FROM CHOICE TO INCENTIVES
Disability and Vocational Rehabilitation Policies in The Netherlands

An ideal-typical analysis of policy assumptions

Wim van Oorschot
Tilburg Institute for Social Security Research
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**Introduction**

In this paper we apply a theoretical framework of relationships between policy assumptions and institutional arrangements for benefits and services aimed at disabled people to Dutch disability and vocational rehabilitation policies. The framework has been developed by Bolderson and Hvinden (1994) and Dropping and Hvinden (1996).

Our time perspective runs from the 1960’s and 1970’s, in which the major, comprehensive national Dutch acts on disability benefits and services were implemented, through the 1980s, in which first revisions of the schemes took place, until the 1990’s, in which the schemes were restructured again substantially.

The paper has two sections. A first one, in which we will briefly describe the history and main structure of the overall Dutch system of social security to set disability benefits and services in a broader welfare perspective. In this section we will also shortly discuss the socio-economic background and reasons for the reconstruction of schemes in the 1980s and 1990’s, followed by a description of the reconstructions themselves. A main conclusion will be that recent policy changes have resulted in a tension between, on the one hand, extended measures to (re-)integrate people with working disabilities and, on the other hand, the fact that incentives for employers have been constructed such that they profit from hiring employers with a minimal disability and sickness risk.

In the second section we will present and then apply the theoretical framework to the separate Dutch acts on disability benefits and vocational rehabilitation. The aim is here to typify the acts according to the five different ideal-type models of policy assumptions that are included in the framework. Finally, we will summarise the results in a matrix and draw some conclusions. The main conclusion will be that in the period analysed a shift has taken place from choice-led towards incentive-led policies.

1. History, main structure and reconstruction of the Dutch system of social security

1.1 The period of construction: 1900s – 1970s

The beginning of the Dutch social security system lies at the end of the nineteenth century. As the social consequences of the industrial revolution became more apparent, the fear arose that they could disrupt society. Together with the increasing claims for poor law support, this gave rise to the conviction that measures protecting people against social risks were necessary. During the period between 1901 and the Second World War, a number of schemes was introduced covering the social risks of work injuries, invalidity (including old age) and sickness. All these schemes were confined to waged workers. The principle for social protection, by then broadly accepted, was the concept of the ‘just wage’. This held that wages should also cover situations in which a worker would not be able to work because of factors beyond his or her control. In other words, labour cost increasing contributions for social insurances were seen as a legitimate part of the wage-cost. Compulsory social protection for the self-employed was absent, because of cost and the absence of a sufficiently accepted legitimising principle.

After the Second World War the Dutch social security system expanded rapidly. Inspired by the inadequacies of the pre-war system, hope for a new and better society and, not least, Beveridge’s reports the Van Rhijn Commission presented its blueprint for a new system in 1945. Significantly, the legitimising principle for social security was broadened from the ‘just wage’ to the idea that ‘society, organised in the state, is liable for the social security and protection against want of all its members, on the condition, that citizens themselves do all that can be reasonably expected in order to acquire such security and protection’ (Van Rhijn, 1945;4). This principle opened the door for a system that included all citizens, not just waged workers.

In the years after the Van Rhijn report a number of so called ‘people’s insurances’ was introduced by the state, which for all citizens covered old age, death (survivors) and disability. These schemes were highly collective, in the sense that they were designed and controlled by the state, and highly ‘solidary’: bad risks were not excluded and contributions were proportional to income instead of to risk. In specific cases people could claim benefits even if they had never paid a contribution. The
new principle also gave way to the construction of a national safety net, or social assistance scheme, which replaced the inadequate poor law. The new principle also broadened the responsibility of the state with respect to workers’ insurances. This led to a national unemployment insurance scheme for waged workers, as well as to a collectivisation and ‘solidarisation’ of schemes covering the risks of work injury, invalidity and sickness. As for the first, funds were merged into national funds and schemes were harmonised and ultimately replaced by uniform, national schemes. As for the second, entitlement conditions were broadened resulting in broader, encompassing populations of insured workers; bad risks were not excluded anymore and contributions were levied as a percentage of the wage and no longer related to differences in risk. The new schemes and regulations mostly took effect in the 1950s and 1960s, and created large-scale horizontal, as well as vertical solidarity in the Dutch system of social security. The first means that good risks also paid for the bad risks, the second that higher incomes also paid for lower incomes.

The process of collectivisation and ‘solidarisation’ got a strong impulse in the 1960s when the christian-democrat Veldkamp became Minister for Social Affairs. Possibly encouraged by the economic prosperity of those years, he formulated a new broader legitimising principle for social security, holding that ‘every citizen has a right to self-realisation and to equality of chances’ (TK 1962/63). This principle had its strongest effect on the new disability schemes that were under construction precisely during that period. It stressed the general, societal character of social risks and the mutual responsibility citizens therefore have for each other’s life chances. It regarded the right to social security as universal and unconditional, and thus lacked the element of reciprocity which formed the basis of Van Rhijn’s legitimising principle.

Basically Dutch social security of the late 1970s contained three types of scheme, whose main structure is still present today, despite all the revisions of the last decade.

First, there are the so-called people’s insurances, covering the demographic risks of old age, survivors and child benefit, as well as long-term disablement. These national insurances are all compulsory, contributive, non means-tested schemes to which all citizens are entitled. Waged workers and the self-employed pay contributions that are proportional to income, while benefits are flat rate at subsistence level (which is in effect the level of the statutory minimum wage).

Second, there are the so-called workers’ insurances, covering unemployment, long-term disablement and sickness. These schemes are also compulsory, contributive and non means-tested, but are confined to all employees (with the exception of civil servants, for whom there are separate schemes). Contributions are paid as a percentage of wages, while benefits are wage-related.

Third, there is the safety net of social assistance for all citizens. Social assistance is non-contributive and paid from general taxes. It is means-tested, with tests on assets and incomes of claimants and their partners. Benefits are up to subsistence level.

With the final implementation of the revised disability insurance for all citizens in 1976 (the AAW-act), the period of expansion, collectivisation and ‘solidarisation’ of the Dutch system came to an end. Veldkamp’s principle already started to lose its appeal after the effects of the first oil crisis were felt. The economic optimism of the 1960s was replaced by caution, followed by pessimism and ultimately by a deep crisis by the end of the 1970s and early 1980s. One of government’s responds to the crisis was a reconstruction of the system of social security.

