



Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Synthesis Report

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

Latvia, 26 - 27 April 2018



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion

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1 Introduction

1.1 Background and purpose of the peer review

The Peer Review 'Work-capacity assessment and employment of people with disabilities' discussed policy approaches for assessing and establishing work-capacity, and measures to improve the labour market integration of persons with disabilities. It also addressed the important role of labour market institutions and other actors in enhancing the employment prospects. 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.

1.2 EU policy context

Ensuring the rights of people with disabilities is one of the issues addressed in the **European Pillar of Social Rights** that was launched in 2017.¹ 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. Although most of the principles have an impact on persons with disabilities, the principles that are most relevant in this context include active support to employment, secure and adaptable working conditions, adequate income support, access to good quality services, non-discrimination and work-life balance. 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**², the main instrument to support the EU's implementation of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), contains the following 8 areas for action: accessibility, participation, equality, employment, education and training, social protection and health and external action. The proposal for a **Directive on Work-Life Balance for Parents and Carers**³ includes a number of highly relevant measures for persons with disabilities and their families, including the introduction of carers' leave and the right to request flexible working arrangements.

1.3 Key learning elements from the peer review

The key learning elements of the Peer Review are summarised below:

Box 1.3: Key learning elements

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 also**

¹ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Establishing a European Pillar of Social Rights COM/2017/0250 final. Available at: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM:2017:0250:FIN>

² COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe COM/2010/0636 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52010DC0636>

³ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on work-life balance for parents and carers and repealing Council Directive 2010/18/EU COM/2017/0253 final - 2017/085 (COD). Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1508065229940&uri=CELEX:52017PC0253>

takes into account the specific context (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, may not only 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 and people with disabilities. But for the 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.

2 The Latvian situation and recent initiatives

2.1 Introduction

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.

2.2 Context and rationale

In Latvia, only one in four persons with disabilities is employed. According to administrative data, in 2016, 24.9% were in employment. Compared to their non-disabled peers, persons with disabilities are also more likely to be unemployed or long-term unemployed. Those aged 50 years and over and those with an unemployment spell of more than one year tend to be overrepresented among the registered unemployed with a disability (59% and 52% respectively). These figures however may be misleading as people with disabilities are not required to register at the PES.

People with disabilities can get support to gain and keep employment through both mainstream and specialised programmes. These include subsidized employment which provide - in the form of a wage subsidy – an incentive for the employer to hire and retain disabled workers, financial compensation for costs of workplace adaptation as well as other supported employment measures for job seekers with disability or health impairment.

Dismissal protection for people with disabilities is rather strict and according to a recent survey conducted by the Latvian Ombudsman Office appears to be a key disincentive for employers to hiring people with disabilities. The lack of unified and transparent system of disability assessment, insufficient monitoring and supervision of services for this group and employers' attitudes and concerns about their employment are further obstacles mentioned in the host country paper.

2.3 Key features of host country measures

In 2015, important amendments were made to the Latvian Disability Law (2010) concerning the classification and assessment of disability. These included a shift from a purely disease-based diagnosis in the determination of disability towards a greater emphasis on loss of work-capacity, and introducing additional requirements for the assessment procedure (i.e. a self-assessment questionnaire of functional abilities). The following year, the Ministry of Welfare opened a public consultation proposing further changes to transition from a medical approach to a more social model of disability. Given that the above changes in the disability assessment are relatively recent, it is not yet possible to assess their impact.

In line with the adopted 'Guidelines for Inclusive Employment 2015-2020', Latvia introduced two new supported employment measures for people with disabilities in 2017: the support person at the workplace and the motivational programme for job search and social mentor services. The former is targeted at unemployed persons with mental disorders, while the latter offers support for those who are long-term unemployed.

The support person provides guidance and assistance regarding work organisation, tasks and duties both for the employer and the disabled employee with more intensified support available during the initial period (the maximum duration is 12 months). The

motivation programme offers targeted support for job search either in an individual or group format. Similarly to the support person, where combination with other measures (e.g. subsidised jobs, training) is possible, motivational support can be complemented by additional specialist services such as counselling and psychological assistance which is provided by a social mentor.

