

Work in the Life of Disability Pensioners in Iceland

Guðrún Hannesdóttir, Sigurður Thorlacius and Stefan Ólafsson

Abstract

The paper surveys the role of work in the life of disability pensioners in Iceland. It is partly based on public data but mostly though on a new survey of disability pensioners, in which the work profile is mapped out along with information on social and health conditions of the individuals. A special focus will be on delineating differential factors shaping work and non-work participation. Thus the role of health conditions, job opportunities, social conditions and attitudes to work will be assessed.

On the whole, the proportion of people at working age who are not working at all is relatively low in Iceland. This does not seem to be due to particularly efficient activation measures, and may in fact have more to do with ample opportunities for work in the country in recent decades. Alternatively those on disability pension seem to have low participation rates and short hours. The paper tries to explain this outcome and relate it to the above factors as well as to the use of rehabilitation measures.

Introduction: Work in Iceland

The Icelanders are known for being a great working nation. No nation has a larger part of the population in employment at any time. This reflects both a high work participation rate amongst Icelandic women as well as amongst the elderly. Indeed many Icelanders stay at paid work up to the age of 70. The Icelanders thus retire later than most other nations, helping to keep pension expenditures modest.

In addition those who work have long average weekly hours. In a normal working week during the year the Icelanders work up to 8 hours more than the more complacent Norwegians. These long hours of the Icelanders are however balanced slightly with rather long summer holidays and relatively many occasional holidays during the year (OECD Employment Outlook, various years). Short-term sickness absence from work is on the other hand rather low by Nordic standards.

Long-term unemployment rates have accordingly been low in most of the post-war period. The rate increased somewhat during the early 1990s, reaching an all time height in 1995 at just over 5%.

When it comes to disability pensioners the picture may appear different. Firstly Iceland seems to have a rather low proportion of people at working ages completely outside the labour force (Ólafsson 2008 and 2005). This may be a consequence of the typically ample job opportunities in Iceland in the post-war period (Arnardóttir and Ólafsson 2008). Certainly Iceland does not excel in labour market activation measures nor in rehabilitation for people with reduced work capacities or special needs (Ólafsson 2005; OECD 2003).

That is perhaps logical given the long-term high work participation rate. The need for such measures was generally not strongly felt. It was only during the 1990s when the incidence rate of disability pensioners started to increase significantly that a growing concern for the need of vocational rehabilitation and even for activation measures gained

momentum (Thorlaciuss and Ólafsson 2008; Thorlaciuss et.al. forthcoming; also Herbertsson 2005).

In a study based on tax data counting employment earnings amongst disability pensioners Ólafsson (2005) found that the estimated employment participation rate was close to 38% of disability pensioners in 1999. This was somewhat lower than the average reported by OECD for its member countries for 1999 (OECD 2003). That however may not really be so, since the OECD uses a wider definition of the disabled (people saying they have some disabilities or health related inhibitions in surveys) whereas the Icelandic figures refer to registered disability pensioners. If we had comparable survey material Iceland may be closer to the European average as regards employment participation than here indicated. But employment participation of the disabled in Iceland is clearly much lower than that of the general public, which is amongst the highest in the world.

In this context it is of great interest to survey the work participation and work-related attitudes of disability pensioners in Iceland and to look for explanations of the outcomes in attitudes and in the support system for participation.

Material and methods

The research is mainly based on “A Survey of the Conditions and Attitudes of Disability Pensioners”. The survey was carried out in September 2008 – January 2009. It was done mainly by telephone interviews but participants who wanted to do so could answer the survey on their computer over the internet.

The participants are a sample that in cooperation with the Social Security Institution was drawn from the list of disability- or rehabilitation pensioners. The size of the sample was 10% of the target group, 1400 from the list of disability pensioners and 100 from the list of those on rehabilitation pension. The net participation rate was 60%. The participants profile is shown in a table in appendix 1.

The survey is extensive and covers areas such as family conditions, housing, education, work, rehabilitation, social activity, the use of services, accessibility, attitudes, income, quality of life and health. This paper is focused on the pensioners’ participation in the labor market.

Results

Work participation and unemployment

Although 96% of the disability pensioners have at some point in their life been on the labor market, only 28% have had a paid job at some time during the last 6 months and 20% are working at this point. At some point 44% have experienced unemployment and 20 % have experienced unemployment in the last 5 years. Only 4% have received unemployment benefit in the last 5 years, further details in appendix 2.

