

[OECD Home](#) > [Newsroom](#) > Labour market reforms in Denmark must tackle mental health issues

## Labour market reforms in Denmark must tackle mental health issues

25/02/2013 - Ongoing reforms of Denmark's disability benefits and flexjobs are promising, but a stronger focus on helping people with their mental health issues is needed for the reforms to contribute to a sustainable decline in the high rate of unemployment, according to a new OECD report. Past labour market reforms failed because underlying mental health problems of the jobless remained unaddressed.

Mental Health and Work: Denmark says that one in three people on unemployment benefit, one in two on social assistance and almost three in four on long-term sickness benefit have a severe or moderate mental disorder. Mental health issues are estimated to cost the Danish economy almost EUR 6 billion, equivalent to 3.4% of GDP per year, in lost productivity, healthcare and social spending.

People with a mental illness are confronted with considerable labour market barriers: their employment rates are 15 percentage points lower and their unemployment rate is double the overall rate; four in five of those with a mental illness who have a job struggle at work; and disability benefit claims due to a mental disorder are rising, especially for younger adults.

Denmark should build on its institutional strengths to help more people with mental disorders stay in the workplace or find a job. It has a strong municipal structure for following up on youth at risk through the Youth Guidance Centres and for providing employment services to everyone in need of help. Denmark also has a labour law with comparatively strong focus on the psychosocial work environment to assure good working conditions, and an accessible health system that reimburses psychological therapies widely.

But outcomes are not good enough for the one in five of the Danish population who suffer from a mental health condition, says the report. The various systems are under-resourced to tackle mental ill-health effectively and have limited means to identify and help those with a mental disorder. For instance, job centres need lower caseloads and more psychological training for caseworkers dealing with clients with a mental health problem, which is often the person's biggest barrier to finding a job.

Awareness of the problem is rising but mainstreaming of policies in various fields implies mental illness remains undiscovered and unaddressed and integrated employment *and* health intervention is rare. Too often mental health interventions ignore the employment situation and, equally, employment interventions ignore underlying mental health problems. The ongoing disability benefit reform for those under the age of 40 which aims for an integrated rehabilitation model is a promising step that should be monitored very closely, says the report.

The OECD recommends that the Danish authorities:

- Assure that ongoing social and labour market reforms deliver for people with a mental disorder.
- Improve the transition to higher education and employment for adolescents with a mental illness.
- Tackle performance problems at the workplace of people with a mental health problem.
- Identify and address widespread mental health problems among clients of municipal job centres.
- Introduce periodic reassessments of disability benefit entitlements.
- Develop ways to integrate health and employment services.

For further information, journalists should contact [Christopher Prinz](#), the author of the new OECD report (tel. + 331 4524 9483) or

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