxGKVQAKHtuyCOM75iDAJCCwVweQXfDZeh3ZUuKttG8Cjuo1\\_nTjZTKNqdyisogxDOVEjJMT8RofOnMGDMyaUBXqJTYtBiwGDMBSpMsSxk2kJYesj-qwR\\_Y7zf0kPGBSNfkO-OzlrJXp\\_o\\_GV\\_8p1aLhamWnIO5Z5bq-0O2GALKzPLVbjQ-ALBprNY!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk\\_aktivitetsersattning%2Faktors\\_offstat%2Faktors\\_offstat2](https://www.forsakringskassan.se/statistik/statistik_och_analys2/Sjuk/sjuk_aktivitetsersattning/lut/p/a1/pVNNU8lwEP0tHDxmkqbp17EDUKL0lqhvXSSIkJACTil1I9vmEG0CBZ0D5nN5O3u230bGMERjHK64RMq-DKnT9t7pMek02oqThPd3LltG9ndVI8j_QF2XAYHMIJRkouVmMIwWeZinItifUKIVMUgs-r7uxld8Z0LviGi7FEPxdUiJznk1-etmVVCU9hiChREpXowNATBRCCGoCa1AJI1ZLUsijTLCx5h5I3OmE2qrZlergl2-p2vbZ7qyhNbRe_Bzj-QAKUwMMdT3fuff3C-J-Ac8Za00E1xxGKVQAKHtuyCOM75iDAJCCwVweQXfDZeh3ZUuKttG8Cjuo1_nTjZTKNqdyisogxDOVEjJMT8RofOnMGDMyaUBXqJTYtBiwGDMBSpMsSxk2kJYesj-qwR_Y7zf0kPGBSNfkO-OzlrJXp_o_GV_8p1aLhamWnIO5Z5bq-0O2GALKzPLVbjQ-ALBprNY!/?1dmy&urile=wcm%3apath%3a%2Fcontentse%2Fstatistik%2Fstatistik%2Fsjuk%2Fsjuk_aktivitetsersattning%2Faktors_offstat%2Faktors_offstat2)

07-06-2016

Table 9: Number of persons with Activity Compensation AC due to mental disease (F00-F99, ICD-10) in December 2003, 2008, 2013<sup>12</sup> own arrangement, statistics downloaded from

<b>Year/Age</b>	<b>2003</b>	<b>2008</b>	<b>2013</b>
<b>19-29</b>	11 957	19 382	23 078

Looking at the total amount of recipients (table 9) and at the numbers of recipients who have a mental diagnosis (table 11) we can conclude that a large and increasing share of the persons with AC has a mental diagnosis on their medical certificate. Today, more than ten years after the implementation of AC, we can also draw the conclusion that the ones who the reformers had in mind when planning AC, are not the same ones that constitute the majority. While the reform was made for young persons with severe disability, young persons with common mental disorders (CMD) are the biggest group.

In the report from the Swedish Social Insurance Inspectorate (ISF 2011:10), the conclusion is drawn that the main driving force behind the increase in number of recipients is the inflow of young persons who get AC due to extended schooling. Around 80 per cent of the 19 years old granted AC in 2009, got it for extended schooling. The majority of this group is persons with a mental disability. Persons with AC due to extended schooling get their AC automatically, without having their capacity for work assessed. What has been seen as a problem is that most of the young persons who get AC for extended schooling, get AC for incapacity for work later. So, AC for extended schooling has been described as blazing the trail for AC for incapacity for work.

In a report (Jonsson et al 2013) ordered by the social insurance investigation, risks for suicide and suicide attempts among recipients of AC were examined. Data from 3 cohorts were included, i.e. young adults aged between 19 and 23 and living in Sweden 1995, 2000 and 2005. One conclusion drawn was that the risks of suicidal behavior are bigger among persons with AC, than among persons

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<sup>12</sup> own arrangement, statistics downloaded from

