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OCCASIONAL PAPERS

N° 8

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FOR PEOPLE WITH DISABILITIES

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This Occasional Paper contains a report by a panel of experts from fourteen OECD Member countries who compared their policies for the employment of persons with disabilities. It is preceded by a preface by a member of the OECD secretariat covering some of the major issues in this regard.

*********

Cette étude occasionnelle contient le rapport d'un groupe d'experts venant de quatorze pays Membres de l'OCDE qui a comparé les politiques suivies dans leur pays pour l'emploi des personnes handicapées. Le rapport est précédé d'un avant-propos écrit par un membre du secrétariat pour mettre en lumière quelques-unes des principales questions dans ce domaine.
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PREFACE

1. The OECD report Labour Market Policies for the 1990s draws attention to the need to develop "a socially responsible labour supply policy" in which the risk would be diminished that disadvantaged groups might not benefit from increased job opportunities. People with disabilities are one of the most disadvantaged groups in most OECD countries, as reflected in low rates of labour market participation and above-average rates of unemployment. Those who are employed are more likely to be in poorly-paid jobs and their careers may not progress. Yet it is not unusual to find examples of persons with severe disabilities who are employed to their own satisfaction and to the benefit of their employers and communities. Persons with disabilities may therefore represent a potential asset if they can be more fully integrated.

2. The present time is particularly well chosen to reconsider policies for people with disabilities, not only because of the implications for labour supply, and not only because the costs of not integrating them into the labour force are becoming an increasing burden for social policies, but because public perceptions and education systems are changing rapidly. As the OECD/CERI work on the integration of the handicapped adolescent shows, young people with disabilities are increasingly integrated in the same classes and structures as their peers without disabilities. It would be a singularly short-sighted view to educate all young people together and then to tolerate their separation on the labour market. The Employment, Labour and Social Affairs Committee of the OECD decided that Member countries should be invited to compare their policies for the employment of people with disabilities. A panel of countries was constituted and the report prepared for the panel by its technical secretary (Mr. Thorgeir Hernes from the Norwegian Ministry of Labour) constitutes the bulk of the present Occasional Paper.

The problem of defining "disability"

3. A natural starting point for any consideration of the employment policies in favour of people with disabilities is the question of what constitutes a disability, leading on to an attempt to quantify the scale of the problem represented by people with disabilities. Assuming that, for any given physical or mental function, human beings in the same age group could be assessed and would present a normal distribution, those with disabilities would be the ones who performed at the lower end of the distribution curve. However, not all functions are required to the same extent in employment. Moreover, disabilities in respect of some functions can be compensated for by higher performance in respect of others. In addition to such objective measurements of performance, disability is very dependent on the environment. There may be great differences in the way society regards those of its members whose functions are below average in some respects. Work-place arrangements and provision of transport accessible by people with disabilities have a big influence on the possibility to engage in employment. Factors such as these will have effects on the estimates of the numbers of persons with disabilities and on the special measures which may be needed in order to permit their employment.
4. It follows from the above that it is not sufficient, in looking at policies for the employment of people with disabilities, to consider only measures to improve the capacity to undertake a task. Measures to help alter the way people with disabilities are perceived are also important. The changes in the way young people are educated are important in this respect, but there is a need for more to be done to ensure that equal opportunities are given to all members of society as a matter of course.

5. It is apparent from the work of the Panel that the estimates of the numbers of persons in the population of working age who are, or could be, classified as having disabilities vary between countries, not only according to differences of view as regards what is a disability (more than 80 per cent impairment, 50 per cent or 20 per cent), but also according to the functions which are affected and to demographic and socio-economic conditions. The commonly accepted view is that with the increasing growth of the service sector, and the more widespread introduction of new technologies, there is an increasing need for personal and behavioural skills in employment. This fact alone has great importance for the employment of people with disabilities. It may, properly used, make it easier for persons with some types of disabilities, such as those related to physical impairments, or those with learning difficulties, to reach levels of performance sufficient to enable them to compete on the open labour market. But it is also likely to make other types of disability, in particular those related to social behaviour, grow in significance.