A common key feature of both programmes is that they are directed at particularly vulnerable groups of job seekers, hence the longer duration and the more intensified specialist support compared to mainstream provisions. Although due to their recent adoption, no results and evaluations exist, the need for their possible extension to all people with disabilities was discussed during the Peer Review.

Two additional initiatives that took place in 2017 are the Open Doors Day, an information exchange and brokerage event for people with disabilities and interested employers organised by the PES, and the adoption of the Social Enterprise Law promoting the employment of at-risk groups through the establishment of social enterprises.

3 Discussion points

The discussions with the other participating countries underlined the positive aspects of the Latvian initiatives which included the integrated approach and the specific targeting at those with mental disorders, which is an increasing problem in many peer countries.

The Peer Review mainly focused on the following points of discussion:

- differences across the participating countries in determining disability/work capacity;
- the strengths and weaknesses of various targeted activation measures;
- the importance of adopting an individualised and integrated approach that takes into account the specific challenges faced by people with disabilities; and
- the need to improve and increase cooperation between various stakeholders and harmonisation of policies.

3.1 Differences in disability/work capacity assessment

All participating countries have a system in place for determining disability or work capacity to access benefits and services, albeit there are considerable differences in terms of what is being assessed, the type of approach adopted, the decision-making process, and the way assessment is organised.

In some countries, there is a single authority in charge of the assessment (e.g. **Austria, Cyprus, Latvia, Slovakia**). The **Austrian** Competence Centre for Assessment/Health Road, established in the Pension Insurance Agency (PIA), serves as a one-stop-shop to evaluate work capacity both for PIA and the PES. Compared to the former system of multiple assessments, this new approach offers faster and more transparent assessment. In **Sweden** and **Serbia**, assessments are carried out by the PES and the Social Insurance Agency (SIA) (in the case of Serbia, the Disability Insurance Agency). In **Sweden**, both organisations follow the same administrative procedure. In **Italy**, Medical Commissions comprised of physicians, social workers and specialists evaluate work capacity and suggest measures for work integration. In cooperation with a Technical Committee, that includes experts from social and employment services, the Commission also considers the individual's social circumstances and employment history and performs monitoring and periodic reassessment. The use of multi-professional teams in disability assessment is also implemented in other participating countries. In **Cyprus**, the so-called 'polythematic committees' include ergonomists, psychologists and occupational therapists in addition to medical experts. Evaluation teams in **Austria**,

have medical, occupational and labour-market experts. In **Sweden**, where officers from the SIA and PES are responsible for assessment, specialist support is available if needed.

On the whole, a shift from a medical model of assessment towards a capacity-based approach was noted in most countries. However, the discussion also underlined the salience of the environment and social context, taking into account the type of jobs and work tasks and individual needs. Indeed, countries where the capacity assessment focuses on the support needs of the individual are the most in line with the principles of the UN Convention for the Rights of Persons with Disabilities (UN-CRPD).

In **Sweden** and **Finland**, the medical assessment by a physician is the starting point to assess eligibility for benefits and access to rehabilitation services. It is followed by further assessment of the needs of job seekers at the PES which helps to clarify the work capacity and identify the most suitable measure. Needs assessment is part of the **Irish** Employability programme that supports the labour market integration of persons with disabilities who are 'Job Ready' (i.e. close to the labour market).

Countries use different methods and tools for such needs assessment. For instance, the assessment tool used in the **Finnish** RATKO model evaluates the job seeker's capacity in relation to the requirements of the job and the challenge rating of work tasks.

Box 3.1 Finland – RATKO model and assessment tools

Originally developed for a project of the Supporting Foundation for Children and Youth with Disabilities, this model is not yet mainstreamed. It is used by job coaching organisations to support diversity in the work place and finding suitable work for persons with partial working capacity.

An important part of the model is the assessment method to evaluate job requirements and the skills and capabilities of job seekers against the job and profile requirements using the analytical IMBA and Melba tools. The result is a challenge rating profile for the work tasks and an ability profile for the job seeker.

The model has been introduced to 11 employers and 18 organisations so far and resulted in 31 employments and 6 other placements between 2016 and 2017. Trainings in using the model and assessment tools were also implemented.