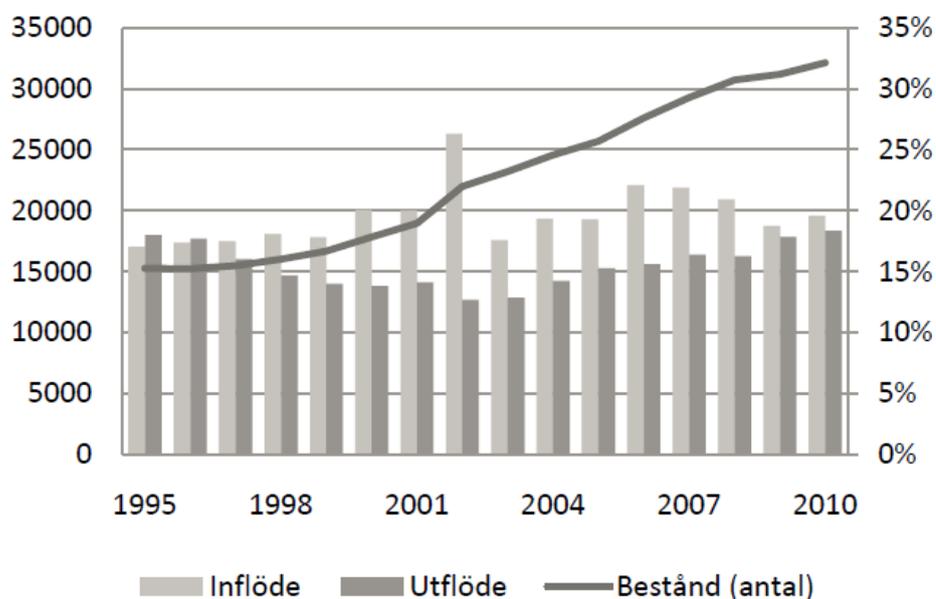
[https://www.forsakringskassan.se/wps/wcm/connect/b0d2cd9b-0622-4236-8d0f-39cf0a25d335/Bestand\\_SA\\_per\\_diagnos.xls?MOD=AJPERES](https://www.forsakringskassan.se/wps/wcm/connect/b0d2cd9b-0622-4236-8d0f-39cf0a25d335/Bestand_SA_per_diagnos.xls?MOD=AJPERES) 09-06-2016

without AC. The risks remain over time, although the total amount of recipients has more than doubled. This finding is notable especially when taking into account that the numbers of committed suicides are decreasing in all age groups except for the youngest. Moreover, the over risk of suicidal behavior was biggest among persons with a mental diagnosis and were found among the majority of the groups of mental diagnoses.

Another report (Olofsson & Östh 2011) ordered by the same social insurance investigation draws the conclusion that the increase in numbers of recipients of AC probably can be related to entry barriers of the labour market. Another explanation is that medicalization of social problems has opened up new opportunities to 'offer' AC as a source of income for young persons with problems entering the labour market. The study confirms that level of education and socio-economic factor seem to play a role for the 'risk' of getting AC. In the report, measures to facilitate for young persons who have not finished their education on upper secondary level are suggested.

The number of young persons with disability pension (before 2003 Disability Pension and Temporary Disability Allowance) has more than doubled since 1995. The numbers of persons that have gotten AC granted for the first time is higher than the number of persons that have left the programme. The following figure gives a picture of this development. In the beginning of the 21th century a trend started where many more periods were started than ended. In 2002, when the new rules were soon to be implemented, the difference is clear-cut. The increasing difference between started and ended periods occurred at the same time as the numbers of persons on sick-leave had been increasing for a long time.

Figure 3: Started and ended periods with AC measured as share (right axis) of numbers of persons with AC (left axis) 1995-2010. The bars indicate inflow (left bar) and outflow (right bar).<sup>13</sup>



There is no clear picture of what happens when persons leave AC (Riksrevisionen 2015). The Swedish Social Insurance Agency started to register reasons for leaving AC in Mai 2014, but no preliminary results have been presented from this register. We do know that many persons with AC leave when they turn 30. While leaving AC at a lower age indicates that the capacity for work has increased, leaving AC at the age of 30 does not necessarily means that the capacity for work has increased. The reason for leaving AC at the age of 30 is more often a result of the construction of the programme.