There is a significant relationship ($p < 0.01$) between type of disability (diagnosis) and work participation. Those who were born with their impairment and those with sensory impairment are the most likely to have been in work in the last 6 months. Those with a heart or lung disease are the least likely (Table 1).

Table 1 In paid work in the last 6 months in relation to diagnosis for disability pension

	In work	Not in work	Frequency
All	28,7	71,3	704
Diagnosis for disability pension*			
Mental and behavioural disorders	27,1	72,9	188
Diseases of the musculoskeletal system and connective tissue	26,9	73,1	234
Diseases of the nervous system and sense organs	41,9	58,1	62
Injuries and neoplasms	26,5	73,5	68
Mental retardation, disorders of psychological development and congenital disorders	50,0	50,0	32
Diseases of the circulatory system and the respiratory system	15,7	84,3	51
Other diagnoses	21,4	78,6	42
			677

* $p < 0.01$

This connection is further established by a significant relationship ($p < 0.001$) between the onset of disability pension and work participation. The earlier the pension age the more likely it is for the disability pensioner to have had a paid job in the last 6 months. This is also born out by the significant relationship ($p < 0.001$) between the age of the disability pensioner and his work participation now, where the younger ones are more likely to have a paid job.

Attitude toward work and reason for not participating

The pensioners attitude toward work seems to be very positive and a large majority of the participants consider it very important for disability pensioners to have the opportunity of being active on the labor market (Table 2)

Table 2 How important is it, in your opinion, that disability pensioners have the possibility to get paid work?

	Frequency	Percentage of answers
Very important	611	84,4
Fairly important	92	12,7
Not important	9	1,2
Don't know	10	1,4
Refuse to answer	2	0,3
Total	724	
Missing	32	
Total	756	100%

Work is very important to those pensioners who have a job and they are significantly more likely ($p < 0.01$) to be content with their life than those who don't have paid work (Figure 1).

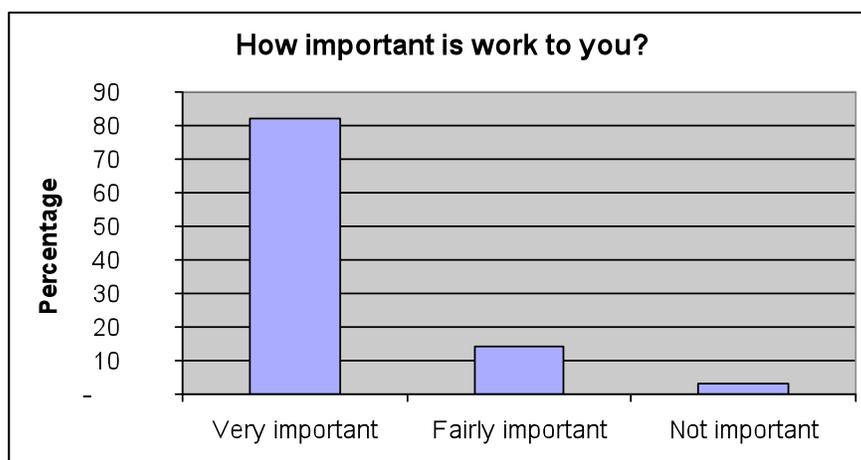


Figure 1

A majority of those who don't have a paid job are interested in paid work now or in the near future (Table 3). More prevalent amongst the younger and the more educated.

Table 3 Are you interested or not interested in paid work now or in the near future? (Asked of those who are not in work)

	Frequency	Percentage of answers
Yes I am interested	371	64,4
No I am not interested	176	30,6
I don't know	24	4,2
Refuse to answer	5	0,9
Total	576	
Missing	180	
Total	756	100%

The main reason the disability pensioners give for their absence from the labor market is poor health. Of those who are not interested to get a job now 80% give that explanation (Table 4). Of those that want to work, but don't have a job, 73% say that it is due to their bad health.

Table 5 Why are you not interested in paid work now?

	Frequency	Percentage of answers	Percentage of repliers
My health is too poor/ it is enough job for me to take care of myself	140	61,7	79,6
I don't feel up to it	45	19,8	25,6
It doesn't pay/loss of pension	14	6,2	8,0
I'm in a rehabilitation program	8	3,5	4,6
I'm in school	3	1,3	1,7
I'm taking care of children/home	4	1,8	2,3
Other reasons	13	5,7	7,4
Total	227	100%	129,00

Multiple choice, 176 people answered

When generally speaking, for all disability pensioners, or people in a similar situation as themselves, the participants consider the system, the pension system in particular, the labor market itself and the employers, to be the biggest hindrance in the way to work (Table 6).