Source: Peer Country paper

3.2 Measures to support labour market integration

All the countries participating in the Peer Review are implementing targeted measures to support the labour market integration of people with disabilities. These measures combine a variety of tools according to the country institutional and policy framework and the characteristics of the person with disability, including the type and degree of disability. The most diffused measures in the participating peer countries are:

- employment subsidies and financial support for the adaptation of the workplace;
- employment support services providing individualised job matching, mentoring and job coaching services, training, in work support;
- legal provisions, including quotas and protection against dismissals; and
- sheltered employment and social entrepreneurship.

All the participating countries are currently undergoing a change in their approach to disability policies towards individualised measures and integrated services supporting the full integration of people with disabilities in the labour market and society.

There is also an increasing acknowledgement of the need to adopt a mainstreaming perspective in policy-making. For example, a clear mainstreaming transversal approach

to disability policy has been recently adopted in **France** with an Action Plan currently under discussion. Every Ministry had to identify, within its staff, one senior official in charge of "disability policy". In addition, from now on every legislative proposal will have to include an analysis of the impact of the new legislation on people with disabilities. Also, **Cyprus** has adopted a unified approach in its recent National Strategy and Action Plan for Disabilities that integrates all related policy initiatives.

3.2.1 Supported employment: towards an individualised integrated approach

The heterogeneity of people with disabilities in terms of type and degree of disability, age, level of education and skills, asks for individualised employment support measures and fully integrated services to achieve more inclusive labour markets and ensure their effective integration. Many of the participating countries are moving towards an individualised supported employment approach that has proven particularly effective in addressing the most vulnerable groups of people with disabilities (e.g. young people and those with mental impairments). The increasing emphasis and use of supported employment, such as personal assistance or workplace adaptation, show a clear orientation towards employment in the open labour market.

Also, evidence-based methods, such as the Individual Placement and Support (IPS), are increasingly adopted. For example, both **Finland** and **Sweden** have adopted the IPS approach for the design of measures providing jobseekers (including those with serious mental disabilities) individualised support aimed at finding and securing employment in the open labour market. Also, in **Ireland** a pilot initiative launched in 2015 (IEHMS - Steps into Work- Integrating Employment and Mental Health Services), is adopting the IPS approach for the labour market integration of people with severe and enduring mental health difficulties, through strengthened integration between the employment and mental health services. In **Finland**, the OTE-project ("Take work into your life") supports a holistic way of organising services in order to improve the co-operation between social, health and employment actors. In **Italy**, the 2015 labour reforms ("Jobs Act") revised the incentive system, strengthened the individualised approach on the basis of binding agreements between the person with disabilities and the targeted employment service, and provided for the collection of data in an ad hoc Targeted Employment Database.

Barriers in the working environment have been identified in the discussion as one of the most important impediments to access to employment for people with disability. Supported employment programmes which aim to overcome these barriers, for instance through offering grants or subsidies and professional guidance services to employers for adaptations of the workplace, or for hiring a personal assistant, provide an important stimulus for the integration of people with disability into the regular labour market. Such measures also allow these workers to fully perform their tasks and increase their productivity. Moreover, removing barriers in the work environment is likely to become an increasingly important issue for all workers considering the ageing of the workforce and extended working lives.

In all participating countries, specific employment grants are provided for employers to support workplace adaptation and the presence of a support person at the workplace. In **Ireland**, specific grants are available for employers to adapt the work place and provide specialised services to their employees with disabilities (e.g. Personal Reader, Job Interview Interpreter). A specific Employee Retention Grant is also available. Similarly, in **Italy**, grants are available for workplace adaptation, and the 2015 "Jobs Act" introduced measures to support a person responsible for the integration of people with disabilities in the workplace. Financial compensation for employers to cover the expenses of a support person at the workplace also exists in **Serbia** and **Slovakia**. In **Sweden**, employers can get financial compensation if one employee supports another employee with reduced working capacity in work-related issues ("*Compensation for Personal Assistance at work*"). In **Cyprus**, generous grant schemes are available for

employers (75% of gross salary of people with disabilities for 3 years) to support the employment of people with disabilities. **Slovakia** in addition provides a self-employment allowance to enable people with disabilities to start a business.

A **French** initiative, "ANDROS – Usine Novandie", illustrates well that even relatively simple adjustments to the work environment can be beneficial both to the individual, in this case autistic, worker and to the organisation as a whole.