1.2. The period of reconstruction: 1980s – 1990s

Socio-economic background, reasons and facts
The post-war collective and solidaristic system had its heyday between the late 1960s and the early 1980s. Since then it has been under permanent reconstruction. The reasons and arguments for this differ for various types of scheme and their general character has changed in due course. Here we will sketch the main lines first and then concentrate on the schemes regarding long-term and short-term (sickness) disability.

Of first and crucial importance for the reconstruction of the system has been the steady rise in the number of claims for the workers’ insurances and for social assistance in the course of the 1970s,
followed by an alarming steep increase of unemployment and assistance dependency from 1978 to 1982. As Table 1 shows, the number of people claiming unemployment benefits doubled from 1970 to 1978, and doubled again between 1978 and 1982, while the number of social assistance beneficiaries increased in those first eight years by 100,000, and by more than 250,000 in the next four years. The number of disability claims had a steadier, but by no means less meaningful, growth. Due to the broad definition of disability, based on Veldkamp’s universal principle, the scheme had low access thresholds and attracted many older workers who otherwise, with more stringent entitlement criteria, would have been laid off and become unemployed. In other words, the number of beneficiaries of the disability scheme contains a large ‘hidden’ unemployment. The number rose steadily from 215,000 in 1970 to 707,000 in 1982. So, the lesson from the economic crisis was clear: the system was overloaded and could eventually collapse.

The initial reaction was to try to keep social expenditures for worker’s insurances under control by lowering the duration and level of benefits. This reaction was known as ‘price’ policy, because it was mainly directed at keeping the system affordable. However by 1990, the number of workers’ insurance beneficiaries had increased by over 300,000 since 1982, which more than offset the decline in the number of social assistance beneficiaries during this period. Subsequently, the emphasis was put on ‘volume’ policies that were aimed at reducing the accessibility and attractiveness of schemes and gaining control over the inflow of beneficiaries.

The reconstruction of the people’s insurances was not only the result of economic developments. It also reflected changes in Dutch society and culture. Revisions aimed to ‘modernise’ the schemes by making them consistent with changing role patterns of men and women, particularly the increased participation of women in the labour force. This modernisation resulted in equal rights for men and women in all schemes, leading e.g. to an improvement of women’s rights to the state pension in the 1980s.

There is no doubt that the ‘price’ and ‘volume’ measures taken have contributed to putting a halt to the trend towards increasing numbers of beneficiaries and increasing expenditures. The system’s collapse was prevented. On the other hand, figures show that at present there is no prospect of a substantial decrease of demand and expenditures. Table 1, for instance, shows that by 1994 only the number of claimants for sickness benefit and social assistance have dropped significantly since 1986. Table 2, showing social security expenditure as a percentage of the net domestic product, confirms that the late 1970s and early 1980s were the years in which expenditures exploded. But it also shows that the decrease of the percentage since then follows a slow pace. A similar pattern can be seen from Table 3, which shows the so-called I/A ratio: the number of beneficiaries (‘inactives’) per 100 workers (‘actives’). There is a steady increase during the 1970s, with acceleration from 1980 to 1985, but the ratio decreases only slowly after that, even if accounted for by the ‘graying’ of Dutch society.

Table 1 Number of benefits (x 1000)

<table>
<thead>
<tr>
<th>Years</th>
<th>Peoples insurances</th>
<th>Workers insurances</th>
<th>Social assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>pension AOW</td>
<td>survivors AWW</td>
<td>Child benefit AKW</td>
</tr>
<tr>
<td>1970</td>
<td>1061</td>
<td>154</td>
<td>1614</td>
</tr>
<tr>
<td>1974</td>
<td>1171</td>
<td>162</td>
<td>1734</td>
</tr>
<tr>
<td>1978</td>
<td>1280</td>
<td>169</td>
<td>1763</td>
</tr>
<tr>
<td>1982</td>
<td>1376</td>
<td>172</td>
<td>2185</td>
</tr>
<tr>
<td>1986</td>
<td>1898</td>
<td>173</td>
<td>2113</td>
</tr>
<tr>
<td>1990</td>
<td>2043</td>
<td>195</td>
<td>1812</td>
</tr>
<tr>
<td>1994</td>
<td>2152</td>
<td>194</td>
<td>1812</td>
</tr>
<tr>
<td>1996</td>
<td>855</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Ctsv, 1995, p12
Table 2 Social security expenditure as % of Nett Domestic Product

<table>
<thead>
<tr>
<th>Year</th>
<th>% Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>12</td>
</tr>
<tr>
<td>1975</td>
<td>16</td>
</tr>
<tr>
<td>1980</td>
<td>20</td>
</tr>
<tr>
<td>1983</td>
<td>22</td>
</tr>
<tr>
<td>1990</td>
<td>18</td>
</tr>
<tr>
<td>1994</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: Ctsv, 1995, p15

Table 3 I/A ratio (number of beneficiaries per 100 workers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pensioners Included</th>
<th>Pensioners Excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>46</td>
<td>16</td>
</tr>
<tr>
<td>1975</td>
<td>58</td>
<td>24</td>
</tr>
<tr>
<td>1980</td>
<td>68</td>
<td>32</td>
</tr>
<tr>
<td>1985</td>
<td>84</td>
<td>44</td>
</tr>
<tr>
<td>1990</td>
<td>82</td>
<td>42</td>
</tr>
<tr>
<td>1995</td>
<td>83</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: SCP, 1996, p150

Based mainly on these figures, the government has come to realise that its initial ‘price’ policy and the subsequent ‘volume’ policy were not enough to reduce social security expenditure substantially, nor to solve the problem of economic inactivity of a large part of its population. Gradually, therefore, it has developed a new concept of social protection, the core of which seems to be a fundamental critique of the model of collective solidarity itself. It is no longer purely for budgetary and economic reasons that changes in the system are proposed and justified, but more and more there is a wish to change the entire nature of it.

The main objection of politicians and policy-makers against the model of collective solidarity is its anonymity. The national and collective nature of the system is supposed to undermine individual responsibility and to promote calculative behaviour by all actors involved, be it citizens, workers, employers, unions or companies. The prevention of unemployment, sickness and disability as well as reinsertion or integration of disabled and unemployed workers has been neglected because it is in nobody’s interest. This ‘modern carelessness’ (Schuyt 1995) in fact means that moral hazard, broadly defined, is seen as the core problem of the model of collective solidarity. Based on this diagnosis, market elements are introduced such as freedom of choice and risk differentiation, which in essence are aimed at reintroducing individual responsibility, by way of confronting all actors more directly with the costs of social protection.