6. The Panel has confined its report to a definition which excludes socially-based types of disability and has, as is appropriate to a group of experts from different countries, avoided laying down a single preferred definition of disability. It has therefore been unable to estimate the numbers of persons with disabilities with any precision. Nevertheless, the conclusion is inescapable that persons with disabilities form a large part of the labour force in all countries, and that they constitute an even larger proportion of the population of working age. There is thus an important reserve of underutilised talents and capacities which can be tapped provided the right policies are developed to facilitate their introduction into the labour market.

7. The definition of disability necessarily involves an element of subjective judgement and it would be advisable to recognise this from the outset. This is most clearly seen in borderline cases where one person with a given level of impairment will be judged to be at a serious disadvantage in performing a given task and will therefore qualify for some special help, whilst another person with an identical degree of impairment will be recognised to be able to compensate for it without such help. The judgement should therefore be based on the difficulty of competing on the labour market, taking account of the whole personality and experience of the person concerned. However, the assessment should also be related to stable labour market conditions. To do otherwise would involve risks of seeing numbers of persons with disabilities moving in parallel to the unemployment level, which could result in distorted focus of measures to assist the general unemployed and in concentrations of people with disabilities in depressed regions.
The objective of policy

8. An important aspect of the Panel's work has been to discuss the degree to which persons with disabilities are induced de facto not to seek employment at all, or to accept sheltered employment with little prospect of transferring to the open labour market. This is a difficult issue, because, as noted above, a particular person's degree of impairment has to be assessed against the background of many other matters. It is generally accepted that whilst policy can strive to incite people to a particular course of action, like seeking full integration into the open labour market, it should avoid subjecting people to sudden and heavy pressure to move in the desired direction. In this context, the existence of systems of income support for people with disabilities can act as a disincentive to enter employment. At the same time, there seems no reason to doubt that full participation in active life is desired at least as much by persons with disabilities as it is by other members of the society. Sometimes access to schemes of income support for people with disabilities is determined by current labour market conditions, so that in times of labour market slack, the numbers of disability pensions and other long-duration forms of support increase. This carries with it the danger that the persons getting such support are excluded from the labour force and consequently no longer counted as unemployed. Thus, underutilised labour resources may be underestimated.

9. It would therefore be important, in keeping with the Committee's statement in the report Labour Market Policies for the 1990s, to limit such forms of support, as quickly as is reasonable, to those who, because of the severity of their disability and their personal choice in the light of the existing possibilities of gaining access to the labour market, prefer not to engage in active life. This will probably mean that older persons with disabilities, especially when these have developed later in life making the adjustment more difficult, may still not be interested in entering the labour market. Nevertheless, there may be scope, as a first step, to limit recourse to indefinite and long-duration forms of support, in order to provide for periodic review of the situation of persons on disability pension.

10. Given that the focus of policy for the employment of people with disabilities should be on facilitating integration into the labour market, a range of measures will be needed, their general objective being to place the person with disabilities on an equal footing with other members of the labour force with comparable skills and capacities. This means that little room exists for providing greater employment security than is available to other members of the labour force, but there should be equal security for all members of the labour force of equal experience and age. The Panel has looked at quota schemes under which employers are placed under some obligation to hire and retain persons with disabilities in their job, sometimes associated with a system of levies and grants. It was unable to reach any firm conclusions on this subject because different countries attach different degrees of importance to this approach.

11. The main disadvantage of quotas is that they may encourage a view that the employment of people with disabilities is a constraint, something that no employer would willingly undertake without a degree of compulsion. They may therefore militate against the view that people with disabilities should be employed for what they can do well, provided of course that they can have the
necessary support, training and equipment. Nevertheless, where quota systems exist, there may be scope for using them as a means of educating society in general, and employers in particular.

12. Sheltered workshops are another approach which has been widely adopted to provide employment opportunities for people with disabilities in a setting adapted to their individual circumstances. The idea behind sheltered workshops has generally been that they provide for a prolonged period of learning and practice with lower rates of output than are acceptable in a profit-making enterprise. As a corollary, rates of pay have often been lower than in ordinary employment. It has always been the intention that those who have acquired satisfactory levels of competence and productivity should be encouraged to move to open employment. However, the Panel has noted that the rates of transition to open employment are very low. There are obvious difficulties in trying to run sheltered workshops on lines as close as possible to a normal enterprise and simultaneously expecting them to divest themselves of their more productive workers. There are also difficulties in expecting persons who have perhaps spent many years in such an environment to be thirsting for a change to a more demanding, even if a more rewarding job. It would therefore be important to encourage further development of ways to achieve early transfer from existing sheltered workshops to open employment and to try, wherever possible, to avoid opening new workshops. The ways in which this could be done depend on national circumstances, but the emphasis should be on including persons with disabilities in normal training institutions, even if they need to spend longer on the learning process than most other trainees, and increasing the possibilities of workpractice in a real working environment. Several countries have reported moves along these lines.

