

Employment of persons with disabilities: indicators, reasonable accommodation and inactivity traps

Authors: Dr Julie Vinck (KU Leuven) and Dr Angelina Atanasova (European Social Observatory)

The United Nations Convention on the Rights of Persons with Disabilities lists the right to work and employment as a fundamental right (Article 27)¹. Also, the current European Strategy for the Rights of Persons with Disabilities 2021-2030 (the ‘EU Strategy’) aims to improve labour market outcomes for persons with disabilities, as participation in employment is deemed indispensable to achieve economic autonomy and social inclusion². Yet, there is still much room for improvement regarding the employment and retention of persons with disabilities in the European labour market, quality employment opportunities, and career development perspectives.

The main purpose of this background note is to outline several discussion points on the employment of persons with disabilities, for the workshop ‘Free movement and access to employment (for persons with disabilities)’, organised by the Belgian Presidency of the Council of the European Union on 13 November 2023. First, we discuss disability equality indicators and targets. Second, we consider the role of key players in implementation and awareness-raising on reasonable accommodation. Finally, we briefly reflect on inactivity traps.

1. Disability equality indicators and targets

1.1.A step forward: the disability employment gap indicator

In 2021, the European Pillar of Social Rights Action Plan³ added the disability employment gap to the Social Scoreboard, as an additional headline indicator for tracking Member States’ progress on social inclusion and protection. Other indicators are to be broken down by disability status when relevant to supplement the analysis. This is considered an important step forward, given that disability indicators have been developed by the European Commission, the Academic Network of European Disability experts and Eurostat since the late 2000s⁴.

The disability employment gap is the percentage point (pp) difference between the employment rates of persons without disabilities and persons with disabilities. The indicator shows that persons with disabilities are persistently disadvantaged in the labour market compared to

¹ United Nations Convention on the Rights of Persons with Disabilities. Article 27 – Work and employment. Available at: <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-27-work-and-employment.html>.

² European Commission 2021. Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030.

³ European Commission 2021. The European Pillar of Social Rights Action Plan. Brussels, European Commission.

⁴ Priestley, M. 2021. European Semester 2020-2021 synthesis report on disability equality. Brussels, European Commission. Priestley, M. & Grammenos, S. 2021. How useful are equality indicators? The expressive function of ‘stat imperfecta’ in disability rights advocacy. Evidence & Policy, 17(2): 209-226.

persons without disabilities. At the EU level, the disability employment gap did not change much between 2014 and 2022 (22.7 pp versus 21.4 pp on average for the EU 27 countries)⁵. The disability employment gap persists for multiple reasons. Among these are the limited implementation of reasonable accommodation, bias and discrimination against persons with disabilities, as well as the education gap, result of limited ‘access to inclusive and quality education’ and barriers for obtaining different qualifications for people with disabilities⁶.

The disability employment gap also varies greatly between EU Member States. In 2022, the value of the indicator ranged from 8.5 pp in Luxembourg, 9.9 pp in Denmark, 13.1 pp in Portugal, 14.0 pp in Italy and 14.6 pp in Spain to 37.0 pp in Ireland, 36.0 pp in Croatia, 35.3 pp in Belgium and 35.0 pp in Lithuania. This might reflect differences in institutional factors (e.g. anti-discrimination law and its implementation, welfare state regimes and labour market policies) rather than differences in the demographic composition or health status of the population⁷. Labour market policies targeted at persons with disabilities may focus on providing support for job creation, on persons with disabilities, employing organisations or the institutional environment⁸. Nevertheless, Van der Zwan and de Beer show that the employment rates of persons with disabilities are higher in countries with stricter employment protection legislation, while other labour market policies – including those targeted at persons with disabilities – do not fully explain the disability employment gap⁹.

1.2. Labour market indicators over and above the disability employment gap

To properly understand the labour market situation of persons with disabilities, a holistic approach to indicators is needed. The disability employment gap is not always indicative of the labour market chances of persons with disabilities¹⁰. A small disability employment gap does not necessarily mean that a country performs well in employing persons with disabilities. It may also be a result of weak labour market opportunities in general and consequently low employment rates for persons with and without disabilities alike. This is the case for Italy: the disability employment gap (16.9 pp in 2019) is among the lowest in the EU, but the country performs badly in terms of employment rates both for people with and without disabilities (68.6% of persons without disabilities are employed, compared to 51.6% of persons with disabilities)¹¹. In the same vein, a narrowing disability employment gap may reflect weakening labour market opportunities for everyone. Therefore, it is important to contextualise the disability employment gap, for example by disaggregating the employment rates by presence of disability status. For the EU as a whole, 50.7% of persons with disabilities were in paid employment in 2020, compared to 75.1% of persons without disabilities¹². Other ways to put the labour market indicators in context are to present the employment chances of persons with

⁵Eurostat. Social Scoreboard of Indicators, European Pillar of Social Rights. Online data code: hlth_dlm200 Available at https://ec.europa.eu/eurostat/databrowser/view/HLTH_DLM200/default/table?lang=en.