Most importantly, the diagnosis is also the starting point for ‘activation’, which comprises extended policies aimed at the (re-) insertion of all types of beneficiaries, including disabled people, into paid and even unpaid work. It was increasingly felt that into the 1980s Dutch social security administration had been focused too exclusively on paying benefits, while neglecting the re-insertion of beneficiaries into the labour-market. Veldkamp’s broad principle of equality of chances and rights to self-realisation had obscured the other side of Van Rhijn’s coin of social solidarity, i.e. the responsibility of citizens to maximise their self-reliance and to minimise their claims for support in exchange for the right to be protected by society. It was especially with regard to the (re-)insertion of (partly) disabled people that administrative bodies were passive and left the initiative mostly to the clients themselves. The new conception prevailing in the Dutch political discourse on social security is not dominated by Veldkamp’s universal and unconditional principle any more, but by the notion of individual responsibility and the primacy of labour-market participation.

Let us now take a more detailed look at the reconstruction of the schemes regarding long-term and short-term disability.
Long-term disability

Together with unemployment insurance the post-war, national disability insurance scheme for workers (the WAO-act of 1967) was firstly revised in 1987. Apart from a reduction of the earnings-replacement ratio from 80% to 70%, a most important change was the abolition of the provision by which disability benefit could compensate for the bad labour market chances of partly disabled workers. Before the revision partly disabled people without a job received a full wage-related disability benefit for as long as their disability lasted, on the basis that their chances on the labour market were nearly zero. It was this system, combined with the unlimited duration of the WAO benefit, which made the WAO much more attractive than the unemployment scheme WW. From 1987 on, partially disabled workers without a job are entitled to a partial, instead of a full, wage-related disability benefit, and for their unemployment part they are entitled to an unemployment benefit WW. For many partly disabled workers this meant a strong reduction of their income.

As Table 1 shows the measures taken could not prevent a further increase in the number of disability beneficiaries. In order to reduce this volume two major laws were implemented in the early 1990s. The first one in 1992, known as the TAV, the ‘act on reducing the disability volume’, aimed at creating greater incentives for employers to prevent claims for disability benefits. It introduced a ‘bonus-malus-system’ under which employers receive a subsidy if they employ a disabled worker for at least a year. In addition to this once-off subsidy, a 20 per cent wage subsidy is also provided. On the other hand, employers have to pay a fine or ‘malus’ if one of their employees gets disabled at work and has to be fired as a result. The fine turned out to be very unpopular among employers and the administrative boards had large practical difficulties in implementing the system. As a result it has been abolished in 1995. In 1993 a second ‘act on reducing disability claims’, the TBA, was implemented, reducing again the difference in attractiveness between disability and unemployment insurance. Firstly, the reference standard for the assessment of the degree of disability is changed. This standard used to be the degree to which incapacitated workers could continue to earn a living with ‘suitable work’, which was defined as work suiting one’s educational level and former type and level of job. The standard was changed into ‘generally accepted work’, which is a broader standard, not connected with educational and former job level. As a result more jobs are regarded as in principle being available for the disabled, thus making it more difficult for any worker to be assessed as incapacitated for work. Second, every existing beneficiary of the WAO benefit younger than fifty years of age had to be re-assessed according to the new standard. In the first two years after its implementation this rule resulted in a withdrawal of the full WAO benefit in 50 per cent of all reassessed cases. People concerned were declared to be fully unemployed, instead of being (partly) disabled, and had to claim unemployment benefit, with its limited duration. Third, age was introduced as a criterion for level and duration of the benefit. The WAO benefit is no longer 70 per cent of previous earnings for as long as the incapacity to work lasts, but maximally six years if people are older than 58 years (after which they become entitled to the state pension AOW). For younger people the period in which the WAO-benefit is wage-related is shorter than six years. When the wage-related benefit expires people receive a flat rate benefit for as long as disability lasts.

As Table 1 shows these ‘volume’ policies of the early 1990s did not result in a clearly decreasing number of beneficiaries. In a further attempt to get control on the WAO inflow, the 1998 PEMBA law just recently took effect. It aims at influencing behaviour of employers in such a way that they feel an individual responsibility for the prevention of disability as well as for the (re-)insertion of disabled workers. The law introduced two measures, premium differentiation and opting out or privatisation. Before PEMBA contributions for the WAO scheme were not differentiated according to risk, i.e. to the number of disability claims coming from individual firms and sectors of industry. All paid a uniform percentage of wages. Under PEMBA such percentages, and thus the amount of contributions, is differentiated according to risk. As a result, firms and sectors of industry that generate more disability claims have higher costs. They can cut costs by preventing disability claims. This can be done either by an improvement of working conditions, or by adapting work places for disabled employees. PEMBA also offers individual firms the option to leave the collective system and assume responsibility for the disability and subsequent benefits that it generates. (Some large companies have already chosen to ‘opt out’, but the first signs are that only few will follow).
**Short-term disability: sickness**

As with the WAO the earnings-replacement ratio for the sickness benefit scheme ZW was reduced from 80% to 70% in 1987. However, the main revision of the ZW started in 1994. Before that benefits for workers who were ill (for less than a year after which period the disability scheme comes into force) were paid from the collective sickness fund for the full period. The fund was financed by contributions from employers and employees. The relation between degree of sickness absenteeism and costs of insurance was not strong, since contributions were only differentiated between branches of industry. Thus, at the level of individual firms and workers, incentives to prevent sickness were lacking. This changed with the ‘act on reducing sickness absence’ TZ of 1994. Under this law, employers were obliged to pay sick employees at least 70 per cent of their wage for the first six weeks of absence (two weeks for companies with less than 15 employees). Thus, the first weeks of sickness were privatised and did not burden the national sickness fund anymore. Either employers now paid wages for sick employees directly, or like most of them did, reinsured the risk with private insurance companies. Reducing sickness absenteeism was further promoted by a second obligation, which held that every firm has to develop and implement a sickness absence prevention and control policy. In 1994, another revision took place as a result of the earlier mentioned TAV law. This law introduced a further differentiation of contributions for sickness benefit within industry sectors. Firms with a higher absenteeism than their sector’s average pay higher contributions.

