

1 Assessment and recommendations

This chapter summarises the findings and conclusions of the OECD study on Disability, Work and Inclusion. The chapter argues that a rigorous disability mainstreaming approach is needed that affects all policies and practices. Rather than continuing to treat people with disability differently and to develop new special support tools, mainstream systems and services must be accountable for being disability-inclusive and develop the capacity to help people with health problems or disability in the same way as other clients. While the employment-oriented policy paradigm put forward by the OECD about 20 years ago remains valid, the chapter also argues that three aspects must receive more attention: helping young people with disability into employment; making people with disability competitive in the labour market; and helping much faster when people become sick or unemployed.

Twenty years ago, the OECD first promoted a new disability policy paradigm that emphasises the promotion of the employability and employment of people with disability on a par with providing them with adequate income support. Suggesting that disability policy should move closer to the philosophy of employment policy, this paradigm included a focus on tailored early intervention, participation requirements and work incentives in line with a person's capacity, and stronger responsibilities for employers and public authorities. What has happened in the disability policy field since? Has the proposed policy paradigm unfolded and, if so, has it delivered on its employment promises?

Countries have made considerable efforts to follow these recommendations. Yet, social and labour market outcomes for people with disability continue to be disappointing, suggesting that the necessary policy transformation is incomplete and resources invested in creating equal opportunities continue to be insufficient. For instance, the share of rehabilitation and employment-related measures in total spending on incapacity across all OECD countries has increased slightly from 9% in 2007 to barely over 10% in 2017, but this is still a very low share of the total compared with 41% dedicated to employment-related measures in total unemployment spending.

The disability policy paradigm itself needs to evolve too, in line with the state-of-the-art developments in policy thinking. The analysis in this new OECD report suggests that the following three policy aspects, in particular, have not received the necessary attention:

- *Early intervention is not yet the norm.* The focus in policy has been on promoting employment efforts in disability benefit programmes, not recognising that people applying for a disability benefit will often have had fragile and interrupted employment experiences and may have been navigating the welfare system for years. Interventions should start early in life or as soon as any health barriers to employment become visible.
- *Persistent skill gaps need to be tackled.* Despite longer schooling and school completion at a higher average level, the education and skills gap has not closed, or not enough. This means that people with disability are still less skilled than people without disability and thereby often less attractive to employers.
- *Young people with disability have received too little attention.* Discrimination and skills gaps start early in life. It is important to tackle them early in life, to break the perpetuation of disadvantage, and to help young people with disability in making a transition into adult life and the labour force.

It is important to tackle these predominantly supply-side oriented aspects of disability policy. Demand-side policies, such as training regarding disability sensitivity and stigma reduction, job accommodation support, or hiring subsidies, can tackle discrimination and encourage and support employers to hire and retain people with disability. However, without adequate skills for the current and future world of work, people with disability will remain at a huge disadvantage in the labour market.

Disability mainstreaming: The key to implementing a new policy paradigm

Implementing a new policy paradigm within existing systems and structures appears difficult. For instance, early intervention in vocational rehabilitation and employment policies is critical but countries continue to invest a lot of resources and effort much too late, often only at a time when the mind-set of people has already shifted towards inactivity. A real change will require shaking up the existing system, and thinking policy differently. In particular, it is critical to think **disability mainstreaming** differently and to implement it rigorously – in education policy, labour market policy and social protection policy.

Treating disability by special measures, special programmes and even special systems, and not within the mainstream systems and services provided to people without disability, risks perpetuating difference and disadvantage. Individualised, targeted approaches are key but they are key for everyone who needs support; mainstreaming and individualised targeting must therefore go hand in hand.

Disability mainstreaming, which is also at the core of the UN Convention on the Rights of Persons with Disabilities particularly when it comes to the right to work and employment (Article 27), will need to be different in the future and expanded to all policies and services. This is also important in view of the big ongoing shifts in the economy and labour market, which come with new risks but also with new opportunities. For people with disability to benefit fully and equally, a mainstreaming approach should take into account the diversity of people with disability, and be adopted through all areas of policy to avoid that future risks outweigh future opportunities, including:

- Disability mainstreaming in education systems.
- Disability mainstreaming in supports for NEETs.
- Disability mainstreaming in labour markets and employer practices.
- Disability mainstreaming in adult learning systems.
- Disability mainstreaming in employment services.
- Disability mainstreaming in social protection systems.
- Disability mainstreaming in poverty prevention measures.
- Disability mainstreaming in technological developments.

The principle in each case implies that countries should avoid the development and use of special systems or services and that, instead, mainstream systems and services must be disability inclusive. Mainstream systems must target the individual needs and strengths of everyone, including those of people with disability, and be accountable for providing their services to people with disability to the same extent as people without disability.

