Executive summary

The employment rate of persons with disability remains stubbornly low. In 2019, across a set of 32 OECD countries about one in four people with high support requirements and one in two with moderate support requirements had a job. Taken together, the employment rate of people with disability was 27 percentage points lower than for people without disability, a gap that has remained constant over the past decade. At the same time, more people with disability today are seeking employment but cannot find a job. In 2019, people with disability were 2.3 times more likely to be unemployed than people without disability, compared to around two times before and soon after the global financial crisis in 2008-09.

The persistent disability employment gap across OECD countries is aligned with a persistent disability gap in education and skills. Educational attainment of people with disability has improved considerably in the past two decades, but is not catching up with that of people without disability; people with disability continue to lag behind by at least 15 years. The disability education gap is reflected in a substantial disability skills gap: almost 50% of those with permanent disability have low literacy skills and 55% low numeracy skills, compared with just over 20% and 25%, respectively, for the total population.

The education and skills gaps start early in life, as children and youth with disability often face multiple disadvantages that translate into difficulties in thriving at school and transitioning to the labour market. As a result, youth with disability are highly overrepresented among those who drop out of the education system prematurely. Consequently, youth with disability also struggle with the transition into the labour market. About 30% of youth with disability and nearly 70% of those with high support requirements are NEETs, i.e. young adults not in employment, education or training, compared to only one in eight youth without disability.

Given the large share of youth with disability who are NEETs, it is key to support their transition to the labour market while providing adequate social protection. Mainstream programmes to help NEETs and to facilitate their transition to the labour market must have a stronger focus on barriers for youth with disability and barriers caused by a disability. Ensuring social protection is key for youth with disability to maintain a decent living standard. However, benefits for youth with disability can also perpetuate intergenerational disadvantage and nurture a welfare culture. Finding a balance between support and incentives for self-sufficiency and making supports permeable and flexible is critical. Mandatory registration with the public employment service helps all young people not in employment, and youth with disability in particular. These services should have the competencies and resources to help youth with disability and refer them as necessary to vocational services.

Social protection is essential in breaking the link between disability and poverty, and so its design is one of the cornerstones of disability policy. Social protection coverage for people with disability is high in most OECD countries. Among people with disability who are not working, about 80% receive some form of 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, however, is only 40-60% among people with disability with high support requirements and 20-30% among those with moderate support requirements. This reflects the critical importance of mainstream benefit programmes (such as unemployment benefits, social assistance and early-retirement benefits) in providing income security for people with disability.

Over the past decade, many countries have reformed their disability benefit systems, but the aggregate effects of disability reforms on employment of people with disability have been limited. Reforms that merely affect the generosity of the disability system and strengthen employment-oriented programmes, while effective in curbing the size of the programme, do not translate into changes in the employment rate of people with disability. The limited impact from strengthening employment-oriented programmes comes from the fact that these efforts are still generally too small and come too late. Too small because the share of employment-related measures in total incapacity spending across OECD countries has barely increased from 9% in 2007 to barely over 10% in 2017. Too late because when people apply for disability benefits, they have typically been out of work for a long time or gone through considerable periods of unstable employment. Even the best programmes, or incentives, are unlikely to achieve much at such a late stage.

The world of work is changing and this change is affecting people with disability at least as much as other groups of the population. Ongoing labour market changes, such as job polarisation, increased automation and the appearance of new forms of work, could affect the job prospects of people with disability unfavourably. Big changes come with risks as well as opportunities and it is in the hands of policy makers to harness the potential of a better labour market that works for all, including people with disability. Countries should aim at improving the quality and flexibility of employment to close the disability wage gap, better accommodate the needs of workers with disability, improve access to social protection for non-standard forms of work, and pivot advances in technology towards disability inclusion, by promoting inclusive technologies that use Universal Design.

The current disability skills gap makes it difficult for people with disability to succeed in the labour market. 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. Adult learning systems could help address the large skills gap but participation in adult learning programmes is lower for people with disability than for people without disability — a difference that comes predominantly from the low participation of people with disability who are not employed and the high share of this group among people with disability. Mainstream career guidance and adult learning systems must be accessible for people with disability and offer flexible courses targeting the person's individual needs and addressing their barriers.

Disability mainstreaming should be an objective in all OECD countries. The single biggest problem in disability policy is that intervention is coming too late: when employment is no longer an option, or after having missed the opportunities to ensure equal treatment, equal skills development and equal labour market transitions. Disability mainstreaming, i.e. a disability-inclusive approach in all relevant mainstream services and institutions, will help to achieve the shift to early intervention in all policies, including education and youth policies, employment, skills and labour market policies, and social protection policies.



From: Disability, Work and Inclusion Mainstreaming in All Policies and Practices

Access the complete publication at: https://doi.org/10.1787/1eaa5e9c-en

Please cite this chapter as:

OECD (2022), "Executive summary", in *Disability, Work and Inclusion: Mainstreaming in All Policies and Practices*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/6839bc67-en

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