Table 6 What, do you think, stands in the way of disability pensioners participation in the labor market? (An open ended question, grouping based on answers)

	Frequency	Percentage	Percentage of answers
Poor health, disability (handicap)	113	15,0	16,7
The labor market, employers, working conditions etc	160	21,2	23,6
The system, the linking of income and pension, loss of pension	157	20,8	23,2
Prejudice, attitudes, ignorance	58	7,7	8,6
Own lack of courage, self esteem and trust	33	4,4	4,9
Lack of accessibility, support, information, rehabilitation and meeting different needs	42	5,6	6,2
Don't know, all kind of things, not sure	115	15,2	17,0
Total	678	89,7	
Missing	78	10,3	
Total	756	100%	100%

Working hours

The average working hours a week in Iceland is 43 hours (Statistics Iceland). More than 84% of the pensioners that are in paid work now put in less hours than this average and 37% work less than 20 hours a week.

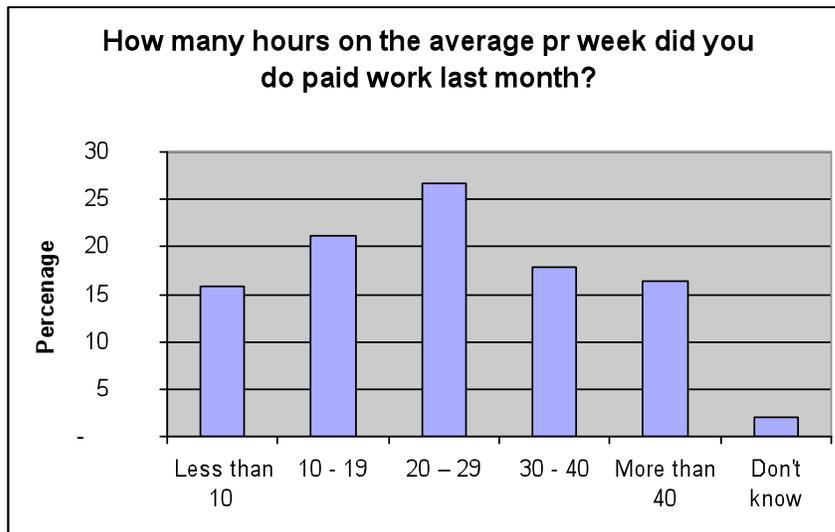


Figure 2

When comparing the average working hours of men and women in Iceland we find that the average is 49 hours a week for men and 36 for women. The difference in paid

working hours of men and women is also significant among the pensioners ($p < 0,01$), with 29% of the men working more than 40 hours as compared to 9% of the women.

Many of the pensioners who are not in paid work at the present time, but interested in getting a job, seem to be unsure of how many hours a week they will be able to put in (Figure 3). Having in mind that the main reason they give for not participating in work at the moment is their lack of health this is not surprising. In general they don't feel up to as long working hours as the pensioners presently in work are putting in.

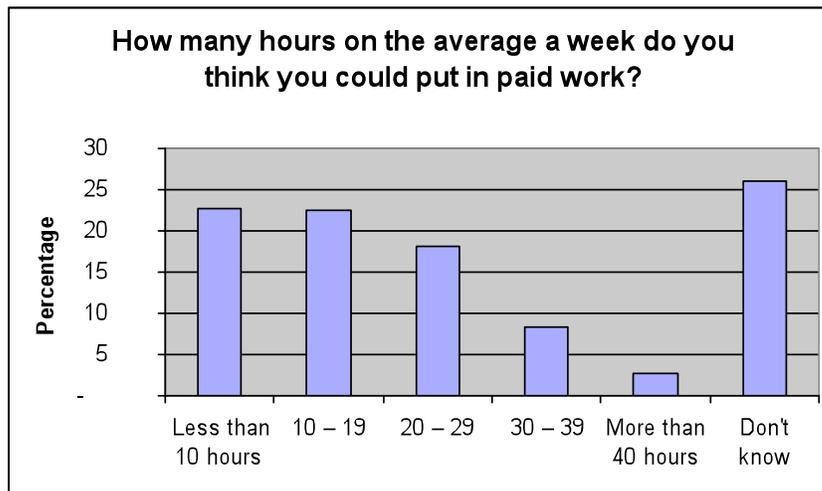


Figure 3

Vocational rehabilitation

A majority of the participants (73%) have at some time received systematic medical rehabilitation, but only 15% have taken part in a vocational rehabilitation program (Figure 4). Of those who have taken part in a vocational rehabilitation program 60% are very pleased with the result.

