

Rehabilitation – expensive? worth while? maybe even profitable?



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Based on the empiric experience: If you bring together persons with problems, you add to their problems, the Danish rehabilitation-activity Project Springboard began in the late 1970's job-training in normal workplaces with intensive social-consultant follow-up from the project of former drug-

addicts.

Behind was the insight that such persons' year-long addiction had turned out to be as much an addiction to the addicted culture as to the drugs themselves. We were able to motivate most addicts to make an effort to become clean, and the majority succeeded in the attempt. But the problem turned out to be avoiding recidivis. The background for this was that usually such persons after years in addiction only knew other addicted persons. So, to stay clean they would have to be helped to a whole new social network. In western societies the colleges at our job constitute an important part of our social network.

So, we "turned the social worker around", thus making him face possible work-places instead of the client. When some placements had been found who were ready to "give a chance" to such clients, then the social worker could return to the group of clients with a authentic offer in his hand – thus earning the genuine respect of the clients.

The programme in a small scale was very successful working for the municipality of Copenhagen also with other groups of heavily burdened cases of long-term-social-welfare-receivers and was thus awarded a grant of app. 2 mill. Euros from the EU to test if it could be realized in big scale and in the province. To make it short: It was successful!

The programme continued in the years to come and thus it was possible to go on collecting the data on the participants, their background and fate in the programme. This was done until 2005 when the relevant social legislation in Denmark was drastically changed, partly on the basis of these experiences.

The results of all participants of Project Springboard in the years 1985 to 2005 – a total of 2114 citizens, who started working at least one day – in average 9,2 months demonstrated: The group was characterized by

- a troubled childhood
- weak or problematic schooling
- sporadic, if any, education or vocational experience
- confrontation with authorities
- problems with misuse of alcohol or drugs
- frequent and accelerating periods on social welfare since becoming 18 years old
- an average of 30 years at entering the programme.

The average period on social welfare up until the start of job-training was 4,0 years, – and the average total time on social-welfare was 5,8 years.

Extensive studies of plain unemployment have demonstrated, that such persons cannot be expected to achieve employment by the service of ordinary employment agencies. Thus we attribute any effect of the project-period to the project. Result: 50% of all participants who

began working left the project without need for further economic social welfare. The majority had achieved normally payed jobs, some had begun education payed by the employer or by normal educational grants.

No social worker turned out to be able to predict, who would leave the project successfully – and who would return to social welfare with some new kind of additional assistance (26% of all) or no such (24%). The social office would have to start with two persons in the project to achieve one self-sustaining person. If we assume that those two persons continue as employed, resp. unemployed on social welfare (we do have some surveys that indicate this is a fact) some years after project's-time, then the following calculations can be made (a method developed by two Danish economic professors):

Jobtraining-period

Expenses to this kind of activity is divided equally between municipally and state. The expenses – based on counting the actual amounts of all participants through the 20 years – consist of: Normal wages to two persons working full time in total 18,4 months, plus Project expenses Totally app. 250 % of the clear social welfare expenses. So, job-training does cost a good sum of extra money !

BUT: The two participants would have stayed on social welfare after 4 non-stop years there. So, these expenses are saved by municipality and state, thus reducing the net-extra-expense to app. 150 % of clear social expenses for social budget

AND when you have wage then you pay income tax, which in Denmark is rather high. So, the net-extra-expenses for societies budget are reduced to 54 % of the usual costs for social welfare for the municipality and 76 % for the state.

After job-training

There is an ongoing saving of social welfare to the self-sustaining person and paying of income tax.

Municipal economy: Here we can calculate the profit of two Springboard-job-trainings in Copenhagen: If we consider the expenses minus previous costs of on social welfare budget as an investment and the annual outcome as a profit the rate of interest of the investment becomes 41 % p.a. – and pay-back-period of the investment becomes 2,4 years for the social budget. The total municipal budget includes income tax, so here the investment gives a rate of interest of app. 200 % p.a. and the pay-back-period is 6 months.

State economy: The states investment gives a rate of interest of 48% p.a., – and the pay-back-period is 2,1 years. Here is not included reduced municipal and state expenses to

- housing subsidies
- kindergarten subsidies
- child maintenance
- health care
- law enforcement expenses

as a consequence of the full integration of an previous marginalized citizen. Seen as investment, this kind of job-training is highly profitable for society – not to mention the improvement of life-quality which is achieved by the integrated citizens.

The entire social legislation in Denmark was changed into the direction of obligatory activation of the citizen on social welfare – partly due to the here mentioned pioneer experiences...

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