13. This approach is not likely to be an easy one for some countries where sheltered workshops have a long history and a high degree of commitment to helping a group perceived as being particularly vulnerable and in need of special protection. One way of breaking down resistance to a higher degree of integration might be to use existing staff of sheltered workshops as consultants and itinerant teachers for people with disabilities employed in open working environments.

14. If the thrust applied to the employment of people with disabilities is based on integration into normal society, two of the biggest problems to overcome are: providing physical aids so that people with disabilities can move about and communicate with others; and ensuring that they have equal opportunity of applying to appropriate available jobs. This is not an aspect which has been much developed in the Panel's report, partly because of the diversity of national situations. However, it seems very important to have a system, or combination of systems, so that people with disabilities are informed about the jobs which are available and receive guidance to prepare themselves for employment in occupations suited to their capacities. This means that there is a need for a placement service which can appreciate the needs of all job-seekers (including persons with disabilities who have perhaps a long history of unemployment) and provide specialist assistance to those who need it. In some countries this may be done within the normal placement service, in others it may require the intervention of outside specialists. Given that the labour force participation of people with disabilities is low,
an important task for the placement service is to ensure that they "reach out" to make contact with, to inform and to encourage, persons with disabilities to make use of available services in order to integrate into the labour force.

15. One area to which this Panel has drawn attention as being a possibly useful sector for increased efforts is the encouragement given to people with disabilities to start their own enterprise. This is an aspect which has also been discussed by a separate Panel on schemes to promote self-employment and employment creation by the unemployed. There have been some useful developments regarding some types of occupation and some countries. The big advantage of this approach from the point of view of public policy is that it may be easier to provide continuing and more flexible financial support to a person with disabilities in order to take account of the possibly longer periods of on-the-job training experience needed and the time before the self-employment provides an adequate level of income.

16. The Panel has given considerable attention to the development of the "supported employment" movement. The idea behind this movement, which has already gathered momentum in the United States, is that, with the right support, everybody should be able to integrate into society and perform an active role there, and there should be a right to the required support. In the absence of such support, people with disabilities are being discriminated against in the same way as the victims of, say, racial discrimination. An important difference with other approaches is that "supported employment" does not place emphasis on financial incentives to employers to take on people with disabilities, but rather provides assistance on the spot, if necessary intensively and permanently to ensure the person with disabilities can function reasonably in the world of work. This may entail co-operation with organisations of persons with disabilities in designing the job to fit the person, in addition to providing equipment or assistance to enable the person with disabilities to lead an independent life in the community.

17. It is still too early to come to firm conclusions about the advantages of the supported employment approach over older ways of providing help and training for people with disabilities. It must be for countries to continue to explore the possibilities of this approach and to evaluate its costs and benefits. There have been suggestions in some quarters that "supported employment" requires more continuing assistance than had been foreseen. To this, the answer is given that enabling persons with very severe disabilities to be in employment and contribute to society is less onerous and adds more to the quality of life than maintaining people in institutions, or in complete dependence. There is an evident interest in sharing experience at the international level, and the countries which are leading the field may therefore wish to keep others informed about progress and concrete results in the future.

The international dimension

18. The problems studied by the Panel are complex and their ramifications cover many different areas. At the level of financial support, there is the question of whether persons with disabilities should be provided with income support so as to lessen the pressure on them to engage in employment in order to have a means of access to desired goods and services. However, this leaves
out of account the fact that employment is an important source of satisfaction and means of self-fulfilment for many in society. But if there is to be a diminution in direct financial support, there must also be improvements in the means to enable people with disabilities to play the more active role expected of them. This is an area where it may be possible for the OECD to facilitate progress by encouraging all countries to move in the same direction at the same time. Unless there is a general move towards more positive roles for people with disabilities, which is bound, at least in the short run, to absorb resources, there will be fears that those countries investing in better support for their disabled people are accepting costs which others can avoid and that they may consequently lose market shares. A further aspect which could be taken up at the OECD could be the closer study of the supported employment movement with a view to helping countries interested develop a cost-benefit framework.