The TZ, especially the part concerning privatisation of the first weeks of sickness benefit, had an immediate and large effect on the national sickness fund. In 1993, 345,000 sickness beneficiaries were paid compared to only 175,000 in 1994. In 1994 the overall percentage of reported absenteeism dropped from 7 per cent to 4.5 per cent of total labour time and has stayed at that lower level since then (Ctvs, 1995, p.65). Although there is a natural floor to this percentage, central government hoped that a further privatisation would result in a further decrease and extended the period in which employers had to pay wages to sick personnel to one year. This measure, known as the WULBZ law that came into effect in 1997, practically implies the abolition of the ZW. ZW still exists at present, since it still covers the sickness risk of specified categories (estimated at 15 per cent of the previously covered population), like pregnant women, (partly) disabled workers, people on temporary contracts and apprentices. But for the largest part of the Dutch workers it is replaced by the employer’s duty to keep on paying wages during sickness leave.

The privatisation and differentiation of contributions according to risks in both the disability and sickness schemes have had positive effects on the number of benefits paid. The annual growth in WAO disability benefits decreased and became slightly negative and the absolute number of sickness benefits dropped significantly (see Table 1). However, these measures also had a negative effect, especially on the labour market chances of people with health problems. Evaluation studies (discussed in SCP 1996) have shown that chronically ill people and (partially) disabled people have more difficulties in (re-)entering jobs, because employers screen new employees more stringently on their health status, and that the chances of workers with a worse health status being hired have increased. It was also found that the number of temporary labour contracts, as a means of prolonging the period of screening employees on their ‘sickness leave behaviour’, nearly doubled from 1993 to 1995 from 11 per cent to 20 per cent of all labour contracts. Hiring workers via employment agencies, to reduce the risk of sickness pay, rose in the same period from 4 per cent to 9 per cent.

So, what the government tried to establish on the one hand, increased labour-market participation by disabled people, through bonuses, wage subsidies, sickness prevention plans and activation policies, is frustrated on the other hand by setting the incentives for employers such that they profit from having a workforce with a minimal disability and sickness risk. The conclusion seems self-evident that the reconstructions’ aim of reducing the inflow in the disability schemes has prevailed over the vocational rehabilitation of disabled people.
2. Policy assumptions in Dutch disability and vocational rehabilitation schemes

2.1 The theoretical framework

Social policies are influenced by assumptions regarding the general characteristics of those groups affected by them and how the people concerned could or should be expected to behave. Social images of clients and moral values thus play a basic role as assumptions guiding the formulation of policies, their general way of implementation, as well as their day to day administrative practices (Bolderson 1980). More recently, Bolderson and Hvinden (1994) have proposed a basis for ‘understanding the relationship between policy assumptions … and the “packages” of services and benefits actually provided to people with disabilities in a number of countries’. Five different types of general policy assumptions are identified:

- ‘market’: disabled people are assumed to be unproductive or only marginally productive
- ‘incentive’: work has an important societal value and all members of society should participate in it
- ‘integration’: work is seen as a part of a process of normal living in which people with disabilities should participate
- ‘choice’: individuals should be free to choose whether or not they wish to work
- ‘rights’: disabled people have a right to services and employment

Each of these assumptions, it is argued, give rise to a particular configuration of benefits, services and access to work for disabled people. These configurations are summarised in schema 1.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Services</th>
<th>Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market-led</td>
<td>May be provided in preference to services</td>
<td>None</td>
</tr>
<tr>
<td>Incentive-led</td>
<td>Low</td>
<td>Minimal</td>
</tr>
<tr>
<td>Integration-led</td>
<td>Adequate</td>
<td>Adequate, linked and co-ordinated</td>
</tr>
<tr>
<td>Choice-led</td>
<td>Adequate</td>
<td>Minimal to adequate, may or may not be linked and or co-ordinated</td>
</tr>
<tr>
<td>Rights-led</td>
<td>Minimal emphasis, benefits should not be necessary</td>
<td>Minimal, non-discrimination emphasised</td>
</tr>
</tbody>
</table>

Schema 1
Models of policy assumptions and institutional arrangements for benefits and services aimed at disabled people

The suggested models are presented as abstract models or ‘ideal-types’ to be used as standards to which the singularity of actual configurations of measures may be compared. Thus no country’s institutional provisions will ‘fit’ the models directly and completely. The models have been further operationalised in terms of nine indicators (Dropping and Hvinden 1996), and applied in a study involving a comparison of disability policies in Norway and the United Kingdom (Dropping 1996). The (slightly adjusted) indicators are:

- Cost-investment
  the extent to which rehabilitation and training are seen simply as costly public services as opposed to investments in human potentials, social integration or in reducing benefit expenditures
- Efficiency – equity
  the relative priority given to efficient policy (value for money), as opposed to policy that is primarily concerned with equity
- Societal – individual
  the degree to which policy is concerned with societal or individual interests
- Perception of labour-market intervention
  whether there is concern for negative side-effects of governmental labour-market intervention or whether such intervention is seen as necessary (in a limited or extensive way)
- Benefits
  whether benefits are seen or used as functional alternatives for re-insertion or are seen and used as instruments for re-integration incentives
- Stimulus measures
  the degree to which stimulus measures are used to achieve (re-)integration and their particular type (legislation, subsidies, sanctions)
- Access emphasis
  the emphasis given to labour access for different types of groups (those with the most favourable prospects, those with the highest motivation, the most disadvantaged, unrestricted access for all)

Specific combinations of these indicators, as shown in schema 2, indicate the policy assumption models.

<table>
<thead>
<tr>
<th>Cost-investment</th>
<th>Incentive-led</th>
<th>Integration-led</th>
<th>Choice-led</th>
<th>Rights-led</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market-led</td>
<td>Investment,</td>
<td>Investment,</td>
<td>Investment,</td>
<td>Investment,</td>
</tr>
<tr>
<td></td>
<td>cost</td>
<td>in social</td>
<td>in human</td>
<td>in human</td>
</tr>
<tr>
<td></td>
<td>in earning</td>
<td>integration</td>
<td>potentials</td>
<td>potentials</td>
</tr>
<tr>
<td></td>
<td>back benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency-equity</td>
<td>Efficiency</td>
<td>Equity</td>
<td>Equity</td>
<td>Equity</td>
</tr>
<tr>
<td>Societal-individual</td>
<td>Societal</td>
<td>Societal</td>
<td>Individual</td>
<td>Individual</td>
</tr>
<tr>
<td>Labour-market intervention</td>
<td>Limited, trust on stimulus measures</td>
<td>Extensive, and coordinated with other measures</td>
<td>Extensive</td>
<td>Extensive, preventive</td>
</tr>
<tr>
<td>Benefits</td>
<td>Duration long</td>
<td>Used as instruments, ‘sticks and carrots’</td>
<td>Adequate level, short duration</td>
<td>No relation with (re)integration, i.e. not used as instruments</td>
</tr>
<tr>
<td>Stimulus measures</td>
<td>None, concern for market distortions</td>
<td>Subsidies and fines</td>
<td>Legislation, affirmative action</td>
<td>Legislation, affirmative action</td>
</tr>
<tr>
<td>Access emphasis</td>
<td>Those with adequate ‘market-value’ (capabilities, motivation)</td>
<td>Those with most favourable prospects</td>
<td>Promote opportunities for all</td>
<td>Unrestricted, those who are motivated by personal choice</td>
</tr>
</tbody>
</table>