Box 3.2: France - Programme "ANDROS – Usine Novandie" (Eure and Loir)

The French programme "ANDROS – Usine Novandie" is an experiment set up in a dairy production plant aiming at integrating autistic employees. The integration of these employees required some adjustments inside the plant. For example, colour codes have been put in place and workstations have been set up so that disabled people can still work from left to right and thus refer to stable benchmarks. These adjustments as well as the support provided on the job have been implemented under the supervision of the Departmental House of the autistic persons of Chartres and the Establishment and Service of Help by the Work of Lèves. Some funding was also provided by the Regional Health Agency. A living space was also created near the factory to accommodate these new employees. A non-profit organization is in charge of running the place that is both a "home" for the workers and a socio-educational activities centre, to promote integration abilities and autonomy of these individuals in their daily life.

The experiment is a success since these workers have integrated well in the company and are at least as efficient as the other employees are. From the point of view of other employees, the experience is also beneficial since it allowed changing their perceptions on autism and disability.

Source: Peer Country paper

The discussion also underlined the importance of promoting innovative organisational and management approaches (diversity management, different working time arrangements and improved working conditions), which support not only the productivity and well-being of, but people with disabilities can also benefit all workers. In **France**, for example, a financial aid can be granted to employers in exchange for a progressive reduction of the working hours, targeting elder workers approaching the end of their career (52 years old and over) and showing signs of potential work incapacity (due to illness for instance).

In a number of countries, retention policies have a strong focus on prevention and include measures which focus on the sickness phase and give incentives to employers and to employees with a history of long periods of absenteeism due to health problems to stay in the job. In **Finland**, the legislation obliges employers and occupational health care services to co-operate and take actions to promote good working conditions and the health of employees. These actions include early interventions, three party interviews (employer, employee and health professional), inspections at the work place, and co-operation with social insurance agencies and health care services. In **Austria**, the PES provides occupational rehabilitation, counselling and support measures. One good example for such measure is the "fit2work" programme.

Box 3.3: Austria - The "fit2work" programme

A good practice in early intervention is the Austrian fit2work programme introduced in 2011 to provide counselling and secondary prevention services for employed and unemployed persons with disabilities, chronic diseases or other health problems. The services provide preventive counselling and case management for individuals on

sickness leave or unemployed and counselling for enterprises related to health and work capability management. The aim is to preserve or restore ability to work and to enable a rapid occupational (re)entry by early intervention. In this way, reducing the risk of sickness-related absences from work, inability to work and premature withdrawal from the labour market. fit2work is coordinated by the Ministry for Social Affairs in cooperation with partner organisations.

Source: Peer Country paper

Training and work placement measures, such as on-the-job training and work trials are implemented in all the participating countries. The lack of qualification of people with disabilities represents a barrier to finding and securing a job. However, as underlined by the OECD representative, people with disabilities are still under-represented in training measures, and education systems are still not fully integrating students with disability and involving them in work-based learning programmes. A Finnish study on vocational rehabilitation measures for people with mental health problems stressed the importance of on the job training and involving employers in training measures for new labour market entrants and for workers returning to their workplace after a long sick leave or a vocational rehabilitation period. To this end, **Finland** and **Sweden** are implementing specific on the job training measures. In **Sweden**, "place and train" methods have been in place since the mid-1990s and show a greater effectiveness on labour market integration of people with disabilities relative to training programmes. A relevant practice is the Special introduction and follow-up support (SIUS) offered by the PES.

Box 3.4: Sweden - Special introduction and follow-up support (SIUS)

SIUS is a Swedish programme operating since 1996. The purpose is to secure employment and enable participation on equal terms in working life through, relatively, intensive support to a person with disabilities and his or her employer at a workplace. The programme contains job matching, job-acquiring, work introduction with support (internship for approximately 3-6 months) and employment with follow-up support at the workplace. It takes an average of 8-12 months before the SIUS initiative results in employment. The follow-up support after employment can be given for 1-3 years.

In 2017, 9323 job seekers with disabilities received support from SIUS. Of these, 5,288 (2,015 women and 3,273 men) became employed. The cost for one person in the SIUS programme is estimated at app. 2200 Euro. An impact evaluation of young people with activity compensation showed that Supported Employment (in the form of SIUS) was more effective than other interventions and after 18 months, 26% of those who received SIUS were in employment compared with 20% and 18% respectively in the other efforts. However, the effect was primarily observed among men.

