

Benchmarking employment policies for people with disabilities

Summary

Employment & social affairs



European Commission

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EXECUTIVE SUMMARY

Introduction

The overall objective of this study on *Benchmarking Employment Policies for People with Disabilities* carried out on behalf of DG Employment and Social Affairs of the European Commission was to produce an analytical report with clear results that show what is good practice in getting people with disabilities into jobs. The methodology employed involved the commissioning of 15 national reports to be prepared by experts on the basis of a specification provided by ECOTEC. These national reports were then analysed, edited and a comparative overview and summary conclusions prepared.

On the basis of the national reports received, it quickly became clear that the original objective of this study was not attainable. This is primarily the result of a lack of comparable data relating to the participation of disabled people in the labour market and in active labour market programmes, as well as a lack of high quality, robust evaluation of the effectiveness of employment policies. This is not assisted by the different definitions of disability, which are applied not only between countries, but also in relation to different policy measures within one country. Although, quite detailed information is available in some countries on funding for specific programmes and throughput of beneficiaries, we have not come across any detailed analysis of more long-term outcomes, qualitative outcomes, evidence of deadweight or the influence of external factors on outcomes. As a result, it has only rarely been possible to identify cases where the specific impact of particular policies can be seen clearly, and even in these the attribution of causality is often open to question. Factors such as the interaction of different policies, macro economic change and its impact on labour market conditions, and variability of definitions all have the potential to add complexity to an already difficult field. This is also combined with change in policy, where it is frequently the case that, whilst policies can be quite clearly identified, they have not been in place for long enough for their impacts to be seen. What information does exist is often related to earlier policies, which no longer pertain.

We therefore concluded that it is not possible, given current information availability, to provide comparative data on the effectiveness of specific policy fields between countries. Instead, we have sought to identify key trends in employment policy, and to illustrate the strengths and weaknesses of different approaches as they manifest themselves in different countries. From this it is possible to assess the ways in which policy and practice in this field are developing, and to begin to identify both positive trends and the factors which influence them, and the sorts of information and indicators which will be required if effective cross-national comparison is to be possible.

The available evidence clearly highlights the importance of the development of a system of indicators, which can be applied cross-nationally in the full understanding of the peculiarities of each national system of support, if we are to move any closer to be able to benchmark progress in employment policies for people with disabilities.

Trends in policies to encourage employment

Passive to active measures

In most countries, officially stated policy combines several elements:

- integration into the labour market
- measures to tackle discrimination
- reduced dependence on benefits

In recent years the emphasis has increasingly been towards encouraging retention, rehabilitation and integration of disabled people into the ‘conventional’ workforce, stimulated both by an equality agenda which seeks equality of opportunity, and increased pressure on benefit regimes which have seen ever increasing demands upon them. In the EU, the advent of the European Employment Guidelines have increased the attention paid to moves from passive to active labour market measures, however this trend can also be seen in non EU countries as well, fuelled by the OECD agenda on jobs.

This trend is not however without its problems, because of the often negative perceptions among disabled groups as to why these changes are taking place. In addition, contradictions often remain in different parts of the policy arena causing perverse effects (for example in the form of the benefits trap). Responsibilities for implementation often remain fragmented and poorly co-ordinated.

National Action Plans

National Action Plans vary in their treatment of disability issues. The elaboration of specific disability measures – particularly over and above those already in place are limited, with a few exceptions, eg Belgium, the Netherlands, France or Finland. The majority of National Action Plans argue that because of their characteristics and propensity to fall into the categories covered by guidelines 1,2 and 3 (e.g. long-term unemployed individuals etc.) and the desire to mainstream employment policies, general labour market activation policies are also designed to meet the needs of disabled individuals. It is possible to identify different models of overall approaches (although these are not rigid and nearly every country has elements of each policy regime although one generally predominates), including:

- rights, specialist organisations and programmes - USA, Australia
- active labour market policy with disability ‘mainstreamed’ and based on social partner consensus (Nordic countries)
- ‘welfare to work’ strategy supported by anti discrimination legislation (UK)

The choice of “regime” of philosophical approach is often deeply rooted either in the national welfare ethos or in the historical configuration of services for disabled individuals.