## 4.2 Impact on organization and cooperation

In relation to activities and the issue of creating meaningful activities for persons with disabilities and for unemployed persons the concept of ‘social enterprises’ has become a widely discussed topic by Swedish policy makers. Fredrik Bergman, founder of Macken, a social enterprise in Sweden that has grown big and gotten much attention in the media, explains that the social enterprises have an integrative potential since they function as a bridge into the labour market for persons who have

<sup>13</sup> ISF 2011:10, p. 22.

difficulties in entering it 'the usual way'. In a social enterprise people feel that what they do is valuable and 'for real', they invest in their own future by putting in time and effort in their activities. Running a social enterprise in Sweden is nevertheless associated with obstacles, due to Fredrik Bergman<sup>14</sup>. Sweden has a strong tradition of a large-scale public sector that tends to swallow new initiatives and incorporate them into its own business. A national association is recently being established in order to look after the interests of the social enterprises in Sweden. A public inquiry is currently being done. This inquiry is led by Lars Bryntesson.

### **4.3 Evaluations and lessons learned**

The increase in numbers of recipients has been a widely discussed theme. The right wing government set up a special investigation in 2007, in order to evaluate the reform of AC. This investigation (SOU 2008:102), presented in 2008 concluded that AC had failed. The intention behind the activities, to facilitate for young persons who for medical reasons had an incapacity for work, had not been realized. Most young persons with AC had not taken part in any activities. Some had participated in different kinds of activities, but all in all only a small share of the persons who had once get granted AC left the system for salaried work. The new reform had not succeed in its' intention to eliminate the lock-in effects of the old disability pensions system.

The investigation suggested the government to abolish AC and to introduce a new system, called sick compensation for young persons (SC for young persons) (sjukersättning för unga). The suggested system would reintroduce the possibility for persons under the age of 30, to get SA permanently. Furthermore, the eligibility criteria for SC for young persons was to be stricter and persons whose medically caused incapacity for work was hard to assess in terms of severity and duration were to be channelled to the Employment Office.

Persons with AC due to extended schooling should get their income source moved from the public health insurance system to the Swedish Student Aid (Centrala Studiestödsnämnden). The argument behind was that AC for extended schooling separated persons who due to disability needed more time to finish school in a way that was difficult to reconcile with overall disability policies stressing inclusion.

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14 E-mail received 02-06-2016.

In 2008, stricter rules were implemented in different parts of the public health insurance. The new rules mainly applied for other sickness benefit and sickness compensation, but some aspects concerned activity compensation as well. The notion of “incapacity for work” was tied closer to medical criteria. No other circumstances than strictly medical one were allowed to be taken into account while assessing a person’s incapacity for work at the social insurance office. Furthermore, the notion of “gainful employment” was widened. From now on, the capacity for work should be evaluated in relation to all possible jobs.

The content of the activities has been discussed. Generally speaking, persons who have participated in activities have appreciated this opportunity. Going to the gym once a week or taking a course in marketing have broken the isolation and/or enhanced their self-confidence. At the same time, the activities have been criticized from outside, as they have not shortened the way to salaried work.

To sum up the impact and lessons learned, the trend of an increasing number of young persons with AC has been stable since the reform was introduced in 2003. The majority of the persons with AC have mental disorders on their medical certificate. Analyses of the group of young persons with AC have shown that the risks of suicidal behavior are bigger among persons with AC, than among persons without AC. Furthermore, the level of education and socio-economic factor seem to play a role for the ‘risk’ of getting AC.

AC as a reform has been criticized. The intention behind the activities has not succeeded. The activities have not made it easier for persons with AC to enter the labour market. The increasing number of persons with AC for extended schooling has been another topic of discussion. The stricter rules introduced in 2008 do not seem to have had an impact on the numbers of new activity compensations.

## 5. OUTLOOK

### 5.1 National political discussions since implementation

The suggestions made in the report SOU 2008:102 have, for different reasons, not been paid much attention to after the presentation. Small changes have been made in AC. The rules regulating the right to study or work without jeopardizing one's own financial security, so called dormant benefit, have been adjusted, but the major reform suggested in the special investigation has not been embraced. Leading politicians, including ministers, have nevertheless criticised AC and pointed to the fact that the numbers of recipients have increased dramatically since the reform was launched. AC has also been criticized in a report from the Swedish National Audit Office (Riksrevisionen 2015).