Disability is diverse, in terms of types, duration and extent of support required, and the type and nature of help needed to access and stay in the labour market, and to live a decent life, will vary accordingly. Disability mainstreaming should mean getting the basics right for everyone, irrespective of whether a health problem or disability, some of which are temporary, are involved. A successful mainstreaming approach has a number of characteristics, among which the following are particularly noteworthy:

- *Whole-of-government approach.* Mainstreaming disability means that all employment policies and social protection systems matter, not just incapacity-related systems. Public employment services and adult learning systems are key disability policy components, to give two examples.
- *Personalised approach.* Mainstreaming disability is not an excuse to ignore barriers. To the contrary, it implies policies that actively understand and reduce the impact of any barriers, including health barriers and disability, within all mainstream systems.
- *Mutual responsibilities approach.* Successful mainstreaming requires strong responsibilities for all stakeholders and institutions, including people with disability themselves. It also relies on the application of the principle of full participation and equalisation of opportunities for, by and with people with disability (*Nothing about Us, Without Us*). Relevant labour market institutions must apply a mainstream approach from the outset and be accountable for disability inclusion.

A successful disability mainstreaming approach that takes a more individualised approach to addressing labour market inclusion could also help other people without disability who nevertheless face a range of employment barriers. Conversely, addressing employment barriers more generally for disadvantaged groups of the population will also help people with disability.

It is very timely now, after two years of a health crisis that has quickly turned into an economic and labour market crisis as well, to evaluate outcomes and policy developments for people with disability in the past 15-20 years. In building back better after the COVID-19 pandemic, it will be crucially important to ensure an inclusive recovery that leaves no one behind, including people with disability. A rigorous and further strengthened disability policy paradigm, in line with the UN Convention and based on a mainstreaming philosophy will help achieve this.

Labour market outcomes of people with disability

Employment rates of people with disability remain stubbornly low

Improvements in labour market outcomes for people with disability lag far behind aspirations. In 2019, across a set of OECD countries for which comparable data are available, about one in four persons with high support requirements and about one in two persons with moderate support requirements had a job. Taken together, people with disability were about 40% less likely to be in employment than were people without disability. The global financial crisis of 2008-09 has affected employment rates of people with disability more than the rates of people without disability, measured across the OECD area as a whole, and it took longer for those rates to recover their pre-crisis level. Employment rates of people with disability surpassed their pre-2008 levels in the last 3-4 years before the COVID-19 pandemic – but without any significant narrowing of the persistent disability employment gap.

Labour market dynamics are different for people with disability

Labour market dynamics differ greatly between people with disability and people without disability. Data for European OECD countries show that entering the labour market is much more difficult for people with disability: across all age groups, the hiring rate is about 2.5 times higher for people without disability, with a particularly large disadvantage for persons of prime working age. Transitions into unemployment, voluntarily or involuntarily, are also much more frequent for people with disability than for people without disability, by a factor of around 1.7 on average across demographic groups. Once employed, however, the likelihood of a job-to-job change is relatively similar for people with disability and people without disability, indicating that people with disability have the potential to thrive in the labour market.

Rising labour supply has increased the unemployment gap in some cases

Labour supply of people with disability has increased more in the past few years before the COVID-19 crisis than of people without disability but the reduction in the labour force participation gap translated into an increase in the unemployment gap in several countries. In 2019, across a large set of OECD countries, people with disability were 2.3 times more likely to be unemployed than people without disability, compared to around 2 times before and soon after the global financial crisis. This suggests that, compared to 10-15 years ago, more people with disability are seeking employment but cannot find a job. This aligns with findings according to which some OECD countries have succeeded to lower the disability beneficiary rate, but with little impact on the employment rate of people with disability. There are considerable differences across countries in both the level and change over time of the share of people receiving a disability benefit: some countries have experienced large decreases, others have seen increases. On average across OECD countries, these changes cancel out and the share of people receiving a disability benefit has remained rather stable for about 20 years – despite the ageing of the working-age population which would have driven up beneficiary rates if age-specific rates would have remained unchanged.

The long-term impact of the COVID-19 crisis is not yet known

The long-term impact of the COVID-19 crisis, if any, has yet to unfold. Recent administrative data suggest that so far, disability benefit caseloads have not increased, despite an increase in long-term unemployment in many countries and upturns in sickness absence during certain periods of the pandemic. Widespread use of job retention schemes and the surge in telework have helped to prevent large-scale labour market exit. Lower labour supply, however, is a growing concern, for people with disability and people without disability alike. In previous economic downturns, people with disability were more likely to leave the labour force. Up-to-date high frequency data for both the United Kingdom and the United States indicate no significant differences between people with disability and people without disability in the development of employment and unemployment rates during the COVID-19 pandemic, however.