Labour market conditions

It is self evident that where high levels of unemployment are experienced by the general population, it will be more difficult for all groups which experience social and economic exclusion to secure employment. That said, there are still differences between different countries

in their proportions of disabled people in work, even when they are at similar points in the economic cycle. While in general it appears that growth in employment tends to bring with it growth in the access of disabled people to employment, this is by no means the case in all countries. In some cases, other factors come into play as well, for example it seems to be the case in Australia that disabled women have benefited much more from growth in general employment than disabled men, which may reflect gender bias in the structure of labour market.

Stereotypically 'women's' jobs overall have been created faster than those traditionally occupied by men, and many of these (services, clerical and office work, telecommunications, IT industries) are more accessible to disabled people than more 'physical' jobs traditionally done by men.

In a number of countries such as Finland and the Netherlands, the structure of the general labour market has over the years been distorted by very high levels of early retirement (encouraged by national policy or collective agreements). This has meant the exit from the labour market of a large number of individuals who would fall into the disabled category, but are now no longer actively seeking work. While this may relieve unemployment statistics, it is a trend, which is increasingly being called into question and governments are seeking to counteract, because of concerns over the security of public pensions.

Policy instruments

Passive/active

As mentioned above, there has been during the 1990s an overall philosophical shift away from 'passive' towards 'active' labour market measures – not just in relation to disabled people, but for all un- or under-employed groups. In essence this means reduced use of and availability of unemployment (or disability) benefits in isolation, and increased emphasis on an active relationship to employment opportunities. These actions include:

- employability, the extent to which individuals have skills, aptitudes and expectations needed for them to be employable.
- training and learning – measures to increase skills and qualifications demanded in the current and future labour market. This includes measures to support initial or continuing vocational education and training
- work experience – providing opportunities for individuals to experience working life in various ways (with additional potential benefits in increasing the experience of employers of the capabilities of disabled people)
- assistance with job search and applications (careers counselling, how to apply for jobs, CV preparation etc)
- transitional work of various kinds, for example intermediate labour markets where work experience and skills can be gained in a supportive environment, with expectations of progression to open employment later.

Tailored approaches

One of the main emphases in the move from passive to active measures concerns increased emphasis on individually tailored services, which claim to take holistic views of individual needs. In this scenario, individual's differing needs, be they for skills training, income support measures, housing, employment support, are supposed to be dealt with together and often by a single reference point. These multi functional approaches have tended to be the most highly regarded in the different countries covered in this study, both by disability organisations (at least in theory),

and by policy makers. They include measures such as the New Deal for Disabled individuals in the UK, Arbeitsassistenz in Austria, the Disability Employment Assistance Case based funding trial in Australia, the Fresh Start Initiative in France, and Integrationsfachdienste in Germany. All these initiatives aim at providing a disabled person with an individual plan for assistance, which can include physical and psychological rehabilitation services, provision of job search skills, training, work experience or assistance in employment. The philosophy behind this individualisation of service provision is hard to criticise, since there are few who would argue against approaches, which deal with interconnected issues and limit the number of contacts and bureaucracy needed.

In practice however it clear that this approach is not easy to implement. Factors identified by respondents, which influence the effectiveness of holistic approaches include:

- Resourcing – in many cases these policies have been introduced with the expectation that they will save money since more disabled people will be in work and therefore not calling on the benefit budget. However, the costs of implementing such schemes will not be low. Personal services can only be effectively provided if those in contact with clients are well trained, well supported and have the time and contacts to deal with emerging issues. The setting of target rates of successful placements can also have a negative impact on the attention provided to the more “difficult” cases, where re-integration into the labour market may be a more long term goal.
- Scope for action – these approaches are felt to be most effective where there is genuine scope for action to be take to deal with multiple issues.
- Willingness of individuals to accept that employment is a viable and attractive option for them, no matter how much support they are given. It is clear from many disability organisations that individuals do not believe they will be better off at work – and this also extends to carers and family members.
- Negative interactions with compensation measures leading to problems such as the benefits trap. Efforts to reduce such problems appear so far not to have borne much fruit.
- Labour market conditions – if employment is not available, no amount of support and encouragement can create jobs, which do not exist.