J.D. McBain, OECD Secretariat
I. INTRODUCTION

1. The policy background

1. The exclusion of people with disabilities from the labour market is of growing concern in OECD countries. The fundamental question of labour market integration has gained in importance over the past two decades, as disability policies in general have evolved to focus more on integration and mainstream participation.

2. One point of departure for this growing concern is what might be called humanitarian considerations. The fact that many people find themselves in a state of economic dependency on very low incomes because of their disabilities is contrary to accepted concepts of social justice and equity. Thus the economic situation of large numbers of persons with disabilities is a strong impetus for improving the opportunities for employment.

3. But work is more than just a way of making a living. It also signifies social recognition and self-affirmation. Participation in productive activity not only makes the individual a taxpayer rather than a dependent income support recipient, it also fosters a feeling of responsibility and of being recognised as a full member of society.

4. Not least, work is a main avenue to broader social integration. Furthermore, its role as a source of social contacts has gained in importance due to developments in family structure and other trends leading to a dismantling of social networks.

5. For the above reasons, it could be argued that for people with disabilities, participation in working life is of special importance serving as a springboard to broader social integration and participation. Therefore, the fundamental importance of employment for people with disabilities is increasingly stressed by the organisations of the disabled. It is pointed out that one of the main concerns for both social and labour market policies should be to assist individuals with disabilities to become self-reliant and to find a place in working life appropriate to their inclinations, abilities and potential for personal development.

6. From the point of view of governments and public authorities, there are reasons for a renewed interest in the labour market participation of people with disabilities in addition to the concerns outlined above. One major concern could be the growing expenditures associated with an increasing number of people entering the passive and dependency-fostering disability income maintenance programmes.

7. Given the large sums of money involved in disability-related areas, a pertinent question would be why, with the exception of the immediate post-war period, this policy field has not been given higher priority over the years. A reasonable suggestion would be that the cost to society of failing to take advantage of these largely under-developed human resources is still not widely recognised, nor is the potential economic productivity of people with disabilities.
8. Although very little research has been initiated to shed light on the economics of disability, there are some indications concerning the amounts involved. In the words of Haveman et al., "it is reasonable to speculate that in most industrialised countries the efficiency losses from (1) disabling conditions among working-age citizens, (2) the diversion of medical and training resources designed to assist the disabled of working age, and (3) the labour supply effects of public transfer programmes targeted on disabled workers (and the taxes required to finance them) could total as much as 6 to 8 per cent of national income".

9. However, there are signs that governments and policy-makers are increasingly realising the economic importance of this policy field. The growing pressure of income maintenance systems has led to major policy reviews in many Member countries in recent years. If we pick Sweden as an example, already spending Skr 22 billion annually on 350 000 early retirees from the labour market, the number of new entrants to disability income support programmes -- especially persons in their forties -- has risen dramatically in recent years. In response, Sweden is in the process of launching a major project to counteract the expulsion from the workforce and the flow of new entrants into disability schemes, involving Skr 11 billion to be gathered through extra taxes on employers. This sum is to be used to encourage early intervention and preventive activities in enterprises.

10. A third reason for a growing concern in Member countries with disability policies in general, and labour market policies for people with disabilities in particular, is the expected labour market developments associated with changing demographic patterns. As pointed out by the OECD Manpower and Social Affairs Committee in a statement on Labour Market Policies for the 1990s, "demographic trends will reduce the number of young people entering the labour force -- often the most mobile and adaptable. Labour shortages may emerge, adding urgency to policies that mobilise underutilised human resources" ("Labour Market Policies for the 1990s", OECD, 1990, p. 7). This development is exemplified in the United States, expecting an additional 15 million jobs by the year 2000 accompanied by a slow-down of workforce growth. For these reasons, an increasing number of countries are developing policy responses to a possible future demand for disabled individuals and other groups traditionally disadvantaged in the labour market.