Source: Peer Country paper

In **Finland**, vocational rehabilitation measures provide work trials through which disabled job seekers can be tested in different job-situations and gain work experience at a trial workplace, as well as job-coaching services, and individual and group activities. These are targeted not only to people who have prolonged illnesses or disabilities, but also to young people who need special support to enter the labour market. Such integrated individualised intervention should start with younger cohorts and address education, training and transition to work, building stronger links between PES and the education system. **Austria** has implemented several programmes and measures in recent years that aim to support the interface between education, training and the labour market, targeted at various groups of disadvantaged youth that include young

persons with disabilities and health impairments. In the framework of the Network for Occupational Assistance (NEBA), youth with functional disorders are accompanied through sequential integration steps (Youth Coaching, Integrated Vocational Education, Youth Work Assistance, Job Coaching and qualifying projects) aimed at supporting their employment.

3.2.2 Mandatory quotas and dismissals regulation: pros and cons

While the above-mentioned measures are considered as effective for the labour market integration of people with disabilities, peer debate underlined the potential risks and negative effects of the quota system and restrictive dismissal regulations.

Many of the participating countries, including **Austria, France, Italy, Serbia, Slovakia** and **Cyprus** (in the public sector) have adopted a mandatory employment quota system to support the employment of people with disabilities. Different ways exist for companies to fulfil this obligation, including direct employment, payment of a financial contribution, development of internship programs, or outsourcing to sheltered employment structures or self-employed people with disabilities. In some cases (e.g. in **Austria, Italy, Serbia and Slovakia**) a compensatory levy is due for each quota-place not filled.

The discussion addressed the main pros and cons of the quota system. On the positive side, it was underlined that mandatory quotas can be useful to encourage the hiring and retaining of people with disabilities in private companies and in public administrations. In addition, in some countries (e.g. **Austria, Italy and Serbia**) the compensatory levy to be paid by companies for each quota-place not filled feeds into a special fund which provides financial support to people with disabilities and their employers for occupational and social rehabilitation and integration programmes.

However, quotas *per se* do not seem to ensure a full integration of people with disabilities in the labour market, unless they are complemented by employment support measures indicated above. In addition, the ageing workforce will make it easier for companies to fulfil their quota requirements and the system will become less effective.

For these reasons, it was suggested to introduce quotas in public administrations together with a levy system, while the private sector needs incentives and social responsibility arguments as well as a differentiation of strategies for SMEs and large companies.

Employment protection and dismissal regulations are often indicated by employers as an impediment to hiring people with disabilities particularly in **Latvia** where they seem to be especially restrictive. This has been confirmed by a survey conducted on employers by the Latvian Ombudsman, which ranks the difficulty in terminating the employment relationship among the main existing barriers to the hiring of people with disabilities.

Some of the participating countries are relaxing these regulations while strengthening employment subsidies and support measures. In **Austria**, for example, a 2011 revision provides that for new employment contracts the special dismissal protection comes into effect only after four years (compared to the previous six months).

3.2.3 Sheltered employment

Sheltered employment and employers with a special status provide work experience for people with severe disabilities. They provide a working environment adapted to the needs of a workforce largely composed of people with disabilities and promote the workers' personal and social development through professional activities and support services. The legal framework of sheltered employment provision varies across countries. In the majority of cases these structures are private establishments, usually run by voluntary associations or social cooperatives (as in **Italy**) or by private enterprises with a special status (e.g. in **France, Serbia** and **Latvia**). Most of these structures are supported by public subsidies and get revenues also from the production

of goods and services for the market. These workplaces also provide on the job training and work trials for those workers that need to be trained before moving to other enterprises in the open labour market.

In **Slovakia**, the 2004 *Act on Employment Services* ("Zákon") provides for an allowance to set up sheltered workshops or sheltered workplaces for people with disabilities. The allowance supports the adaptation of the workplace to the needs of disabled employees and partially covers the operating expenses of sheltered workshops and sheltered workplaces (e.g. gas and electricity charges, rental expenses, transport of materials and products, mandatory social contributions and other administrative expenses).