⁶ European Disability Forum. 2023. European human rights report. Issue 7. The right to work: The employment situation of persons with disabilities in Europe.

⁷ Börsch-Supan, A.H. 2007. Work Disability, Health and Incentive Effects. Mannheim – Mannheim Research Institute for Economics of Aging.

⁸ Eurofound. 2021. Disability and labour market integration: Policy trends and support in EU Member States. Publications Office of the European Union, Luxembourg.

⁹ van der Zwan, R. & de Beer, P. 2021. The disability employment gap in European countries: What is the role of labour market policy? *Journal of European Social Policy*, 31(4): 473-486.

¹⁰ Priestley, M. 2021. See footnote 4.

¹¹ Grammenos, S. 2021. European comparative data on Europe 2020 and persons with disabilities. Labour market, education, poverty and health analysis and trends. Brussels, European Commission.

¹² Grammenos, S. 2022. European comparative data on persons with disabilities. Equal opportunities, fair working conditions, social protection and inclusion, health analysis and trends. Data 2020. Brussels, European Commission.

disabilities relative to those of persons without disabilities (as an odds ratio or a relative percentage) or to correlate the disability employment rate with the general employment rate¹³.

Moreover, the employment rate interacts with the unemployment and activity rates, often in a complex manner¹⁴: a low employment rate for persons with disabilities can be related to a high unemployment rate or a high inactivity rate, depending on whether the non-employed individuals are available for and seeking employment and on the direction in which they are channelled by national policies. Information on unemployment and inactivity (e.g. the proportion, disability gap, and duration) can also provide the necessary context for the disability employment gap. In 2020, 17.7% of persons with disabilities were unemployed and 38.4% were economically inactive in Europe on average, compared to 8.6% and 17.8%, respectively, of persons without disabilities¹⁵.

Additional indicators are also vital to better understand the labour market situation of persons with disabilities in particular. When employed, persons with disabilities earn less than persons without disabilities: the age-adjusted disability pay gap was 9.6% in 2019¹⁶. Moreover, for many people with disabilities, sheltered employment is the only employment option, even if it is not their free choice to work in these segregated schemes¹⁷. There are substantial differences between and within European countries regarding the organisation, funding and eligibility criteria of sheltered workshops, their importance within disability employment policies, the extent to which they are subject to standard labour law, and how far they are a steppingstone to the regular labour market. However, there are currently no up-to-date cross-country comparative data on the prevalence and characteristics of sheltered employment and on the transition rates to the open labour market¹⁸.

1.3. Intersectional approach

Certain groups of persons with disabilities are highlighted as especially vulnerable when considering employment opportunities, including women, young people, persons with severe disabilities, migrants, refugees, people from minority backgrounds and persons with intellectual and psychosocial disabilities¹⁹. Disability equality indicators should be disaggregated by gender, age, degree of disability and ethnicity, among others, to reveal the intersections. A breakdown by type of disability is currently not possible due to the lack of data²⁰.

1.4. Setting targets

In the European Strategy for the Rights of Persons with Disabilities 2021-2030, the European Commission calls on Member States to ‘set targets for increasing the employment rate of persons with disabilities and reducing the employment rate gap’ that they experience compared

¹³ Priestley, M. 2021. See footnote 4.

¹⁴ Priestley, M. 2021. See footnote 4. International Labour Organisation. 1983. The thirteenth international conference of labour statisticians, Geneva, 18-29 October 1982. Geneva, International Labour Organisation.

¹⁵ Grammenos, S. 2022. See footnote 12.

¹⁶ Grammenos, S. 2022. See footnote 12.

¹⁷ ANED. 2018. Mainstreaming disability rights in the European Pillar of Social Rights – a compendium. European Commission and Disability High-Level Group. 2016. Eighth Disability high-level group report on the implementation of the UN Convention on the Rights of Persons with Disabilities.