11. In addition, the excellent work of many organisations of people with disabilities has further contributed to put the spotlight on the poor integration of this group into mainstream productive activity. As these organisations have evolved to become more outspoken advocates for labour market integration, they serve as a reminder that much remains to be done in terms of improving the quality and quantity of rehabilitation and employment services.

12. The humanitarian, financial and labour market considerations touched upon above indicate that this policy area might receive greater attention in coming years. The economic and political implications of the above developments call for more investigations of disability policies in general, and analysis and evaluation of employment policies for the disabled in particular.
2. Purpose and direction of Panel investigation

13. As part of an ongoing evaluation of a range of labour market interventions and measures in OECD countries, a primary focus of this Panel was on the outcomes of programmes. However, the preliminary discussions between panel members and other interested parties revealed that a strict evaluation approach would be somewhat too narrow, considering the complex mechanisms involved in integrating disabled persons into the labour market. A broader approach was necessary in order to get a comprehensive picture of the social and economic forces affecting labour market participation. Therefore, in addition to providing a review of both supply- and demand-side interventions, this report aims to take a somewhat broader look at incentive and disincentive structures and on the impact of developments in other policy areas. However, it should be emphasized that this is a preliminary analysis and that further and more thorough investigations are needed in order to get a better picture of the dynamics of employment policies for people with disabilities.

14. Taking into consideration the wide range of measures in this field in the Member countries, the task of providing a fair and comprehensive description of national programmes and measures would be outside the scope of this investigation. Instead, the aim of this report is a) to point to some of the driving forces behind the development of strategies and programmes, and identify some common problems or barriers for labour market integration of people with disabilities; b) to describe some emerging trends, issues and promising interventions in the 13 OECD countries under investigation; and c) to indicate some of the important features of various policy approaches, strategies and programmes.

15. A primary goal of the exercise is to provide interested countries and parties with a wider range of policy options. The purpose is neither to give a detailed description nor a thorough evaluation of national policies and programmes.

16. As such, this report is, it is hoped, a first step in a a more thorough analysis of a policy field which deserves a lot more attention in the years to come, especially from economists and policy-makers.

17. Starting with an analysis of the basic concepts of disability and handicap in Chapter II, the fundamental socio-economic properties of the concept of disability are stressed. Although definitional problems make it hard to delimit and count the target group, some very rough estimates of the numbers involved in this policy area are provided. To complete the picture of the labour market situation of people with disabilities, the threatening clouds of an increasing number entering disability income support programmes are outlined.

18. The focus in Chapter III, dealing with the institutional framework, is not on a detailed description of the often very complex patterns of institutional arrangements and service delivery systems, but rather on some trends and changes in institutional structures. Special attention is given to the common problem of co-ordination and collaboration between the many agencies involved in this area.
19. In Chapter IV we bring into focus some of the main legislative strategies for assisting people with disabilities in getting a foothold in the labour market. The quota schemes, which in many countries are seen as a main route to labour market integration of this group, but which are also subject to much debate, are given special attention.

20. In Chapter V, dealing with supply-side measures, or measures aimed at enhancing the competitive powers of individuals with disabilities, the overwhelming number of institutions and programmes providing such services in Member countries necessitates a concentration on some selected issues, such as the tendencies for mainstreaming of training programmes and for more on-the-job training.

21. In Chapter VI we turn our attention to some demand-side initiatives, focusing on the development of a separate sheltered labour market for people with disabilities. The discussion is concentrated on the performance of these programmes, and on the many problems in this regard outlined in a number of country reports.

22. Wage subsidies and supported employment make up two strategies aiming at assisting people with disabilities into open employment. These are analysed in Chapter VII within the broader context of incentives and disincentives for labour market integration. Although the focus of this report is not on policy responses which seek to ease the burden of disability or loss of income, the design and functioning of income maintenance programmes seriously affect the possibilities for labour market participation of people with disabilities. Therefore, some disincentive structures at the intersection between the labour market and income support arrangements are discussed in Chapter VIII.

23. Some interventions and programmes seek to prevent the onset or aggravation of work-related sicknesses and disabilities and to counteract the marginalisation and expulsion of persons with health problems which affect their ability to work. These programmes may be seen as attempts to reduce the need for corrective or compensatory responses at a later stage. Some of the main strategies are discussed in Chapter IX.