Anti discrimination legislation, Equal Opportunities

A recurring theme in many countries’ approaches to disability issues concerns legislative measures to tackle discrimination and oblige employers to address the needs of disabled workers. Two main philosophical approaches can be distinguished:

- The civil rights approach as employed in the US, UK, Ireland and in parts of Scandinavia. This aims to provide a legislative framework for ensuring access to open employment and retention of employment and redress in cases of proved discrimination
- the ‘quota’ based approaches, which seem to oblige employers to demonstrate that a proportion of their employees are disabled – this approach is used mainly in Germany, France, Austria and to a certain extent in Greece and Italy.

In practice, most countries have a combination of measures in place, which are perceived to be effective to differing degrees. There are no examples where quota systems achieve their theoretical targets (usually set as a proportion of employees who should be disabled in a given company – mostly medium and larger companies), however the supporters of quota systems point to the resources released by levies or fines as being available to support other employment development measures. Anti discrimination legislation as it relates to employment is not without its own problems. In many countries we have the impression that such legislation is more about communicating messages to disabled people and to employers, than about providing effective remedies for individuals. In the USA for example, legislation is seen as far more effective in job retention (particularly where an individual becomes disabled during employment) than in securing access in the first place. In theory anti discrimination legislation is intended to prevent discrimination in the first place, rather than leading to action in the courts or other tribunals to secure individual rights. Going to law is not only expensive, time consuming and uncertain in its outcome, it also sours relationships and even when resolved may make continued employment untenable.

'Persuasion' measures

Measures identified in the study which seek to increase the profile of disabled people in the work force include:

- awareness raising and campaigns to tackle negative images of disabled people (many countries, but especially in Greece and Japan)
- awards and ceremonies to highlight positive practice (Australia)
- codes of practice in employment of disabled people (Belgium)
- social chapters dealing with this issue embedded in social partner bargaining agreements (Denmark)
- demonstration projects (Denmark, EU Horizon Community Initiative)
- employment development strategy as an alternative to quotas (France)

Assessment of the effectiveness of such activity is very hard to achieve. It is almost impossible to establish whether attitudes have been changed, particularly in a field such as this where, for example, attitude surveys always show a very high level of sympathy and support for positive measures, even though actual practice is very different.

Retention measures

One of the key features of the review of policies for disabled people is the increasing emphasis that is – at least on paper – being placed on retention. Policy makers are increasingly acknowledging that prevention and early intervention is more effective (and cheaper) than cure. Policy in Finland and other Nordic countries emphasises the importance of strong health and safety at work measures throughout working life to reduce the incidence of work related illness and disability.

In addition to addressing prevention, increasing emphasis is being placed on early intervention either to ensure that an individual affected by illness or disability is able to retain his/her workplace through physical or organisational adaptations or to offer retraining and redeployment or early job search assistance. Such measures are in acknowledgement of the fact that re-integration into the labour market become more difficult the longer the period out of employment continues.

For those already in employment, legislative measures are clearly in place in the majority of countries to prevent an individual who has become disabled as a result of an accident at work to be made redundant (although potential loopholes are always available). A further aspect of this situation concerns measures to provide practical support to enable employees to stay in work. Such measures can cover a variety of issues, but can be divided into those which enable an individual to retain their existing job; those which encourage redeployment with the existing employer, and those which enable transition to alternative employment elsewhere. Measures include provision of aids and adaptations; guidance and counselling; retraining; practical support (with transport for example); and mediation between individuals and employers.

Despite increasing emphasis being placed on this policy element in some countries, and its importance in the light of an ageing workforce, this study identified relatively few examples of major policy initiatives in this area.