¹⁸ Joint Commission services – Disability Platform Paper. 2022. Package to improve labour market outcomes of persons with disabilities. Brussels, European Commission.

¹⁹ European Disability Forum. 2023. See footnote 6.

²⁰ European Court of Auditors. 2023. Supporting persons with disabilities – Practical impact of EU action is limited. Special report No. 20/2023.

to persons without disabilities, by 2024²¹. The Belgian Presidency could encourage Member States to respond to the European Commission's call and to put forward ambitious employment objectives for persons with disabilities. Closing the disability equality gaps will be necessary to achieve the EU 2030 headline targets set out in the European Pillar of Social Rights Action plan on employment, skills and social protection²².

2. Involving key stakeholders to raise awareness on reasonable accommodation and foster employment

The Employment Equality Directive²³ (Article 5) provides a strong protection for people with disabilities in the employment market in the form of an obligation 'to employers to enable a person with a disability to have access to, participate in, or advance in employment, or to undergo training, unless such measures would impose a disproportionate burden on the employer'. Nevertheless, the lack of information and often unfounded fears among employers about the high cost of hiring and retaining people with disabilities in employment remain some of the major impediments to access to employment for people with disabilities. Furthermore, the lack of knowledge or the fear of revealing the need for reasonable accommodation due to disability may prevent jobseekers with disabilities from seeking and remaining in employment. And while the Employment Equality Directive has been in place for 20 years now, there is still only a low level of understanding of the concept of reasonable accommodation, the obligations of employers and how reasonable accommodation could be implemented²⁴.

In 2020, the European Commission took further action in this direction by publishing a guide of promising practices to implement reasonable accommodation²⁵. A number of practices are listed: for example, in Hungary, as the National Office for the Judiciary struggled to find employees for specific, rather repetitive tasks, they involved a bottom-up NGO with experience in the labour market integration of persons with autism spectrum disorders, to select, assess and train suitable candidates. Another such practice is found in France, where restaurant Le Reflet uses design solutions to employ persons with Down syndrome in the kitchen or as waiting staff (e.g. stamping of cards to order food, handprints under the plate to enhance the grip, or ergonomic kitchen tools). This EU action will be further built upon in 2023, in the upcoming guidelines for employers on reasonable accommodation, as part of the Disability Employment Package under the EU Strategy.

Regarding public funding of reasonable accommodation at the workplace, 'it appears that in most countries state funding mechanisms are available to subsidise (in full or in part) the costs of reasonable accommodation measures incurred by employers'²⁶. However, awareness about the requirements for reasonable accommodation, as well as the obligations of employers and how to obtain such funding, is rather low among employers. This is further supported by the findings of a recent Eurofound report, where '[b]oth jobseekers and employers report difficulties in accessing information on available services', as employers lacked 'awareness of their obligations to make reasonable accommodation and provide information on grant

²¹ European Commission. 2021. See footnote 2.

²² European Commission. 2021. See footnote 3. Priestley, M. 2022. European Semester 2022 mainstreaming disability equality. Brussels, European Commission.

²³ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

²⁴ Anglmayer, I. 2020. Implementation of the Employment Equality Directive in light of the UNCRPD, EPRS: European Parliamentary Research Service. Belgium.

²⁵ European Commission. 2020. Guide of promising practices on how to put reasonable accommodation into practice. Brussels, European Commission.

²⁶ Anglmayer, I. 2020. See footnote 24: p.48.

schemes'²⁷. In this regard, the 7th issue of the European Human Rights Report of the European Disability Forum recommends that the Commission guidelines, to be delivered in 2023, should clearly guide employers and employees, and especially 'focus on the role of national, regional and local authorities in supporting employers with any additional costs', as well as the role of EU funds that could be used for such expenses. Last but not the least, the report outlines that 'it is paramount for the EU institutions and Member States to focus on the dissemination of these guidelines'²⁸.

One of the most effective ways to reach and educate employers on the topic is through employers' organisations, while for employees, trade unions could play a crucial role in educating and advocating for their members when needed. Hence, including social partners in the process, along with equality bodies, could improve the practical implementation of the Commission guidelines on reasonable accommodation. Such an approach would favour both small and medium enterprises (SMEs) as well as big companies, given the different resources available in these two categories to obtain knowledge on funding, implementation and assessment of their obligation to provide reasonable accommodation.