Supporting young people with disability

Young people with disability are a particularly disadvantaged group

Children and youth with disability often face several disadvantages many of which start early in life. They are more likely to live in families that are income poor and dependent on social benefits and therefore at risk of intergenerationally transmitted welfare dependence. Multiple disadvantages also translate into a considerable education gap from a young age. Youth with disability are highly overrepresented among those who drop out of the education system prematurely. About one in five youth with disability and two in five with high support requirements are early school leavers, defined as young people aged 15-29 not in education and without upper secondary school diploma, compared to less than one in ten youth without disability. Consequently, youth with disability also struggle with the transition into the labour market. About 30% of youth with disability and close to 70% of those with high support requirements are NEETs, a group defined as young adults not in education, employment or training, compared to only one in eight youth without disability.

Countries provide income security for young people with disability in different ways

One task for governments is to provide income security for youth with disability, a necessary condition for their growth and progression. Countries use three types of benefits to achieve this aim, sometimes in combination. First, child allowances for youth with disability, sometimes extended into adult age and/or regular child allowances topped up for youth with disability; second, disability benefit programmes, in most cases the general programme used for adults but with looser entry requirements and accessible as of around age 18; and third, means-tested minimum income or social assistance programmes. Only the Netherlands has a special disability benefit programme for youth with disability, although several countries pay benefits to youth with disability through disability programmes without contribution requirements. Across European OECD countries, four in ten youth with disability receive a social benefit, with about 40% of them each receiving either disability benefit or social assistance and the remainder other benefits. Youth poverty tends to be higher in countries relying on means-tested payments.

Ensuring income security is important. Research from the United States suggests that social protection is key for youth with disability to maintain a given living standard. However, benefits for youth with disability can also perpetuate the intergenerational disadvantage and nurture a welfare culture. Finding the right balance between providing support and incentives to self-sufficiency is especially important in this case because these payments are perceived as permanent by recipients of all ages and outflow from these programmes is low. Administrative data for Belgium, Canada, the Netherlands and Switzerland show that the exit rate from disability programmes is low and has remained constant over time, at around 10% of all claimants.

Successful transition to the labour market starts with inclusive education

The UN Convention on the Rights of Persons with Disabilities instructs signatories to phase out or abolish special schools and provide inclusive schooling for all. Research suggests that students with disability perform better in mainstream settings than their peers in special education, through peer learning and better social skills, and that there are benefits of inclusive schooling more generally, not only for youth with disability. OECD countries have made considerable efforts in this direction. Data for European countries show that about two-thirds of all youth with disability enrol in mainstream classes for at least 80% of the time, though with large differences across countries. More in-depth data suggest that inclusive schooling has become the norm in many countries at primary school age but that for many youth with disability, the transition to mainstream secondary school and consequently tertiary education is difficult, including the transition to vocational schools and apprenticeships. Countries will have to make more efforts to facilitate this transition for those youth with disability able to move on, building on the approach and success at primary school level.

Supporting education completion and the transition to the labour market

Higher education facilitates labour market entry and allows people to progress to better jobs. Supporting youth with disability in staying in education and completing school at the highest possible level is critical. Investments in training for all teachers to be able to support students with special needs, together with a sufficiently large number of support teachers and vocational counsellors will pay off in the longer run. NEETs face a considerable risk of experiencing persistently poor labour market outcomes and becoming long-term unemployed or inactive. The high share of youth with disability among them suggests that this is a field where disability policy has not been involved enough. Mainstream programmes to first identify and reach out and to help NEETs must have a stronger focus on barriers for youth with disability and barriers caused by their health and disability. The same holds for mainstream programmes facilitating the transition to the labour market, which tend to be most effective if involving schools, local actors and institutions and employers.

Linking school-to-work support with social protection for young people with disability

Too often, there is a disconnection between social protection provided at the national or sub-national level and school-to-work support, which is typically organised locally. These two parts of a successful disability policy must link very closely, as conditionality and a strong education and employment focus are the cornerstone in social protection for youth with disability. Making supports permeable and flexible is critical, to allow youth with disability to transition into the labour market while receiving benefits and to return to benefits when employment integration has failed. Conditionality should imply that benefit receipt is conditional on mandatory participation in training or apprenticeships, in line with the individual's capacity. Mandatory registration with the public employment service is another promising element for all young people who are not in employment and for youth with disability in particular. Public employment services should have the competences and adequate resources necessary to help youth with disability and refer them as necessary to vocational services.

Providing incentive-compatible and adequate social protection

The majority of adults with disability not able to work receive social benefits

The situation for adults with disability is different from that of young people insofar as different policy levers are available to support them, even if many of the general challenges – such as finding a balance between income protection and work incentives – are similar. Survey data across a set of countries show that work contributes about two-thirds to the total income of people without disability but less than 50% for people with disability (and for those with high support needs, just over one-third of total income). Conversely, income from benefits plays a critical role for people with disability, contributing one-third of their total income across all people with disability and even half of total income for those with high support needs.