Job subsidies

Job subsidies are being used in two main ways to assist the integration of disabled individuals into the labour market. One is to encourage the initial employment of a disabled worker by providing a subsidy to cover the social and in some cases even part of the wage costs of employment. Secondly, subsidies are being used to cover what is being seen as the difference in productivity between a disabled worker and his/her able bodied colleagues. In most cases such measures work by assessing the individual capacity of a prospective employee to undertake a given job (usually expressed as a percentage). A subsidy is then made available to the employer to cover the shortfall between the output of the employee, and that which would be expected of an able bodied worker.

While these measures look attractive in principle, in practice take up is often low. The highest level of take up can be found where subsidies are flexible, offer a high assistance rate and are of long duration. Little evidence is available in relation to deadweight effects and the sustainability and quality of jobs created.

Rehabilitation and return to work

Rehabilitation continues to be an important plank of policy towards disability and employment in most countries. There tends to be a mixture of two broad themes - firstly, rehabilitation specifically related to an individual's disability, related for example to their physical capacities and mobility, and their relationship to possible employment options. This is the more 'traditional' form, and in many countries is a service provided through health and welfare services as opposed to employment services. The second theme is more vocationally focused, and may include assessment of what forms of employment may be possible, and/or vocational training, basic and key skills. These latter inputs may not be specifically related to the nature of consequences of a disability per se, but to a wider set of employability issues experienced by the individual. Whilst some of these may arise from a person's experience of disability and its interaction with education and employment, others may be as much to do with socio-economic position or the consequences of long term unemployment. In some countries this vocational component is relatively new, and provides opportunities for disabled people to be treated similarly to able bodies clients rather than as a 'special case'.

Where this occurs we can observe some of the pros and cons attempting to deal with disability in a mainstream rather than 'special' way. Philosophically the policy is aimed at mainstream style

provision, and this is supported by disability organisations in principle – they would almost always prefer to see an end to segregated provision due to the possibilities of stigma and lack of integrated, rights based provision. In practice however it is proving difficult to offer the full range of support needed by disabled people alongside those needed by other target groups of the policy (who may well have their own particular needs). ‘One stop’ provision involving personal advice and support from a key contact is felt to be effective where the personal advisor is experienced, well supported, and has the time to deal with individual issues personally, and/or where a comprehensive range of contacts and specialist support is available to provide a tailored ‘package’.

In relation to the delivery of training, there is variability between countries in the use of separate training courses as opposed to training provided within an employment situation (which itself may be in ‘conventional’ employers or various kinds of intermediate situations). A key issue of effectiveness identified in the study concerns transition and progression arrangements. In the main training provided in some form of work context is rated more highly than that done separately, since it gives more opportunity for wider employment issues to be addressed, gives experience of the work environment, and can help to educate employers. However, it seems clear that the most effective programmes are those where work based training is well organised, and is part of a process leading to permanent employment of some form (whether in that work context of elsewhere).

A further dimension in relation to rehabilitation concerns guidance and counselling. This is in most cases a complementary service added to vocational training or physical rehabilitation, and in recent times has become more common. It is a central component of most generic active labour market policies, not just those related to disabled people, and in the study was shown to be delivered in a variety of ways. The most effective delivery is seen where it is part of an integrated approach, and most recent policy for such measures seeks to ensure combined service delivery. As with vocational training, this can be achieved through contact with individual advisors, of through referral to various specialist organisations. Unsurprisingly, disability organisations tended to feel rehabilitation and job search policies are most effective which they involve specialist organisations in delivery, which can be achieved in different ways. It is clear that the quality of advice and guidance, which is available is a key issue in effectiveness, and it is very hard to give an assessment different policy initiatives as a whole since the evidence suggests wide variations in actual delivery. From this study however it is possible to identify some of the factors, which have been reported as most influential in determining whether individual disabled people will benefit from such programmes. These factors include:

- ‘connectedness’ – services to clients which are well planned and co-ordinated, and which succeed in dealing with an individual’s full range of issues (physical abilities; location and housing; income; aspirations; relationships and dependent responsibilities; skills and education; mobility etc)
- resourcing – such services need to be adequately resourced to give delivery agents sufficient time and scope to deal satisfactorily with client’s needs
- part of a process – the better programmes have good referral relationships both into the programme and on to a variety of possible destinations
- expertise – mainstream programmes which also deal with disabled client groups will only succeed if specific expertise is available when necessary
- policy coherence – rehabilitation measures will only succeed when the wider policy environment is helpful, for example benefit systems and legislation around the employment of disabled people needs to be co-ordinated

- realistic – employment may not in practice be realistic outcome for some people, for others it will take a long time for employment outcomes to be viable. Policies which seek quick results (particularly when combined with target setting for delivery agents) can be at odds with what is actually required in individual cases

Sheltered employment

In a number of countries such as Belgium, sheltered employed still makes up the most significant part of “active” policy provision for disabled individuals both in terms of financial allocation and number of beneficiaries. However, there has in recent years been an increasing emphasis on integrating disabled individuals into open employment. In a number of countries, such as the Netherlands, this development has gone hand in hand with legislative changes defining the groups who are to receive access to sheltered employment. In general, this has had the effect of narrowing down to the more severely disabled, the individuals who are to gain access to sheltered employment. The trend is therefore increasingly in the direction of provision for individuals with the most severe disabilities.

However, tensions arise here as at the same time the originally dual goals of sheltered employment are being watered down. The provision of employment in sheltered workshops was in the majority of countries originally intended to fulfil two purposes: the provision of gainful employment to disabled individuals in an environment where they could build their confidence and development their skills to enable them eventually – as a second goal - to enter the open labour market. In all the countries studied data on transfers from sheltered to open employment is either unavailable or transferral rates are negligible. This has led to sheltered employment increasingly becoming perceived as a “social” rather than a labour market orientated form of provision. Having said that, there are at the same time increasing moves towards encouraging greater profitability and market orientation among sheltered workshops.

Adaptation of work and workplace

This area of policy covers a number of possibilities:

- access to practical aids and adaptations
- modifications to the workplace, mainly to enable access
- modifications to the organisation and structure of employment

Most countries have policies to facilitate access of disabled employees to practical aids and adaptations, which may enable them to secure or retain employment. In most cases this involves either access to supplies themselves, or subsidies for the purchase or leasing of equipment. Whilst this form of support is generally available, in practice it often does not seem to be taken up to any great degree. The one country, which seems to have created a more successful approach is the Netherlands, where the availability of relatively generous, flexible grants to cover a wide variety of support measures, implemented by employers themselves, is felt to be attractive and successful.

Workplace adaptation is a similar issue. Most countries provide resources to enable workplaces to be made suitable for disabled employees, particularly in relation to accessibility and appropriate facilities. As with equipment subsidy, in the main these schemes make modest contributions to disabled people’s employment, but cannot be said to have played a major role. This finding is to

some extent at odds with the image of such programmes, which are often given high profile in publicity concerning policy support for disabled employment.

The final policy area in relation to adaptations is that of the modification of work organisation (such as flexible working time, home working and job sharing). Although this could potentially be of significant assistance to disabled individuals there is very little evidence of the use of such approaches specifically for disabled workers.

Our overall conclusion in relation to this subject areas is that, despite the relatively high profile given to it in many countries, it is in the main not very effective (at least not in relation to widespread take-up, there will doubtless be individual examples where it is positively valued). The best rated schemes are those which are flexible and easy to manage, and which delegate responsibility to employers and disabled people themselves to decide what is needed when.

Enterprise strategies

Increasing emphasis has in recently years been placed on the importance of entrepreneurship and small business formation on order to support and enhance competitiveness and job creation. In line with the priorities of the Employment Guidelines Members States are emphasising policies supporting new business formation in relation to tax advantages; financial support; decreasing levels of bureaucracy; subsidies to new businesses seeking to employ additional staff and advice and guidance to entrepreneurs.