Schema 2
Models and indicators

In words, the market-led model can be described briefly as being based on a view, which basically says that disabled persons are unproductive and that their re-insertion is primarily a concern for those individuals themselves. Society should be careful to intervene, if intervene at all, because there would be costs attached to it and there would be a danger of distorting the functioning of the labour-market. The incentive-led model starts from the idea that work done by disabled persons has a societal value and that therefore they should work. Society profits from their being in work (e.g. less benefits to be paid) and has to promote the (re-)insertion of disabled people actively. Policy is directed at extensive intervention, trying to stimulate all actors involved directly with mainly financial ‘sticks and carrots’, aiming at the most strongly motivated among the disabled people in order to achieve the highest number of successful (re-)insertions. The integration-led model is not based so much on arguments of profit and effectiveness, but on a concern for equity among its population and the social integration of groups. In order to achieve this for the group of disabled people active labour-market intervention
takes place to promote as much as possible the chances of all disabled people (not only the most strongly motivated, or 'easiest' cases). Legislation is used for affirmative action, more than explicit 'sticks and carrots', and extensive services are implemented and co-ordinated with the benefit system. The choice-led model is based on the principle of self-determination, the view that disabled people as individuals should be left free to choose whether or not they would want to work. For those who will, society has to create possibilities mainly by means of legislative measures and adequate services. Finally, the rights-led model starts from the view that all disabled persons have a right to participate in society as fully as every other citizen. Labour-market participation is an important, though not the only, element of this. Society has the responsibility to create the conditions for the participation of all. Prevention of long-term disability is seen as important as labour-market (re-)insertion. A range of positive measures, like legislation and subsidies, should stimulate all actors involved to help creating a non-disabling society.

It is expected that the models in practice may be subject to processes of erosion through internal conflicts and extraneous factors. For example, the market-led model is internally threatened by the fear that those who enjoy benefits may ‘malign’ and become dependent and thus benefits cuts may follow. The incentive-led model cannot function if work is unavailable. If low benefits have been imposed in the expectation of higher rewards from work which are not then realised, either unemployment on low benefit or stress and further illness may well follow. In the integration-led model policy may fail through faulty information and the cancelling-out syndrome where one measure’s rules stand in the way of another.

Furthermore, at any point in time the exact configuration of actual policies in one country may probably to a great extent be a mixture of the five models. Such an overall configuration is likely to change over time, and there may be various kinds of policy shifts (Jones 1994), involving changes in the relative emphasis being given to the elements of a configuration. For instance, in many European countries we find a shift involving less de facto emphasis given to the pure market-led and choice-led models, and relatively more stress on incentives and/or integration. These shifts are related to governments’ attempts to diminish the pressure on budgets for public expenditures and services, and to reorient social policies towards active measures (cf. COM (97) 102 final 12.03.1997). In spite of such policy shifts there are likely to emerge various tensions and ambiguities within the overall configuration of policies, for instance between policy elements introduced at different points in time and related to different sets of underlying assumptions.

2.2 The theoretical model applied to the Dutch case

In this section we will apply the theoretical model to the Dutch case for the time period 1960s – 1990s. It will show what type of overall policy assumptions guided the formulation of acts on disability benefits and services in this period, and which changes took place.

The information used is taken from the content of the laws themselves and from the ‘explanatory notes’ that go with every new Dutch law. In the explanatory note government usually describes the socio-economic backgrounds and reasons for the act, how advisory boards reacted upon first government proposals for it, and what viewpoints and opinions the various political parties expressed in the parliamentary debate. The analysis thus typifies assumptions behind policy formulation, not those playing a role in ways of implementation or administrative practices.

We will apply the framework to every separate act first, so that each act gets ‘typified’ according to it. A total picture of the development in Dutch policy assumptions regarding benefits and services for disabled people will emerge when we summarise the results in a matrix.

We will limit the analysis to the acts concerning long-term disability, since they have primary significance for the (re-)integration of disabled people into work. We will also exclude from the analysis those acts, like PEMBA mentioned in section 1.2, which contain no explicit paragraphs on the re-integration of disabled people.

The analyses will be carried out by discussing briefly how an act ‘scores’ on the indicators of schema 2, followed by an overall assessment as to which one of the five models it belongs. For every act we will start with a short description of it.
WAO (1967) Act on Disability Insurance

With the introduction of this national workers’ insurance act government unified existing industrial accident funds, as well as the workers from all branches of industry and commerce into one national scheme and fund. It also abolished the difference in benefits and services regarding the ‘risque professionelle’ and ‘risque sociale’. That is, the WAO did not distinguish between whether the disability was caused by an industrial accident or not. The act entitled all employees under the age of 65 to a benefit if, after a year of sickness, they were still unfit to do their job for at least 15%. The main objective of the WAO is to provide financial compensation for loss of income due to disability. It contains paragraphs on provisions to improve work and daily life conditions for disabled people, but it predominantly is a ‘benefit’ scheme, not a ‘re-integration’ scheme.