In **France**, there are 800 *handicap-adapted enterprises* (EA) ensuring that at least 80% of their workforce is composed by disabled workers in a working environment that accommodates their work-capacity (for example: flexibility of working-hours, office space, desk equipment, etc.). The EA model also includes support services to enable the completion of individual professional projects. Among the objectives, there is also the enhancing of workers' skills and their mobility within the structure itself or towards other companies. The long-term goal is to facilitate access to employment in the open labour market, given the EA's limited employment capacity compared to regular private companies. In addition to EA, in **France**, in 2016, there were about 1 280 *Specialized institutions* (ESAT) accommodating about 120 000 people with disabilities, that cannot, temporarily or permanently, work (full-time or part-time) in private ordinary enterprises nor can engage in an independent professional activity. ESATs offer opportunities for various professional activities (catering, sewing, cleaning, etc.) as well as a full range of support services (medical, social, education) to promote personal and social development.

Box 3.5: Italy – Social cooperatives for temporary or permanent employment

In Italy, social cooperatives of Type B provide temporary or permanent employment for disabled people. They have a long-standing tradition in the employment of people with disabilities, with successful experiences of placement at work. In addition, they represent an additional way by which private companies with more than 50 employees can fulfil their quota obligations in case of people with severe psychic and intellectual disabilities. In these cases, 'trilateral' fixed term agreements may be signed between the company, social cooperatives and the targeted employment services.

Workers with disabilities are temporarily employed by social cooperatives, to which the company has to subcontract some products or services. In cases of temporary employment, they provide on the job training and then support the transition to private companies. Permanent employment is instead available for those workers unable to find employment in the open labour market (largely people with psychic and intellectual disabilities). Most of these cooperatives are subsidised by the state and by private companies either through outsourcing or, as in the case of cooperatives for people with mental disabilities, the national and regional funds alimented by companies not employing the mandatory quota of people with disabilities.

In recent years, in some countries there has been a move from a sheltered employment approach to employing people with disabilities in the open market. This process has been helped by the recent technological developments (digitalisation), which may provide increasing opportunities for the employment of p in private companies that should be exploited with ad hoc incentives and research. For example, in **Sweden**, this change in approach is visible in the already cited Supported Employment (SE) and Individual Placement and Support (IPS) methods which are aimed at supporting the jobseeker (with disability) in securing and maintaining employment in the open labour

market, through services provided to both the jobseeker and his/her employers and colleagues. Also, in **Slovakia**, a new Action Plan is under preparation, supporting the transition from sheltered workshops to the open labour market.

3.3 Role of labour market institutions and other actors

In **Latvia**, as well as in the other peer countries, Public Employment Services (PES) have a major role in supporting the employment of people with disabilities, in co-operation with other state and local government institutions, associations of people with disabilities and other actors.

Two main different service models emerged in the discussion of PES for people with disabilities: (1) the mainstreaming model, adopted for example in **Ireland** and in **Finland**, where employment services for people with disabilities are integrated in the mainstream PES system; and (2), that of specific public employment services targeted at people with disabilities which work parallel or in coordination with the main PES e.g. currently in **France**, (*Cap Emploi, now known as OPS*) and in **Italy** (*Collocamento mirato*).

Discussion over these two approaches underlined the need to support a mainstreaming approach. However, this, also requires having structures in place which consider the higher support needs of disabled jobseekers and can ensure increased and better targeting of measures to certain groups of clients, such as those with a disability or health condition. This includes specially trained PES staff who are able to assess jobseekers' needs on the basis of their circumstances and profiling, and can direct them to targeted people with disabilities-oriented services. As pointed out in the peer discussion, PES staff often lacks experience on issues related to the specific requirements of people with disabilities and would need to either acquire additional expertise or have special experts (e.g. ergo therapists, occupational physicians etc.) involved in PES service provisions. For example, in **Cyprus**, all PES offices have employment counsellors with training in psychology and sociology who can help people with disabilities to develop their own profiling and individual action plans. In **Ireland**, a proposal to establish 'centres of excellence' in the PES that would offer specialised services with specific expertise to support people with disabilities is currently under consideration. Likewise, in **Italy**, the on-going reform of PES foresees measures to strengthen the co-operation between PES and Technical Committees in charge of people with disabilities' placement, and the presence of PES staff specifically devoted to their needs. The national Employment Agency is also developing a qualitative profiling tool in collaboration with regions, to ensure the most adequate support to unemployed people with and without disabilities.