Our policy review found little evidence of enterprise strategies directly targeted at disabled individuals, which is why few of our experts have described measures in this area. Disabled applicants for support are therefore generally afforded advice and support on the same basis as any other new entrepreneur. Some countries, such as Finland monitor the extent to which such assistance has been taken up by disabled individuals, however, this is not the case in every country.

One area where enterprise creation might be witnessed is around the creation of social forms or other forms of social economy action. There a plenty of examples of policies to encourage development of social firms as intermediate labour markets (many supported by the European Social Fund). Few of these however seem to have been created by disabled people themselves.

Other issues

As mentioned previously, the study found no evidence of robust research in relation to the deadweight effect of different employment measures. Indeed the assessment of the effectiveness of policies overall was severely hampered by a lack of data and quantitative and qualitative evaluation of outcomes. This makes it vital to set down key indicators, which can be comparable across member states. These indicators should be capable of measuring quantitative as well as qualitative outcomes. The table below seeks to outline key indicators under the different categories of policy measure:

Type of measure and potential indicators

Passive/compensation measures	Anti-discrimination measures	Prevention/retention measures	Subsidies	Rehabilitation - initial and further training	Sheltered employment	Adaptation of the workplace	Enterprise strategies
<p>Balance of spending on active and income maintenance measures</p> <p>Impact of balance of spending on participation rates among disabled people (by age, gender, severity of disability, skill level, type of employment contract)</p> <p>Changing levels benefit take-up</p> <p>Shifts in take-up of different benefits (e.g. stock and flows in and out of benefit receipt, including disability benefit, unemployment benefit)</p>	<p>Changes in stakeholder attitudes (particularly employers)</p> <p>Awareness of campaign in general public</p> <p>Number of employers seeking to take part in demonstration projects/national good practice awards</p> <p>Level of dissemination of good practice</p> <p>Statistics of use of legal instruments, proportions decided in favour of disabled people, level of compensation awarded</p>	<p>Number of jobs retained (by severity of disability, age, sex, skill level, nature of retention measure – i.e. re-deployment, adaptation, re-training)</p> <p>Cost of retention measure per job retained – compare with cost of unemployment</p> <p>Expenditure on health and safety measures – number of sick days per year per enterprise</p>	<p>Level and duration of subsidy</p> <p>Number of jobs created</p> <p>Cost of subsidy per job secured/ Created</p> <p>Nature of jobs created (by severity of disability, age, sex, skill level of beneficiary; by quality of job/nature of employment contract, training received)</p> <p>Evidence of dead weight</p> <p>Sustainability of employment post-subsidy</p> <p>Employability outcomes</p>	<p>Number of beneficiaries per measure (beneficiaries by severity of disability, sex, age, skill level)</p> <p>Level of completion of measure (early drop out)</p> <p>Nature of measure</p> <p>Cost per beneficiary by nature of measure and beneficiary</p> <p>Outcomes</p> <ul style="list-style-type: none"> - into sheltered employment - into open employment - into further training - into other measure - sustainability of employment after 6 months/1 year <p>Comparison with cost of unemployment</p> <p>Employability outcomes</p>	<p>Number of placements in sheltered employment by nature of placement (beneficiaries by severity of disability, sex, age, skill level)</p> <p>Financial support required for each placement in sheltered employment</p> <p>Level of transfer from sheltered to open employment</p> <p>Quality of sheltered employment (e.g. nature of contracts, level of employment protection, level of pay)</p>	<p>Number of adaptations carried out</p> <p>Number of jobs secured</p> <p>Total expenditure on adaptations</p> <p>Average level of support per adaptation to secure 1 job</p> <p>Nature of jobs secured (beneficiaries by severity of disability, sex, age, skill level)</p> <p>Quality of jobs secured</p> <p>Sustainability of jobs secured</p>	<p>Number of businesses formed by disabled individuals</p> <p>Survival of businesses after 6 months/1 year/ 3 years</p> <p>Number of businesses established by disabled individuals offering employment</p> <p>Level of grant provided to business set ups by disabled people (calculation of cost for each business established)</p>

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