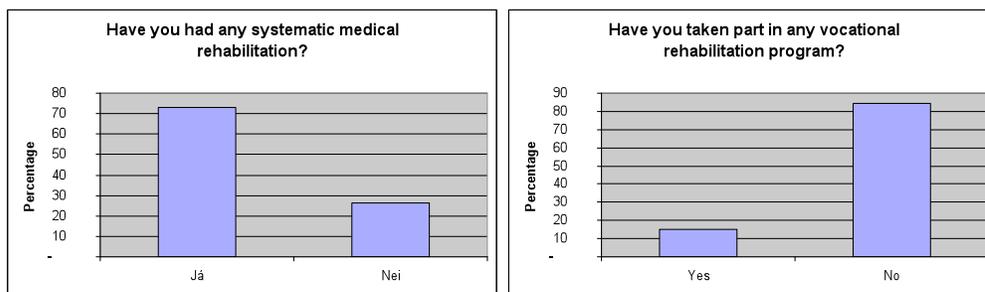


Figure 4

Almost all the pensioners consider it important that people have the possibility of vocational rehabilitation, 79% consider it very important

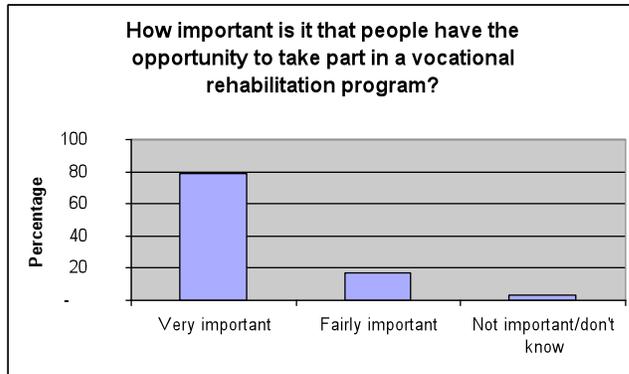


Figure 5

Conclusions

- Although 96% of the disability pensioners have at some point in their life been on the labor market, only 28% have had a paid job at some time during the last 6 months and 20% are working at this point. A majority of those not working are interested in getting a paid job.
- The main reason the disability pensioners give for their absence from the labor market is their health status. This applies both to those that are interested in getting a job and those that are not.
- Most disability pensioners that are interested in work but are not working don't feel up to more than a part time job and many are unsure of their capability.
- The general opinion among the pensioners is that the conditions on the labor market are a hindrance to participation for this group.
 - There is a need for more and fitting part time jobs and a tolerant, flexible labor market as well as employers willing to adjust to special needs of the disabled.
 - The prevailing positive attitude toward work and activation programs among the disability pensioners should encourage the introduction of more activation measures and better use of those already in place.
 - A majority of disability pensioners are women and people with little or no further education. Most have become disabled due to accident or illness later in life and when active on the labor market. It is important that the pension system, the activation programs and the labor market take this into account when planning ahead.

Appendix 1

Participants by sex, age, region, disability, age at onset of pension, parenthood, marital status, former education and recent work participation

	Frequency	Percentage
All	756	100
Sex		
Men	285	37,8
Women	469	62,2
Age		
16-29 years	56	7,6
30-39 years	91	12,3
40-49 years	152	20,6
50-59 years	227	30,8
60 years and older	212	28,7
Region		
Reykjavík	309	41,7
Reykjanes	159	21,5
Vesturland og vestfirðir	43	5,8
Norður- og austurland	142	19,2
Suðurland	88	11,9
Disability		
Mental and behavioural disorders	202	28,0
Diseases of the musculoskeletal system and connective tissue	247	34,2
Diseases of the nervous system and sense organs	67	9,3
Injuries and neoplasms	69	9,6
Mental retardation, disorders of psychological development and congenital disorders	41	5,7
Diseases of the circulatory system and the respiratory system	52	7,2
Other diagnoses	44	6,1
Age at pension		
Younger than 20 years	58	8,7
20-29 years	99	14,9
30-39 years	131	19,7
40-49 years	154	23,2
50-59 years	158	23,8
60 years and older	65	9,8
Parenthood (including step- and foster children)		
Parent	587	78,0
Childless	166	22,0
Marital status		
Married/cohabitation	374	50,7
Single/divorced/widowed	363	49,3
Education before pension		
Compulsory education or less	296	40,4
Vocational studies	126	17,2
Academic studies	216	29,5
University	58	7,9
Other	37	5,0
In paid work in the last 6 months		
Yes	202	28,7
No	502	71,3
In paid work now		
Yes	153	73,9
No	54	26,1

