



Peer Review on “Work-capacity assessment and employment of persons with disabilities”

Riga, Latvia, 26-27 April 2018

Executive Summary

The Peer Review offered an opportunity to discuss approaches for assessing and establishing work-capacity, measures to improve labour market integration of persons with disabilities and the role of labour market institutions and other actors. The event was hosted by the Ministry of Welfare of the Republic of Latvia and brought together government representatives and independent experts from the host country (Latvia) and nine peer countries: Austria, Cyprus, Finland, France, Ireland, Italy, Slovakia, Sweden and Serbia, as well as representatives from the European Commission and OECD. Other participants included trade union and employers’ organization representatives as well as representatives of NGOs active in the field of disability, from the host country.

In all the participating countries, employment among people with disabilities is significantly lower than among those without a disability. In the case of Latvia, only one in four persons with disabilities is employed. Compared to their non-disabled peers, they are also more likely to be long-term unemployed (i.e. with an unemployment spell of more than one year). In order to improve the employment prospects for people with disabilities, **Latvia has recently initiated a reform of its disability policies, including its disability assessment system.** The aim of the reform is twofold, firstly, it aims to place more emphasis on work capacity, and as such it could be considered a first step in moving away from a medical model of disability towards one that puts work capacity in the focus of the assessment process. Secondly, it aims to ensure that adequate support measures are in place to help integration in the open labour market. In 2017, two new support measures were introduced, in addition to already existing mainstream and targeted measures available for people with disabilities (e.g. wage subsidy, financial support for workplace adaptation, tax incentives). The introduction of a support person to provide counselling and guidance services at the workplace for the employers and colleagues of employees with mental health problems, and a motivational programme and social mentor service specifically directed at long-term unemployed people with disabilities. Finally, there are currently discussions in Latvia about the possibility of introducing obligatory employment quotas in the public administration, a measure that exists in several of the peer countries, as well as considering lowering the stringency of employment protection for people with disabilities.

Increasing social inclusion of people with disabilities is one of the issues addressed in the European Pillar of Social Rights that was launched in 2017. Under this framework, the European Commission sets out a number of key principles and rights to support equal opportunities and access to the labour market and fair and well-functioning welfare systems. These principles address, among others, active support to employment, secure and adaptable working conditions, adequate income support and access to good quality services. It also aims to make a better use of **European funds e.g. the European Social Fund (ESF)**, to support the implementation of policies and initiatives targeted at vulnerable groups, such as people with disabilities, in the Member States. The **European Disability Strategy 2010-2020**, the main instrument to support

the EU's implementation of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), identifies accessibility, participation, equality, employment, education and training, social protection and health among the main areas of action.

The key learning elements from the Peer Review can be summarised as follows:

How to move from a disability/incapacity to a work capacity approach

- **Moving from the assessment of “work incapacity” to that of “work capacity”, e.g.** from a medical-model of assessment towards one that takes also into account the specific context conditions (individual, environment, type of job, workplace) and time dependency (as individual conditions may change over the life cycle). Shifting from a “negative” approach (disability as impairment) to a “positive” one, not only may help people with disabilities in being more confident with their capabilities, but also employers in seeing how people with disabilities can be productive and contribute to the workplace.
- **Profiling and job-matching** to understand capacities and needs, **providing support on an individualised basis, addressing existing barriers to a productive employment** of people with disabilities, and assessing capacities also from a productivity point of view (a main interest of employers).
- **Changing how we think about disability and work capacity** among public services, employers, workers, and civil society with information and awareness raising activities, online tools, portals, platforms. **The society must be prepared to include people with disabilities (or rather people with reduced work capacity or specific work place adaption needs),** starting from an **inclusive education** (avoiding segregation in “special schools”).

What are effective measures to support sustainable integration into the open labour market?

- **People with disabilities are not a homogenous group** in terms of type and degree of disability, age, but also level of education and skills; consequently, their needs differ. Employment policies and services that **provide support on an individualised basis** are therefore an inherent part of a desirable policy mix. The type and degree of support required should also reflect the different labour market situation of people with disabilities (i.e. those outside the labour market, close to (re)entry, those already in employment, etc.). But equally, it may be a challenge to identify the needs of the target group if there are no “mutual obligations”, i.e. a person with disabilities is not obliged to register with the PES.
- **Wage subsidies and employment quotas** can be useful to encourage the hiring and retaining of, especially young, people with disabilities, but for sustainable integration of people with disabilities in the labour market, **supported employment** measures have been proven to be the most effective. Conversely stricter dismissal protection does not seem to be effective.
- **The discussions highlighted the importance of improving accessibility to workplaces,** by removing barriers to mobility and providing financial incentives and support services for employers to adapt workplaces to the needs of employees with disabilities. This entails support not only in terms of the physical work environment, but also **promoting an inclusive organisational culture** which is increasingly important also for the overall workforce. **Counselling and guidance** for employers concerning diversity management strategies and tools that include disability have particular importance in this regard.

- Measures, **such as on-the-job training and work trials, mentoring, job coaching and the presence of a support person**, providing support to both employees with disabilities and employers are shown to be particularly helpful. Challenges include the determination of the length of the support period and the provision of integrated support services, as well as the need for specially trained PES staff.
- **Prevention and early intervention are crucial and should start with younger cohorts**, involving the education, training and transition to work system. It is necessary to build a stronger link between the **education system and the labour market**, adopting a work-based learning approach (with a greater role for PES to play) in order to support skills development and early labour market integration.
- **Technological developments** (e.g. digitalisation) may improve both working opportunities for people with disabilities in the open labour market and outsourcing to sheltered employment organisations.
- There is a **need for strong information and awareness raising measures as well as for increased attention to health and safe work places** in order to create a friendly working environment. This will **benefit not only workers with disabilities, but all workers**, particularly in the presence of an ageing workforce and in preventing work related accidents and disabilities.

What should be the role of labour market institutions and other actors?

- **A holistic approach needs to be adopted for the labour market integration of people with disabilities**, who often face cumulative disadvantages. This requires coordination in both the design and implementation of policies among different institutions, as well as individualised support and adequate resources (both human and financial).
- **Integrated service delivery with cross service collaboration and specially trained staff are** necessary to provide effective individualised support in the labour market. One-stop shops can improve access to rights and information, although they imply challenges in bringing together different organisational cultures and in streamlining knowledge among case workers in employment, health care and social services. The involvement of regional/local stakeholders might support a better matching between disabled job-seekers and available jobs at the local level.
- **Public institutions** can lead the way, but the **involvement of NGOs and, in particular, employers** is essential to provide effective support and create opportunities. Different **strategies could be followed concerning the public and the private sector**: while in the public sector a quota system together with a levy system is a feasible option, the private sector needs incentives, support services, and social responsibility arguments as well as a **differentiation of strategies for SMEs and large companies**.
- **Pilots** can be successful with implementing new approaches, but often face the challenge of up-scaling and discontinued funding. This also raises the importance of **more long-term funding** at EU, national, regional and local level, particularly for those furthest away from the labour market.
- **Scientific evaluation and adequate impact assessment** of policies and pilot projects is necessary to ensure the effectiveness and efficiency of public spending and for institutional learning on what works and for whom.