The same survey data indicate that across all age groups social protection coverage for people with disability is relatively high in most OECD countries. Among people with disability who are not working (both in inactivity or looking for a job), about 80% receive some income-support payment and 90% or more in most countries among those with high support requirements. The share not working and receiving a sickness or disability benefit is only 40-60% among people with disability with high support requirements and 20-30% among those with moderate support requirements. This reflects the importance of mainstream benefit programmes (such as unemployment benefits, social assistance and early-retirement benefits) in providing income security for people with disability and the need for policy makers to think more widely than a narrow focus on programmes with “disability” in their title, when designing effective disability policies.

Disability benefit programmes have seen changes in many OECD countries

Many countries have been and are in the process of reforming their disability programmes, often with the aim to achieve better employment outcomes for people with disability. For instance, countries like Austria, Hungary, the Netherlands and Norway, have introduced or strengthened transitional programmes with a strong focus on vocational rehabilitation and training to prevent shifts onto disability benefits from which a return to the labour market is the very exception, not the norm. A large share of people with disability recover and transition to the labour force after exiting transitional programmes: in Norway, over 50% of the claimant's recover, 35% in Austria, and around 15-30% (depending on the system) in the Netherlands. When evaluated causally, however, the positive employment effect of transitional programmes is less evident. Research from Austria and the Netherlands finds limited employment effects from participation in transitional programmes.

Many countries also make considerable use of partial disability benefits to provide flexibility and more possibilities to combine work and benefit receipt. Such programmes allow persons with partial capacity to work while receiving a partial benefit, even on a permanent basis. However, partial benefits may also provide incentives for some people to claim benefits to support a subsidised shift from full-time to part-time employment. Supporting this view is evidence from Austria showing that allowing for partial work among disability claimants is increasing the fiscal costs of the disability programme.

The employment effects of disability benefit reforms have often been modest

Across OECD countries with available data, the employment gap of people with disability has remained largely unchanged on average, in spite of substantial disability programme reforms in many countries. Reforms that affect the generosity of the disability system and introduce employment-oriented measures (e.g. new transitional programmes or better financial incentives to work), while effective in curbing the size of the programme, do not correlate with changes in the employment rate of people with disability.

The main reason for the limited employment effect of disability reforms is that employment-oriented efforts even if far-reaching in some cases are coming too late. When people apply or consider applying for disability benefits, they have typically been out of work for a long time or have gone through considerable periods of unstable employment and/or repeated phases of unemployment or sickness absence. Even the best rehabilitation and reintegration efforts, or the most attractive financial incentives, are unlikely to achieve much at such a late stage. For the same reason, declining large shares of applicants at this stage is per se not an effective approach: Rejected applicants will need significant help to stay in, or return to, the labour force. The consequence of this is that policy efforts must be reoriented to prevent people from getting to a stage from which there is no sustainable return to work.

The need for early intervention calls for a strong sickness benefit programme

Workers in most countries go through phases of long or repeat absences before dropping out of the labour market via disability benefits (or other long-term benefits). During this period, people can receive sickness benefits in most OECD countries, and initially often employer-provided sick pay for a limited period. In most countries, there is no institutional link between these sickness programmes and the disability programme even though they are clearly an intermediate step from work to labour market exit. In this respect, sickness programmes in most countries are also still very passive in nature, especially when connected with health insurance, as they are income-support schemes complementing medical treatment and rehabilitation.

In countries like Austria, Belgium, the Netherlands, Norway and Switzerland, sickness programmes play a key role in gatekeeping entry to disability benefits. These countries make substantial efforts to manage sickness absences in a more active way, promoting and facilitating a fast return to work, often through partial benefits and a gradual return to work. This is only possible with the involvement of employers, and requires refocusing doctors responsible for granting sickness certificates on the work capacity of their

patients, who will often be able to work reduced hours or in a different function when sick. Skills depreciate very fast and evidence shows that it is much easier for people to remain in employment building on the existing employer-employee relationship, than to find new employment. However, it is also important for effective return-to-work programmes to react quickly when a return to the same job, or the same employer, is not possible, and to expand the efforts to the broader labour market even at an early stage.

Early intervention is equally important for unemployed people with disability-related employment barriers

Data for various countries suggest, however, that 20-50% of all new disability benefit claims go through unemployment, not employment. This implies that for those people early intervention must take a different form and involve the unemployment system rather than the sickness programme. Public employment services must be equipped with the tools to identify health and other disability-related barriers to employment as quickly as possible, including mental health issues, which are the most frequent health barrier that jobseekers face, or be able to refer people for a capacity assessment, and to offer integrated health and employment services. Not addressing these health barriers early is likely to lead to long-term unemployment and eventually labour market exit, often through the disability programme. This makes the unemployment system and the mainstream public employment service an essential disability policy institution, not only for labour market entrants but, equally so, for adults of any age – a role well recognised in an increasing number of OECD countries. The growth of disability benefit claimants with mental health conditions and the high share of this group among claimants coming through the unemployment route is testimony of the key role of the public employment service. Survey data demonstrating the high share of people with disability and people with mental health conditions among unemployment benefit recipients in all OECD countries also confirm this.