The involvement of all relevant stakeholders in the area of employment is key, not only with regard to the action on reasonable accommodation, but also for all six actions²⁹ envisioned as part of the Disability Employment Package under the EU Strategy. Most actions, namely, are largely dependent on employers and the support provided to them by governmental bodies to employ and retain in employment people with disabilities. Both social partners and equality bodies are still essential to disseminate information and raise awareness on the existing obligations, but also to provide support on how to implement these, and to disseminate some best practices.

With regard to good practices of information dissemination on employing people with disabilities, the Eurofound report highlights the Croatian annual prize for the best employer of people with disabilities, the 'Open doors for persons with disability in enterprises' in Latvia, and welcoming a person with disabilities for one day in companies in Luxembourg.³⁰ Last but not least, under the new EU Directive on Corporate Sustainability³¹, 'companies operating in the EU will have to report on their practices of the inclusion of persons with disabilities and other marginalised groups'³² (with special proportionate standards and delayed implementation for SMEs), on the percentage of employees with disabilities in the company, anti-discrimination policies, diversity actions undertaken, among others. Hence, exchanges of best practices among employers with regard to employing and retaining people with disabilities could be even more welcomed by the employers' side under this new EU obligation.

²⁷ Eurofound. 2021. See footnote 8.

²⁸ European Disability Forum. 2023. See footnote 6.

²⁹ Strengthening capacities of employment and integration services, Promoting hiring perspectives through affirmative action and combating stereotypes, Ensuring reasonable accommodation at work, Retaining persons with disabilities in employment: preventing disabilities associated with chronic diseases, Securing vocational rehabilitation schemes in case of sickness or accidents, Exploring quality jobs in sheltered employment and pathways to the open labor market.

³⁰ Eurofound. 2021. See footnote 8.

³¹ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Text with EEA relevance).

³² European Disability Forum. 14.06.2023. Companies in the EU will have to report on disability inclusion. Available at: [https://www.edf-feph.org/companies-in-the-eu-will-have-to-report-on-disability-inclusion/#:~:text=Companies%20operating%20in%20the%20EU,Corporate%20Sustainability%20Reporting%20\(CSRD\).](https://www.edf-feph.org/companies-in-the-eu-will-have-to-report-on-disability-inclusion/#:~:text=Companies%20operating%20in%20the%20EU,Corporate%20Sustainability%20Reporting%20(CSRD).)

3. Inactivity traps

Disability benefits are a key element of social protection systems for persons with disabilities. However, if people are dependent on benefits for a long time without working, their chances of getting (back) into work decrease³³. Disability benefits can be designed in different ways in order to promote the employment of persons with disabilities. One way to do this is by introducing financial incentives to work and allowing recipients to combine income from work with the benefit³⁴. This can be done by decreasing benefits less than the extra income from work, or by guaranteeing (a return to) their benefit entitlement for a certain period.

However, Member States often apply strict conditions to the combining of labour earnings and disability benefits, in the form of a time limitation or a very low wage threshold³⁵. When the income of a person with disabilities goes up due to increased paid employment, the disability benefit may be reduced or even stopped, potentially yielding a financial disincentive to work³⁶. Some recipients may therefore work below their capacity, in order to stay below the income threshold and thus keep their disability benefit³⁷.

In Belgium, for example, the simulation tool Jobcalc allows persons with disabilities to estimate the effect of a new employment situation on their disability benefit³⁸. In Estonia and Latvia, disability benefits can be combined with income from work³⁹. In Estonia, the disability benefit does not decrease when a person with disabilities starts working, but once the person's wage increases, the work ability allowance will decrease. In Latvia, the full disability benefit is paid to persons with disabilities working in the open labour market.

³³ OECD. 2022. Disability, work and inclusion: Mainstreaming all policies and practices. Paris, OECD Publishing.

³⁴ OECD. 2022. See footnote 32.

³⁵ European Disability Forum. 2021. Ensuring adequate wages and workers' rights for persons with disabilities.

³⁶ European Union Agency for Fundamental Rights. 2018. From institutions to community living for persons with disabilities: perspectives from the ground.

³⁷ OECD. 2022. See footnote 32.

³⁸ Federal Public Service - Social Security. Jobcalc. Available at: <https://www.socialsecurity.be/citizen/nl/static/applics/jobcalc/index.htm>.

³⁹ European Disability Forum. 2023. See footnote 6.