### 5.2 Current relevant developments

In the final report from the comprehensive investigation of the Swedish Social Insurance System (SOU 2015:21) one of the suggestions was to consider the suggestions made in the evaluation of AC, SOU 2008:102.

In the budget of 2016, investment in improving mental health among young people is being made. Furthermore, the rule of law when assessing the right to AC is to be highlighted. Increased financial resources are given to the collaboration agencies all around the country.<sup>15</sup>

One suggestion made is that permanent sick allowance can be granted persons from the age of 19. A young person with a severe disability, whose incapacity for work is assumed to be life-long will be granted sick compensation on a permanent basis. Today, young persons whose capacity for work is obviously permanent still has to have their case re-examined after no longer than three years. This practice has been much criticized since it makes the administrators at the social insurance office spend much time on cases where the outcome is already clear, instead of for example working with cases where the activities might lead to an improved capacity for work. The practice has also been criticized for being inhuman, unnecessarily exposing young persons with severe disabilities for stress when demanding them to have their incapacity for work assessed several times.

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15 Email correspondence with Esbjörn Åkesson, Ministry of Social Affairs.

In a memorandum (Ds 2016:5) the rules surrounding dormant benefit are suggested to be changed once more. The goal is to facilitate for persons with AC to try out whether their functionality allows them to study or work and at the same time keep their financial stability through AC. The changes also concern the possibility to combine two sources of incomes, AC and salary, for a transitional period.

SOU 2013:52 concerns Student Aid. One of the suggestions here is the one already presented in SOU 2008:102. Young Persons with AC due to extended schooling should get their income source moved from the public health insurance system to the Swedish Student Aid (Centrala Studiestödsnämnden).

Programmes within the field of vocational rehabilitation and activation policy that are put forward as good examples – in the media and in the political discussion – are often local collaboration agencies. Lyra in Huddinge and DISA in Gothenburg have recently been pointed out as Swedish flagship-programmes in a Nordic context (Nordic Centre for Social and Welfare Issues 2016).

The Inspectorate of the Swedish Social Insurance is currently investigating the situation for persons who leave AC when they turn 30. Statistics have indicated that many young persons (almost 90 per cent) with AC get granted SC, which is a permanent benefit, when they reach the upper age limit.<sup>16</sup>

To sum the outlook, many of the suggestions already made in the evaluation of the reform in 2008, are now taken up as issues on the political agenda. The current suggestions are not as far reaching as in SOU 2008:102, where the proposal was to abolish AC. Nevertheless extensive changes can be expected. A reintroduction of the possibility to grant sick compensation on a permanent basis also to persons under the age of 30 is one of them.

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16 Correspondence with Malin Olsson at the Inspectorate of the Swedish Social Insurance, 09-06-2016

## Glossary

Aktivitetsersättning: Activity Compensation (AC) Disability Pension for persons aged 19-29

Arbetsförmedlingen: The Swedish Public Employment Service

Bostadstillägg: Housing Supplement

Centrala Studiestödsnämnden (CSN): The Swedish Student Aid

Finansiell samordning: collaboration between different service providers within the welfare state was stipulated in a law in 2003.

Förlängd skolgång: Extended Schooling (schooling for persons who due to disability need more time to fulfill their education)

Försäkringskassan: The Swedish Social Insurance Agency

Förtidspension: Disability Pension, part of the old system but also the term used for the whole system before 2003.

Habiliteringspenning: (habilitation allowance) and long term sick allowance (långtidssjukpenning) suggested benefits that did not get off the ground.

Samordningsförbund: coordinated services from two or more of the organizations involved in the coordination agency. The organizations involved are The Swedish Social Insurance Agency (Försäkringskassan), the Swedish Public Employment Service (Arbetsförmedlingen), municipalities and county councils.

Sjukbidrag: Temporary Disability Allowance, part of the old system

Sjukersättning: Sick Compensation (SC) Disability Pension for persons aged 30-64

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