Participation requirements and regular reassessments of the situation are needed

Participation requirements are a key aspect in the success of early intervention and return-to-work efforts, and employment measures more generally, irrespective of the programme that delivers such support. The relative success of mandatory programmes for registered jobseekers is in sharp contrast to the extremely low take-up in most countries of voluntary programmes for persons applying for disability benefits. Without participation requirements, fully aligned with people's work capacity, few people will choose the activation route, thereby compromising the impact of promising approaches. Countries like the Netherlands, for example, successfully gatekeep the entry into disability benefits with strict employer and employee requirements to facilitate a fast return to work during sick leave. Adequate participation requirements also facilitate the implementation of responsibilities for other stakeholders, including requirements for employers but also the obligation for the involved public authorities to offer more than a benefit.

A second key aspect distinguishing disability from unemployment benefits is their nature as a permanent payment. This is in contrast to the nature of disabilities, many of which are not permanent. Moreover, the ability to work may also change over time due to technological advances or rising labour demand. Very few countries have a rigorous system of reassessment in place. In those few countries that have ever gone through a systematic reassessment of all beneficiaries, like the Netherlands or the United Kingdom, many have lost their eligibility. This is only acceptable, however, if effective employment supports are in place. There is no doubt that reassessments are problematic for people with permanent inability to work. In addition to the direct negative impact on well-being, simply removing people with disability from disability benefits could be counterproductive, and worsen people's disability, as well as the social support provided to them. As these people will have been out of work for a while, it will be difficult to bring them back to the labour market although data for the Netherlands suggest that about 20% find employment, even with limited reintegration support. This group of people losing benefit entitlement would be similar to many of those who are rejected disability payments in the first place, many of who also struggle to return to the

labour market. A more rigorous approach to entitlement reassessment is not only difficult politically but would also require greater flexibility in disability programmes to ensure eligibility for social support in periods when self-sufficiency is not realistic, e.g. in the case of disability fluctuating over the life cycle, and strong employment support in periods when work is an option.

Disability benefits provide income security but benefit systems are fragmented

Disability benefit programmes have to provide income security. Many of those relying and depending on those payments have limited work capacity and employment opportunities. Moreover, those with the lowest opportunities may also often face the highest disability-related costs. By themselves, the average benefit from the main disability programme is relatively low measured against the average wage in a country; often representing around 30% of that wage, with considerable variation across countries. However, this low rate must be interpreted with caution. First, as many people with disability will have earned a low wage, a comparison with the minimum wage may be more meaningful. Secondly, many people will receive additional payments. These payments include top-ups for high-income groups for instance regulated in collective agreements designed to replace a higher share of the past wage, or top-ups for low-income groups designed to make ends meet. Depending on the system, the take-up of the latter may be low in some countries but may reach up to 50% of all benefit recipients in others. In addition, people may receive other benefits specifically designed to cover disability-related costs, including the costs of care for people with high support requirements in need of constant attendance but also other payments, such as mobility allowances.

Overall, it appears that disability benefit systems are often fragmented e.g. distinguishing different types of payments, often including contribution-based and means-tested payments, and, sometimes, permanent and temporary payments or full and partial benefit programmes, and that there are substantial barriers to accessing top-up payments. As a result, people with disability may have to go through various eligibility assessments for different payments and may not receive what they need. System simplification could contribute to better income security. After all, a more mainstream approach to benefits could do away with a number of the problems that countries face with their disability benefit system. The OECD work on disability policy some 12 years ago brought forward the idea of a single working-age benefit for everyone who is not in employment, with top-up payments to cover the additional costs of disability, which are independent of the person's employment status. It is time to consider a shift in thinking about the design of social protection, especially in view of the evidence that a high share of people with disability rely on social assistance rather than disability benefits, further supporting such a shift and simplification in the social protection system.

Disability benefits alone are not sufficient to prevent widespread poverty

Despite a range of main and additional disability benefits in many countries, people with disability remain among those most at risk of being income poor. On average across the OECD, one in four people with disability live in households with incomes below the poverty line, defined as household-size adjusted disposable income below 60% of the median, compared to one in seven people without disability. The poverty gap has gradually increased over time, both on average and in the majority of countries for which data are available. The average disability poverty gap today is around 10 percentage points, compared to 8.5 percentage points before the global financial crisis, with much higher levels in some countries and over 20 percentage points in Korea and the United States.