The involvement of PES and stakeholders at the regional/local level could support a better matching between people with disabilities and available jobs.

The discussion also drew attention to disparities in the availability and quality of targeted employment services, especially in countries where service provision and administration is decentralised. This is the case in **Italy**, where a central role in the application of targeted employment services is attributed to regional authorities that have to provide targeted employment services for people with disabilities at provincial level. In **Austria**, the distribution of competences between the federal level and the federal states regarding occupational support for people with disabilities impedes efficient transitions and cooperation in service provision.

Improving coordination and encouraging partnership between agencies have been highlighted as key organisational aspects that have a positive impact on the success of employment measures. Close collaboration between the main public actors (i.e. the public employment service and the social insurance agency) through regular meetings, exchange of information and cross-subsidising services is a distinctive feature of service administration in **Sweden**, for example.

In addition to these institutions, the support and the inclusion of people with disabilities requires involvement, engagement and collaboration from a variety of actors including employers, social partners and NGOs. The discussion underlined the role that could be played by PES advisors in involving and supporting employers in strategies for the labour market integration of people with disabilities. The peer discussion also stressed the need for information and awareness raising measures to reduce information and discrimination barriers to their employment. In addition, it is important to effectively publicise the existing measures and support social entrepreneurship. For instance, in **Serbia**, although there is the possibility of refunding the employer of the salary costs for a person engaged in providing professional support, many employers are not aware of the existence of this measure. **Ireland** has recently implemented a *Disability Awareness Training Support Scheme* which is geared towards encouraging employers to train their staff on the particular circumstances and needs of colleague with disabilities. The **Latvian** 'Open Doors Day' for people with disability to increase the awareness of employers about disability and the working abilities and capacities of people with disability, was considered particularly interesting by all participating countries.

A greater challenge is changing how society perceives disability and working capacity among public services, employers, workers, and civil society. Information and awareness raising campaigns and activities making use of online tools, portals and platforms can be especially useful. In this respect, NGOs play a key information and advocacy role.

All participating countries indicate that NGOs are to some extent involved in the programming and implementation of policies for people with disabilities, however not sufficiently. The Latvian NGOs representative underlined the need for NGOs playing a leading role in the development of effective employment policies for people with disabilities, in line with the indications of the United Nation Convention on the Rights of Persons with Disabilities (UN-CRPD). NGOs should also be involved in the implementation and monitoring of employment policy. In **Latvia**, the discussion underlined as a potentially transferable success factor the close cooperation between the Ministry of Welfare and NGOs representing the largest number of people with various functional disorders. NGOs are involved in different working groups for drafting policy planning documents and legislative enactments. The feedback and suggestions expressed by NGOs representing people with disabilities, resulted in the implementation of the motivational programme and the social mentor service for people with disabilities. Another good example of cooperation among different public and third sector organisations is the design of the National Strategy for Disabilities in **Cyprus**.

Box 3.6: Cyprus - First National Strategy for Disabilities 2018-2028 and Second National Action Plan for Disabilities 2018-2020 and their implementation

The aim of these two plans was to integrate existing legal and other measures, and to make mutually reinforcing and more effective all policies that support the disabled in their daily lives and needs.

First, it is recognised that any employment must be consistent with the capabilities and qualifications of the disabled individual. Secondly, a quota system (10% of new hires) in the wider public service is meant to provide suitable and productive employment to qualified individuals but to also serve as an example to employers in the private sector. To reinforce the objectives of the quota system, training and employment subsidies for positions in the private sector have been foreseen. Finally, cooperation among seven ministries resulted in programmes and actions spanning

over a large number of areas ranging from training, to education, health, and transportation.