In the WAO training for disabled persons is seen primarily as an investment in their working capabilities. (Re-)insertion measures are aimed explicitly at the social inclusion of disabled workers, and are incorporated in the act on grounds of the two basic principles which guided its formulation: equality of life chances and the right to self-realisation. There is no mentioning of cost-effectiveness of re-integration measures and activities. The act even provides supplemental income for those who fall back in income when participating in training schemes or when accepting paid work. The basic principles of the act also imply that, with regard to the position and re-integration of disabled persons, it is mainly concerned with equity. The act aims at providing the material conditions (benefits, services) for disabled persons to be able to live a life like others, which means that the interests of the disabled persons are central to it, in stead of societal interests. Despite these principles the WAO offers limited possibilities for labour-market intervention. There is even explicit reference to the fact that the WAO is primarily intended to provide a financial benefit for disabled workers. Rehabilitation is seen as a secondary aim. Financial support for adjusting the workplace of a disabled person is possible (the so-called ‘work-provisions’), as well as for adjusting a dwelling and for transport (the so-called ‘living-provisions’). Access to such services is open for all clients, not restricted to the most or least disadvantaged, or most strongly motivated. More generally, however, medical revalidation is stressed as a matter of concern more than vocational rehabilitation or labour-market re-insertion. The act is vague on the significance of medical revalidation, and mentions schooling and training as possibilities. Medical revalidation is not formulated as a right under the WAO. For this a reference is made to the Act on the Sickness Fund (ZFW), which covers the healthcare costs for people on lower incomes and beneficiaries. The administrative bodies are not obliged to provide re-integration services, but have the right to do so. Clearly, the WAO is a ‘benefit’ scheme, with few references to vocational rehabilitation and few, no clearly defined provisions. On the benefit side the WAO of 1967 is ‘generous’: Benefits are earnings-related at a rate of 80% and lasts for as long the person is disabled and younger than 65 (at which age the WAO is replaced by the state old age pension AOW). Level and duration of the benefit do not play a role with regard to re-insertion. That is, they are not used as incentives to motivate disabled persons to take part in re-integration programmes, nor is such participation of any influence on the right to and the duration of the benefit.

Our conclusion is that the WAO fits best to the choice-led model: training is seen as an investment, equity and the interests of the individual are central concerns, benefits are not used as instruments to stimulate re-insertion, and re-insertion is not primarily and strongly expected of beneficiaries. In contrast to this ideal-typical model, however, re-integration measures and labour-market interventions are rather limited, be it open for all on demand.

AAW (1976) General Disability Act

The AAW provides disability insurance for all citizens, and thus covers also groups that are excluded from the WAO, like the self-employed and those disabled people that have never been able to work, either because they are born with serious handicaps or have become incapacitated before reaching working age. The AAW pays flat rate benefits at the level of the minimum wage. It should be noted that the AAW also covers workers, in the sense that the WAO-benefit is paid from the AAW-fund up till the level of the minimum wage. The rest of the wage-related WAO-benefit is paid from the WAO-fund. In other words, the AAW for all citizens is underlying the WAO for workers.

Almost ten years after the workers insurance WAO the national disability insurance AAW that covers all citizens is introduced. With regard to re-integration it is a near copy of the WAO, which means that it is also primarily an act on benefits, in stead of on work provisions and labour market re-integration.
The same services regarding work- and living-provisions are possible as under the WAO, with the same limited extent and significance and the same unrestricted access. The AAW is underpinned also by the same two principles of right to self-realisation and to equality of chances, and therefore manifests a concern for equity and the interests of individuals. Benefit level (being flat rate, in stead of earnings-related) and benefit duration have no relation with re-integration rights or responsibilities.

Our conclusion is that the AAW, like the WAO, fits in the choice-led model.

**WSW (1969) Act on Sheltered Workplaces**

The WSW provides working places for those disabled persons who can carry out certain types of activities and are thus capable of work, but for whom, due to personal circumstances, employment under normal conditions and at a normal pace is not possible. Municipalities have to organise sheltered workplaces in which the working capabilities of the persons involved can be preserved, recovered or stimulated. The WSW is not primarily aiming at re-integrating people back into regular paid labour.

The WSW sees training of disabled persons as a means of preserving, recovering and stimulating their capabilities, aimed at promoting their social inclusion. Training is thus seen as an investment in inclusion. Like the WAO it is based on the two principles of right to self-realisation and equality of chances, implying that equity and the interests of the individuals involved are the main concern. The WSW offers workplaces and a wage, in stead of benefits. The wage level is at or just above the minimum wage, implying that most disabled persons would gain from being employed at a WSW place. The wage is not being used as an instrument to stimulate people to look for a job at the regular paid labour market. Participation at this market is not the ultimate goal of the WSW. The stimulus measures it contains relate to the attractiveness of accepting a WSW-job by disabled persons. In this respect there are the higher wage, provisions for labour revalidation, and financial provisions for personal costs related to the job. Access to the WSW is possible for all disabled persons within the boundaries of a certain municipality who are registered as looking for a job at a labour office, but who, according to this office, have no real chance on the regular market. Participation in a WSW-job or not has no relation with level and duration of the AAW/WAO benefit.

It is rather difficult to fit the WSW to one of the models, since it creates a separate labour-market for a specific group of disabled workers. This might be a reason to look upon the scheme as representing a market-led approach, in as far as the creation of sheltered workplaces would be based on a perceived limited economic productivity of disabled persons and on a wish for preventing distortions on the normal labour-market. However, we feel that due to its concern for equity and individual interests, its perception of training as an investment, the lack of a relation between participation and benefit and the unrestricted access, it could best be typified as choice-led. The sheltered workplace is then seen as one among other instruments that are offered to make work possible for those disabled persons that want to work.

**WAGW (1986) Act on Work for Disabled Workers**

The WAGW is the first Dutch major re-integration act. It acknowledges and starts from the strongly reduced labour-market chances for disabled people due to the growth of general unemployment in the 1980s and the increased numbers of disabled workers, c.q. AAW/WAO-beneficiaries. Under the WAGW employers and unions were given the responsibility to take measures to stimulate the (re-)integration of disabled workers. When after some time it would show that their measures were insufficient a quorum, of 3% to 7%, could be imposed on a (part of) an industrial branche.