Survey data for European OECD countries suggest that disability benefits prevent about one in four people with disability from falling into poverty, another quarter lifted out of poverty through social assistance, and in total about 54% through either of the two social protection programmes. These shares vary from country to country but the key poverty-preventing role of social assistance payments for people with disability is clear for all countries. The exclusion from disability insurance benefits in many countries or the entitlement

to very low payments only, because of lacking contributions payments, explain the importance of social assistance payments for people with disability. This is another key lesson for policy makers: benefit adequacy considerations must take a more complete view on the benefit system as many people with disability depend on top-ups provided through social assistance or, more often, on social assistance payments altogether. While adequate benefits also facilitate the investment in skills in view of transitioning to work, tackling inactivity gaps when benefits are similar to the wage a person can earn in the labour market remains an ongoing challenge, not only for people with disability.

Harnessing the promise of the Future of Work for all

Work is going to look different in the future, and the future is now

Getting services and benefits structurally right is an important step to better employment inclusion of people with disability. Meanwhile the world of work is changing and this change is affecting people with disability at least as much as other groups of the population. The digital transformation and the increased use of artificial intelligence is deeply affecting labour markets around the world. While massive technological unemployment is unlikely, many new jobs will be created while others will be automated or overhauled. Many people including people with disability will have to adapt on the job, or change their job or even occupation. The COVID-19 crisis has accelerated some of these developments and certain gradual trends occurred abruptly and are here to stay, such as widespread teleworking. Big changes like those will widen the opportunities in the labour market but this will not happen for everyone and not automatically. It is in the hands of OECD countries to harness the promise of a better future of work for all, including people with disability.

Ongoing labour market change may affect people with disability unfavourably

While the changes affect all workers, evidence suggests that without public attention to the issue they could affect people with disability in a less favourable way, due to their skills and the type of jobs they are holding. First, ongoing job polarisation caused by the loss of middle-skilled jobs is a larger problem for people with disability, who are much less likely to hold a high-skilled job; job polarisation could increase the skills gap if people with disability are more likely to shift into jobs that require lower skills. Secondly, people with disability are slightly more likely to be in jobs at risk of automation, due to their overrepresentation in certain economic sectors and occupations. Thirdly, overall people with disability are less likely to have a job that is amenable to teleworking, for the same reasons. Teleworking and new technologies offer great opportunities for particular types of disability (e.g. by removing commuting or communication barriers) but people with disability will not benefit from ongoing technological and labour market change equally without public investments in infrastructure and workplace accommodation to ensure new technologies and accessibility aids are available. Consultation with and involvement of people with disability in developing future work policies will be critically important to make the most of the new opportunities.

Ongoing changes might affect the health of workers and the prevalence of disability

Another aspect is that ongoing labour market changes might affect the health of the workforce and thereby even the prevalence of disability. New forms of work that are emerging and expanding, including platform work, dependent self-employment, or employment on on-call and zero-hour contracts, can offer health benefits through more autonomy and flexibility. However, associated lower labour market security and poorer access to health and social protection may compromise worker health. There is evidence that such forms of employment come with a higher risk of work accidents, for example, and higher work-related stress due to lower job security. Automation and digitisation lower the physical toll of work, but the

psychological demands of work are likely to continue to increase. Teleworking which has spread quickly during the pandemic can facilitate a better work-life balance, but can worsen health by lengthening working hours, and increasing occupational health and safety risks for both physical and mental health.

Improving the quality and flexibility of dependent employment is critical

Job characteristics already differ between people with disability and people without disability and it is not a given that ongoing changes will reduce those differences. Across a large set of OECD countries, people with disability are much more likely to work part time; while this may often be a matter of choice, and for some people with disability the best way to work or to transition into the labour market, involuntary part-time work is nevertheless also higher for people with disability. The quality of employment is lower for people with disability on all measurable dimensions. For instance, people with disability more often have a job that involves monotonous tasks and/or repetitive tasks; more often work unpredictable hours; and, if they are self-employed, are more likely to be in dependent self-employment working for only one client. Lastly, people with disability earn less on average, measured on an hourly basis. The disability wage penalty, just like the disability employment gap, has remained very stable on average across countries for which comparable data are available: based on an hourly full-time wage, people with disability earn about 10-15% less than people without disability. All these findings show that labour markets are not flexible and adaptive enough to provide equal opportunities for people with disability.

Improvements in the quality of employment will benefit all workers, and workers with disability and, among them, those with mental health conditions will benefit in particular. Working time and workplace flexibility are the types of flexibility most demanded by workers, with close to zero costs for employers. Facilitating such flexibility is a very effective strategy to accommodate the needs and capacities of workers with disability. A statutory entitlement for all workers to request workplace and working time flexibility that can only be refused by the employer on strict grounds, is a strong mainstream tool providing the necessary accommodation for people with disability without them necessarily having to disclose all their needs and thus without putting them at a disadvantage vis-à-vis other workers. To make teleworking an attractive reality, encompassing occupational health and safety regulations and guidelines that cover the workplace at home are important: several OECD countries put such regulations in place during the COVID-19 pandemic.