Source: Peer Country paper

Regarding the role of trade unions, the representative of the Latvian Free Trade Union Confederation underlined the important role of trade unions, at both national and work place level, in fostering employment of people with disabilities. Firstly, trade unions may have a role of 'watchdog', making sure that current legislation and labour rights are in place, also by an active participation in designing policy and new legislation proposals. Secondly, they could ensure employment protection for people with disabilities, as for other employees, through collective bargaining and agreements, as well as negotiations with employers and participation at workplace regarding the recruitment process, education and training, workplace adaptation, accessibility, services provided, and policy and strategy design. In addition, they can support good working conditions, limiting discrimination and supporting awareness raising in cooperation with ministries, public institutions, employers' organisations and NGOs. An interesting related example is a specific provision that supports trade unions in **France**. Introduced in 2015, this requires that all companies subject to annual negotiations with trade unions are to engage in a specific negotiation on the professional integration and maintenance in employment of workers with disabilities. The objective is to create favourable conditions for the employment of disabled people within the company.

4 Lessons learned and priorities for the future

The Peer Review provided participants with the opportunity to discuss challenges and approaches for assessing and establishing work-capacity and employment support measures to improve labour market integration of persons with disabilities, and the role of labour market institutions and other actors in order to derive some useful policy suggestions.

Although there are considerable differences in the assessment of disability/work capacity across the countries, both in terms of the type of approach adopted and the way assessment is organised, a trend to a **gradual shift from a medical model of assessment towards a capacity-based approach** was noted in most countries. The need for more emphasis on the environment and social context that considers individual needs as well as the work tasks and job requirements was highlighted as of particular importance.

Overall, the variety of employment measures in the participating countries indicate a positive policy approach towards the labour market inclusion of people with disabilities. The **increasing emphasis on and access to supported employment** show a clear orientation towards employment in the open labour market even in those countries where forms of sheltered employment are relatively widespread.

Most countries combine different measures which include for instance elements from subsidised employment, supported employment and vocational rehabilitation. The possibility to participate in vocational rehabilitation or training programmes while in a subsidised job does not only ensure employment integration, but also addresses the problem of moral hazard concerning the lack of incentive on part of the employer or the disabled employee to invest in increasing employability.

One particular type of measure that seems to be **missing (or only partly provided) is 'place and train'**. In countries where such measures have been implemented (e.g. Finland and Sweden) it has been shown to largely contribute to enhancing employability especially of young disabled persons.

In adopting a 'mainstreaming' approach, **increased and better targeting of measures to certain groups of clients with higher support needs** is essential. The participants also agreed that this approach requires **specially trained PES staff**, able to assess jobseekers' needs on the basis of their circumstances and profiling, and to direct them to targeted people with disabilities-oriented services.

The Peer Review also showed how **framework conditions are conducive to getting disabled job seekers into the open labour market**. These refer on the one hand to legislative policies concerning the employment of people with disabilities, and on the other hand to the organisational and administrative aspects of the provision of employment services.

The discussion highlighted that **extended employment protection or the requirement of hiring quotas for firms can have a major impact on the decisions of employers to hire disabled workers**. Countries with relatively weak employment protection and where recruitment and dismissal rules are the same for people with disabilities, hiring and firing costs on firms are considerably reduced making them potentially more willing to employ people with disabilities. At the same time, equal importance needs to be given to the right to social benefits and access to active labour market programmes, as also underlined in the European Pillar of Social Rights.

Removing certain elements of policies or legislation that might discourage disabled people to take up employment, for instance for fear of permanently losing pension rights or other social benefits, **can help incentivise people to seek and participate in employment**.

Investing in closer and better working relationships with employer organizations as well as with **single employers**, and a more **pro-active approach** on the part of employment services has been highlighted as an important factor in increasing the effectiveness of active labour market programmes for disabled job seekers and employees.

The Peer Review echoed that **early intervention and support for early labour market integration is absolutely necessary** to avoid increasing distance from the labour market. Career-counselling and training services offered by the PES need to address future skills and adopt a more preventive approach promoting a greater integration with education and training services.

The peer discussion also underlined the **need for information and awareness raising measures to reduce information and discrimination barriers to the employment of people with disabilities**. Often employers are not aware of the potential benefits of employing people with disabilities and of existing grants and support measures available for employers for workplace adaptation and the costs for a person engaged in providing professional support.

There is a **need for scientific evaluation and regular monitoring of existing policies and pilot projects** to assess their effectiveness, promote organisational learning and ensure that spending makes sustainable social impact.