Like the WAO and AAW, the WAGW is primarily concerned with equity and the interests of disabled persons. It speaks of the responsibility society as a whole has for the rights and labour market participation of those disabled people who want and are able to work, and of the solidarity that is necessary between employers, non-disabled and disabled employees. The WAGW does not contain much new concrete measures for the (re-)insertion of disabled people. It mainly offers a legal framework for existing measures and imposes on employers and unions the responsibility to promote equal chances for disabled workers and to take measures that preserve, recover and promote the working capacities of disabled workers. For this they can use already existing (but, according to the government, insufficiently used) possibilities under the WAO and AAW. A quorum of 3% to 7% can be imposed on (a part of) an industrial branche if after three years results are lacking. The WAGW has never been seriously implemented, since the proportion of disabled workers in companies has not
increased, and a quota has not been imposed on any branch. It is generally felt that the act was used as a 'sweetener' for the cutbacks on WAO-benefits that were discussed in 1986 and implemented in 1987. Yet, the WAGW is not without significance. It is the first act in which a general concern for the growing number of disabled workers, or claimants of disability benefits, is expressed. The explanatory note explicitly says that, next to aiming at self-realisation of and equal chances for disabled persons, the act ‘…secondarily is directed at implementing a volume policy, which is generally regarded as being necessary’. Volume policy, i.e. policy aimed at reducing the inflow in disability schemes, is seen as necessary because too high numbers of disability claims may have negative social effects, like too high wage costs (as a result of high contributions) and a threat to the legitimacy and trustworthiness of the schemes. Government expects that volume policy after some while may result in lower expenditures, lower contributions and lower wage costs. Although, then, equity and individual interests are expressed as the primary concerns for the WAGW, efficiency and societal interest are clearly present secondary concerns.

A basic assumption of the WAGW is that it is necessary to intervene in the labour market to promote the chances of disabled persons. Without intervention people would have no chance of (re-)integration, and the number of disability benefit claimants would only rise further and further. In one sense the interventions that are possible under the WAGW are limited, because little is added to the limited provisions of AAW and WAO and what is added is of little practical relevance. One new measure, for instance, is that the administration of the disability benefit can claim payments from an employer equal to the wage a fired disabled employee would have earned if the employer had made employment possible. (Few if any of such payments have ever been requested). Another is that employers have been given the obligation to adjust (access to) the workplace of any disabled employee they have in their firm. (Control on this measure has never taken place to any serious degree). On the other hand, however, WAGW’s intervention on the labour market is quite extensive, in the sense that for the first time it is expressed that the implementation and administration of (existing and new) (re-)insertion measures have to be co-ordinated more centrally. The WAGW is presented as a legal framework for that. As for stimulus measures the WAGW covers a mix of legislation, subsidies and incentives. The view on training for disabled persons is not expressed explicitly in the WAGW, but training and schooling are regarded important possibilities to promote their chances. Given the WAGW’s concern for the number of disability benefits and the according amount of expenditures one could say that training is mainly seen as an investment that may lead to lower costs.

Because of its mix of equity and efficiency, of individual and societal interests, its limited to extensive possibilities for labour market intervention, and its mix of stimulus measures we conclude that the WAGW fits in somewhere between the incentive-led and integration-led model.

TAV (1992) Act on Reducing the Disability Volume
To control the inflow into the WAO scheme the TAV was introduced in 1992 and mainly aimed at influencing the behaviour and decisions of employers by means of a series of ‘sticks and carrots’.

The trend towards a concern for efficiency and societal interests that had been set in with WAGW is taken further by TAV. It is no longer the right to self-realisation and equal chances of disabled persons that are explicitly expressed the primary bases for this act, but the growing claims for disability benefits and its social and economic consequences. The TAV is further justified by pointing to the fact that earlier (re-)insertion measures, taken under WAO, AAW and WAGW, apparently have not been successful enough. TAV is presented as an element from a broader new policy, specifically aimed at providing financial incentives for employers and administrative bodies. (The other elements are the TBA of 1993 aimed at financial incentives for employees and the TZ of 1994 directed at short-term disability.). Under TAV employers receive a subsidy (bonus) of six monthly salaries if they employ a disabled person, and have to pay a substantial fine (malus) if they fire one. Next to this they can receive a wage costs subsidy of 20% if they offer a job to a disabled worker. The administrative bodies are given higher budgets to be spending on training and schooling of disabled people. This shows that training is seen as an important part of the (re-)integration and given the TAVs concern for volumes and expenditures one might say that training is seen as an investment to earn back benefit. Since TAV
is incorporated in the AAW, to which access is unrestricted, one could say that access to TAV is unrestricted too.

Because of its concern with efficiency, its view on training as a way of earning back benefits, but mainly because of its incentives based stimulus measures we think that TAV fits best in the incentive-led model. Incentives that are directed, however, at employers.

**TBA (1993) Act on Reducing Disability Claims**

*With a similar aim as the TAV, i.e. to control the inflow in the AAW/WAO-benefits, but also to expel ‘hidden unemployment’ from the WAO, the TBA limits the accessibility of the WAO-benefit, as well as the duration of the wage-related benefit. Where the TAV aims to stimulate employers to hire disabled workers, the TBA aims to reduce inflow in the disability scheme.*

Like the TAV, the TBA is mainly concerned with efficiency and societal interests. It is e.g. justified on the grounds that ‘… the too high outflow of the labour process and the too limited (re-)integration of (partly) disabled workers result in too high social expenditures and costs, as well as in an imbalance between ‘actives’ and ‘inactives’.’

Measures taken under TBA are a mix of legislation, sticks and carrots. Firstly, the reference standard for the assessment of the degree of disability is changed. This standard used to be the degree to which incapacitated workers could continue to earn a living with ‘suitable work’, which was defined as work suiting one’s educational level and former type and level of job. The standard was changed into ‘generally accepted work’, which is a broader standard, not connected with educational and former job level. As a result more jobs are regarded as in principle being available for the disabled, thus making it more difficult for any worker to be assessed as incapacitated for work, but also, making (re-)training and (re-)schooling more important, since one has to acquire skills for the jobs one is expected to accept. Second, every existing beneficiary of the WAO benefit younger than fifty years of age had to be re-assessed according to the new standard. Third, all new cases have to be assessed again after five years. Fourth, level and duration of the disability benefit WAO were changed and made dependent on age. The WAO benefit is no longer 70 per cent of previous earnings for as long as the incapacity to work lasts, but maximally six years if people are older than 58 years (after which they become entitled to the state pension AOW). For younger people the entitlement periods are shorter than six years. After the wage related benefit people receive a lower flat rate benefit. Fifth, certain categories of disabled people can get a substantial personal subsidy, for a maximum of three years, if they accept a job or extend their working hours. Clearly, the ‘(re-)integration’ instruments TBA introduces mostly come down to making disability benefits less accessible and less attractive for workers, resulting in a relative increase in the attractiveness of work. Here it shows that TBA is based on the idea that there is quit a lot of ‘hidden unemployment’ among disability claimants. Its primary concern is not re-integration of disabled workers, but to prevent workers to fall under the label of ‘disabled’.