Improve access to social protection for new forms of work and self-employment

For new forms of work, limited access to social protection is a big challenge. Reducing fiscal and regulatory differences between employment forms and combating dependent self-employment is an important step to take, to make the “grey zone” between different forms of work as small as possible. Beyond this, there is a strong case for full health coverage for all forms of work as well as for more quality in access to social protection; after all, some forms of new work only exist to circumvent the cost of social contributions. Universal access to sick pay and sickness benefits is particularly important; such access was critical during the COVID-19 pandemic but is also critical as a tool to prevent work incapacity and labour market exit, through a strong focus on return-to-work measures. The necessary strengthening of sickness programmes will only be effective, however, if covering all forms of work, including all forms of self-employment. During the pandemic, many OECD countries have extended access to sickness programmes for self-employed workers; such coverage should become the norm. The potential costs of implementing such programmes should be weighed against their long-term productivity gains.

Pivot advances in technology towards inclusion

Equal benefits from the shift to digitalisation require better digital skills for people with disability and better access to digital tools. Data for a large sample of countries suggest that people with disability are half as likely to have access to basic digital tools and one-third as likely to use the internet for personal use. These are strong indications of a large digital divide, the implications of which became very apparent during the

COVID-19 crisis, for example, when children living in disadvantaged circumstances were at risk of falling further behind. Several countries are investing in closing the gap in access to digital technology, which will help all those now disconnected, including people with disability. Closing the gap in digital skills is a bigger task (see further below).

More generally, advances in technology and the spread of artificial intelligence should be inclusive. Technologies should use Universal Design from the outset so that (virtually) everyone can access, understand and benefit from them. There are various ways to support achieving inclusive technological advancement, including by adjustments in regulatory frameworks to prevent biases against disability in mainstream technologies and changes in engineering curricula to facilitate a more inclusive approach to technological developments. Other measures can include the incorporation of inclusion objectives and criteria in mainstream innovation and R&D strategies, the inclusion of Universal Design and accessibility requirements in public procurement, and the preparation and dissemination of information and guidance for the private sector on how to implement accessibility and Universal Design.

Governments also have a role to play in promoting the development and availability of assistive technology specifically designed to promote the needs of people with disability, as stipulated in the UN Convention on the Rights of Persons with Disabilities, and to stimulate the adoption of such technologies in firms, in co-operation with the social partners and the disability sector. Disability awareness training can promote the adoption of assistive and personalised technologies at the work floor. The adoption of such technology can be a critical cornerstone for putting people with disability at a par with other workers, at least for some types of disability.

Getting skills right for all

Higher employment of people with disability is hampered by a skills gap

Limited change in employment rates of people with disability and the considerable employment gap with people without disability on average across OECD countries may seem surprising at first in view of the improvement over the past 15 years in the educational attainment of people with disability. The share of people with disability with a low level of education has fallen from close to 50% to about 30%, with equal increases in middle and high levels of education. However, on average across the OECD, the disability education gap has not closed, as the education level of people without disability has also improved. The education distribution of people with disability is lagging behind by at least 15 years so that people with disability remain at the same relative disadvantage: the education improvements were just fast enough to keep the disability employment gap at its current level.

People with disability can only fill a vacancy or keep a job if they have the required skills and maintain and upgrade those skills in a constantly changing labour market. Employers may have social motives in their hiring practices but will generally hire and retain workers who can fulfil the requirements of the job, and look for a skilled workforce to produce and innovate. In a context where higher skills are more and more important, a skills gap is a substantial employment barrier for people with disability. Governments play an important role in promoting skills formation for all people, including people with disability.

While skills are the most essential ingredient for successful employment entry and career progression, data from OECD's survey of adults skills suggest that the skills disadvantage of people with disability is large. Almost 50% of those with permanent disability have low literacy skills and 55% low numeracy skills. This compares to just over 20% and 25%, respectively for the total population; 30% and 35%, respectively for older workers; and 40% and 45%, respectively for the low-educated population. This is a substantial skills gap even if the measure of permanent disability used in this survey is narrower than the disability definition otherwise used in this report. Closing the skills gap is a condition for closing the employment gap of people with disability.

Participation of people with disability in adult learning is also lagging behind

Adult learning systems could help address this skills gap but participation in adult learning programmes is also lower for people with disability than for people without disability. According to data for European OECD countries, about 18% of all people with disability participate in adult learning, compared with 33% of people without disability. The difference comes predominantly from a much lower participation of people with disability who are not in employment plus the higher share of this group among people with disability. Among those who work, there is almost no training participation gap, which aligns well with earlier findings that people with disability who are in employment are as likely as people without disability to make a job-to-job transition in a given year. In other words, once in employment, the disadvantages are comparatively small although other data also suggest that a higher share of people with disability think they are over-qualified for their job (30% of people with disability compared with 24% of people without disability).