Appendix 2

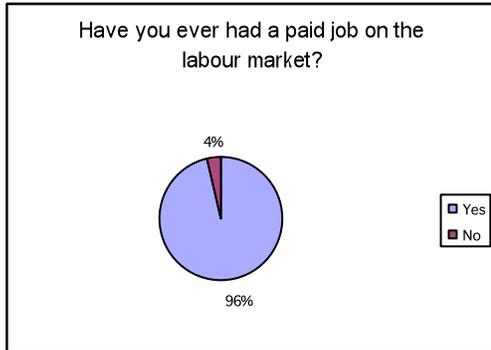


Figure 1

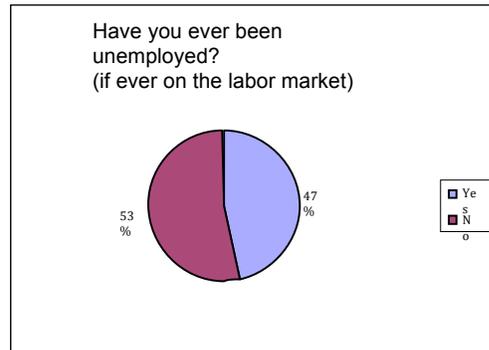


Figure 2

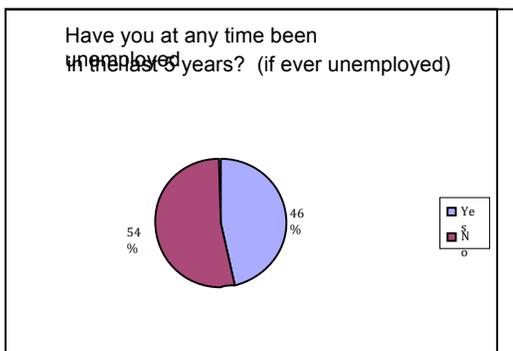


Figure 3

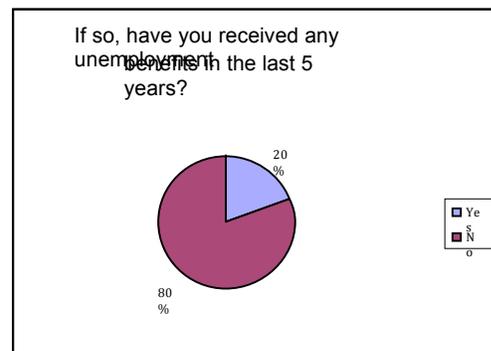


Figure 4

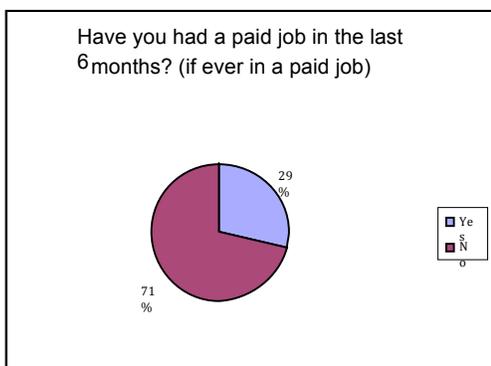


Figure 5

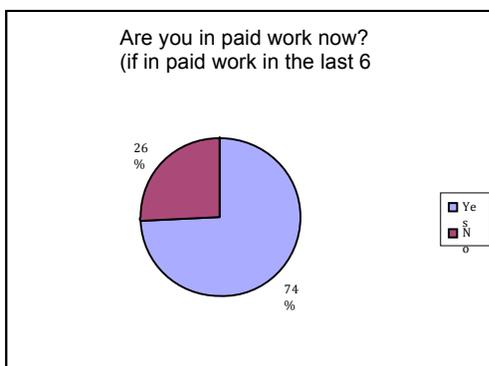


Figure 6

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