Because of its concern with efficiency and despite its concern for social interests, because of its mix of legislation, subsidies and incentives, the role that benefit level and duration play as stimuli for accepting work or staying into it, we think that TBA comes closest to the incentive-led model.

**AMBER (1995) Act on the Abolishment of the Malus and Stimulation of Reintegration**

*The fine or ‘malus’ introduced with TAV is abolished under AMBER. Partly to compensate for this the act furthermore introduces new rehabilitation measures and extends existing ones.*

AMBER is a next step on the path set out with TAV and TBA. Still the disability volume is seen as too large and cuts on expenditures are deemed necessary. Like TAV and TBA, AMBER is based on a concern with efficiency and with social interests. The direct starting point for AMBER is the fact that the fine or ‘malus’, which had to be paid under TAV by employers if they fired a disabled worker, met strong resistance among employers unions. Administrative bodies had large difficulties with implementing the measure. Soon it was felt that it could not be made effective and therefore could better be abolished. This was done under AMBER. Partly to compensate for the loss of this incentive for employers to employ disabled people, but also to carry further the ‘fight’ against the disability volume, new financial incentive measures were taken. The incentives are positive, i.e. ‘carrots’, and directed at employers, as well as employees. Among the measures are: an extension of the wage subsidy for employers (introduced earlier under TAV); a wage supplement for disabled workers in
case they lose income when accepting work; a guarantee for disabled workers over 50 that they will get their old benefit level back if they have to stop working again; the possibility of working in a ‘try out’ job without loss of benefit rights.

Based on, again, its concern for efficiency and despite its concern for societal interests, and mainly because of its strong emphasis on financial incentives we conclude that AMBER fits best into the incentive-led model.


REA replaces WAGW as a comprehensive legal framework for (re-)integration policies. It contains several new incentives for employers and employees.

REA is planned to take effect in 1998 and will then replace WAGW. Like the WAGW it functions as a comprehensive legal framework for measures aimed at stimulating employers, employees and administrative bodies to promote the (re-)integration of disabled people. It has a more general character than TAV, TBA and AMBER, since it stresses the interests of disabled people (while keeping an eye on the negative social and economic effects of the disability volume); it stresses more explicitly equity as a reason for (re-)integration (be it that it argues that in individual cases there has to be a certain balance between the costs of re-integration and the possible gains); and it imposes on employers and employees unions the general responsibility for promoting the labour market participation for disabled people. Like WAGW REA takes existing measures as a starting point, and adds others to it. Government expresses as its view that there is not so much a lack of measures, but of results. Government acknowledges that this might have to do with measures, taken e.g. with regard to short-term disability, that induce employers to avoid employing workers with health problems. Therefore, it introduces with REA that employers get a fixed budget in case a job is offered to a disabled person. From this budget the employer is expected to pay the necessary workplace adaptations and access improvements. If costs are less than the budget the surplus does not have to be re-imbursed. If costs exceed the budget an extra amount is possible. Furthermore, under REA the sickness pay for an employed disabled person will be paid from the national sickness fund, in stead of by the employer, so that the possible extra sickness risk will not burden the wage cost. The employer can get a reduction on his WAO-contributions if 5% or more of his wages is paid to disabled employees. With regard to access government is taking quite an explicit point of view: REA sets the conditions, it is up to employers and disabled persons to make use of it.

Having the same general character as WAGW, the same mix of social and individual interests it refers to, the same mix of equity and efficiency concerns, and its extensive labour market intervention by means of a mix of stimulus measures we conclude that REA, like WAGW, fits in somewhere between the incentive-led and integrative-led model. Because it relies explicitly on the motivation of employers and employees to make use of all the possibilities, we think that REA comes closer to the incentive-led model than WAGW.

### 2.3 Summary and conclusion

The results thus far can be summarised as in schema 3. Applying the ideal-typical models of policies for the labour market (re-)integration of disabled people to the Dutch situation shows that there is a general shift from policies that can be typified as ‘choice-led’, towards ‘incentive-led’ policies. The policy shift starts in the 1980s and comes to full growth in the 1990s. It has been induced by societal and economic concerns related to a continuous growth in the numbers of people claiming disability benefits, which growth in turn is related to a deep economic crisis of the late 1970s and early 1980s. Before that crisis the number of disability claimants was relatively low and re-insertion was seen as a matter of interest to the individuals involved themselves. Legislative and stimulus measures were available, but to a limited extend, and their use was mostly left to the demand of the disabled persons. With the crisis and after it disability became to be seen as an important societal problem, the solution of which asked for extensive intervention. Over the years, but mainly in the beginning of the 1990s, government took a series of legislative and incentives measures directed at stimulating employers to hire and not to fire disabled workers, and at stimulating claimants of disability benefits to accept jobs. A look at table 1 learns that the Dutch government’s ‘battle against disability numbers’ has only been
partly successful. The growth in numbers of claimants has been put to a halt, but there is no sign yet of a substantial decrease. It seems that the stop in the growth of claimant numbers is more the ‘passive’ result of re-labelling disabled workers to unemployed workers (e.g. as a result of the re-assessment of those under 50 years of age and the broadening of the assessment standard from ‘unfit for suitable work’ to ‘unfit for generally accepted work’), than that it is the ‘active’ result of a successful implementation of all the measures taken. The sheer number of claimants in relation to the limited number of jobs that are available and the limited capacities of administrative bodies justify a sceptical view on the actual and possible effects of the stimulus measures. For the future it is not to be expected that the number of disability claimants will drop strongly. There is the ‘greying’ of the Dutch labour force, but as important seems to be the conclusion drawn from the first section of this paper, that the policy shift, including policies with regard to short-term disability, have resulted in a tension between, on the one hand, extended measures to (re-)integrate people with working disabilities and, on the other hand, the fact that incentives for employers have been constructed such that they profit from hiring employers with a minimal disability and sickness risk.

A second conclusion is that Dutch government from time to time feels a need of formulating a more general law on the (re-)integration of disabled persons that functions as a legal framework encompassing the variety of existing measures, and which is based on more general concerns regarding equity for all, equality of chances and the right to self-realisation. Such general acts can be typified somewhere between the incentive-led and integration-led model. Acknowledging the limited success of the separate legislative and stimulus measures it seems as if government from time to time wants to remind society and all actors involved (administrative bodies, employers, unions, workers) of the importance of the rehabilitation and (re-)integration of disabled citizens and asks for a stronger commitment in return for more extended and far-reaching legislation.
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**Schema 3**
The models applied to Dutch disability and (re-)integration schemes
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