The lower take-up of adult learning programmes among non-employed people with disability might be related to certain disability-related barriers to participation. More important for the low take-up are regulations in mainstream employment services in most OECD countries that exempt jobseekers with health problems or disability from participation in training, under the false premise to address skills barriers only after addressing health and disability-related barriers rather than addressing them at the same time.

Provide effective career guidance that is accessible and disability inclusive

Career guidance is a first necessary element of an effective adult learning strategy, especially important for those who are not in employment or unemployed, given the lesser disadvantages across groups of workers. The public employment service, responsible for registered jobseekers, is a key institution in the provision of career guidance. Mainstream career guidance approaches have seen considerable change lately, sometimes also coupled with efforts to make the system more inclusive and accessible. Like any other employment measure, career guidance should be targeted to the person's individual needs, so to address people's individual barriers. A mix of face-to-face and online services, in line with people's preferences, will achieve better accessibility, with online services built on Universal Design principles so that people with disability with various types of disability can use them effectively.

Reach out to potential learners, including learners with disability

Adult learning programmes, including career guidance, tend to help those least who would need them most, including people with disability as well as youth with disability. Outreach strategies must ensure that programmes reach those who need them. Such outreach strategies can help many groups at a significant distance to the labour market and they must be disability inclusive. Unions can play an active role in encouraging workers with lower skills, including workers with disability, to participate in adult learning. Awareness campaigns that are disability-inclusive could be a way to reach the general population, while the disability sector can play a role in encouraging people with disability further away from the labour market to participate in career guidance. Public employment services can reach out to everyone registered with them but also to groups traditionally not registered, such as sickness and disability benefit recipients, who could also benefit from career guidance and training. More generally, career guidance and adult learning should be mandatory for all those receiving public benefits, including those receiving social assistance payments.

Make mainstream adult learning accessible, flexible and relevant

Mainstream adult learning and training systems must again be built on the principles of Universal Design, to be accessible and relevant for people with disability. Guidelines and evidence on developing learning systems based on Universal Design collected by CAST, a non-profit education research and development organisation based in the United States, provide a good basis for how to do this. An effective publicly

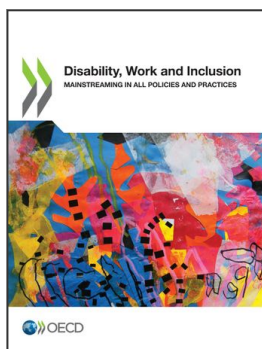
funded mainstream adult learning system requires an active engagement and awareness of adult learning providers and teachers. The adult learning system should accommodate individualised learning pathways by means of widely available flexibility in content and provision, and it should be accountable for disability mainstreaming.

There are many barriers to participating in adult learning programmes including two, which are frequent and where governments can provide a remedy: time and cost. Time is the biggest barrier for workers while financial constraints can be a barrier for many unemployed, often also for people with disability. Entitlement to training and paid or unpaid training leave are the best response to time constraints. Data for Austria, however, suggest yet again that low-skilled workers who would need training most are least likely to use training leave and the share of people with disability among all leave takers is less than 2%. It will therefore be important to ensure such leave reaches people with disability, through the active involvement of employers and staff representatives. Financial constraints can be tackled through public subsidies or vouchers, which can be geared towards the most disadvantaged and to people with disability, or be more generous for those groups.

Disability mainstreaming should be an objective in all OECD countries

Disability reforms in the past decade, even if going into the right direction to support higher employment, have only partially delivered the necessary change. It appears that societies across the OECD have yet to embrace the value and the inevitability of full disability mainstreaming for all labour market institutions and throughout all policies and all areas of life. Current policies and practices fail to address in an adequate manner the discrimination and inequalities that people with disability are facing. Disability mainstreaming must become a matter of course, paralleling earlier powerful diffusions of gender mainstreaming which gradually made its way into all policies and practices, and with increasing success. Disability mainstreaming is equally important for our societies, which face considerable and growing inequities and inequalities many of which are attributable to poor health and disability.

The single biggest problem in disability policy is that intervention is coming too late: when employment is no longer a consideration, or after having missed a number of opportunities to ensure equal treatment, equal skills development and equal labour market transitions. Mandatory disability mainstreaming, i.e. a disability-inclusive approach in all mainstream services and practices, will help to achieve the shift to early intervention in all policies. The reliance on special systems with special entry requirements in many cases explains the late intervention for people with disability – intervention that is typically more costly and less effective. Early intervention must be a principle applied throughout all mainstream policies, in education and youth policies, in employment, skills and labour market policies, and in social protection policies.



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