24. As employment policies for people with disabilities operate in the wider context of e.g. economic, social and educational policies, some major developments in related areas with implications for future policy development are outlined in the final chapter. A rough sketch of the prominent "ideologies" and strategies in this field is given, and some problems regarding the evaluation of policies and programmes are outlined, along with some suggestions and recommendations concerning further policy development in this field.
II. CONCEPTS AND QUANTITIES

1. The definition of disability

25. As disability policies have evolved over the years, concepts, definitions and labels have changed to reflect the prevailing attitudes and policies of different periods.

26. However, the concepts and definitions which are central to this policy area are not merely the reflection of attitudes and practices. They provide the basis for the classification of people into distinct groups, and thus determine which individuals are eligible for different services. Furthermore, unclarity and confusion regarding basic concepts present major barriers for evaluations of policies and programmes. Moreover, questions of definition are crucial to understand how goals and developments in this particular policy area interact with those of other policy areas, such as retirement policies and overall labour market policies.

27. The point of departure in Member countries is the World Health Organisation (WHO) and International Labour Organisation (ILO) definitions, which have set the standards for the last 10-15 years. These identify three basic levels of phenomena: those of impairment, disability and handicap. In the ILO "Glossary of Vocational Rehabilitation and the Employment of the Disabled", impairment is defined as "any loss or abnormality of psychological, physiological or anatomical structure or function". In other words, an impairment is a condition impairing some function. Disability, in turn, is interpreted as "any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being". A disability may be temporary or permanent, reversible or irreversible, and may be described as progressive or regressive. And it may or may not constitute a handicap, which is defined as "a disadvantage for a given individual, resulting from an impairment or a disability, that limits or prevents the fulfilment of a role that is normal (depending on age, sex and social and cultural factors) for that individual". In the context of vocational rehabilitation and employment, a person with a disability is defined as an individual "whose prospects of securing and retaining suitable employment are substantially reduced as result of physical or mental impairment".

28. It should be noticed that the latter definition does not refer to those persons whose main "disability" is their significant difficulty in making an adequate social adjustment. Such persons may be referred to as "socially handicapped or maladjusted", and may include, for example, drug and alcohol dependent persons, or delinquents. By adopting the above definition of "vocational disability" for the purpose of this report, we thereby narrow the scope of the investigation by excluding policies and programmes targeted at persons whose employment problems are primarily of a social nature.

29. An essential aspect of this somewhat complex "ladder" of definitions is the relative nature of the concepts of disability and handicap: rather than
referring to a characteristic of the individual, disability or handicap refers to the interaction between characteristics of the individual and the environmental demands with which he is faced.

Implications of changing definitions

30. The complexity and relative nature of these new interpretations of the basic concepts have some important implications.

31. First, delimiting the group of "disabled" becomes increasingly difficult. As pointed out in the report from Finland, there might be a tendency for the concept and definition of disability to cover more ground, especially as service delivery systems for people with disabilities tend to blend with mainstream assistance agencies. It seems increasingly difficult to distinguish between job-seekers with disabilities on the one hand, and hard-core unemployed and hard-to-place individuals, on the other. Another implication, as pointed out in the American report, is a tendency for programmes targeted at people with disabilities to take on other marginal or disadvantaged groups.

32. On the other hand, the above-mentioned definitions might reflect a more promising and "modern" way of approaching these phenomena. As the interpretation of disability and handicap moves from a static concept of permanent inherent personal characteristics and a homogeneity of categorical needs to a dynamic interaction between the individual with a disability and the changing situations with which he is faced, a stronger emphasis on modifying and adjusting the environment of the individual is implied. Thus, as opposed to the traditional medically-oriented interpretations, this new "language" invites policy-makers to focus more sharply on environmental design.

33. Third, some interesting questions regarding the value and meaning of formal definitions emerge. Researchers in this field have long argued that even the tightest formal definitions and procedures for determining eligibility for income support programmes, for example, tend to be over-ruled in practice by "contextual" or non-medical variables, such as the overall or local labour market situation.

34. Other policy objectives will also influence the flow of people into disability programmes. There might be a tendency for disability income support programmes to become instruments to encourage early retirement. As in Norway, with four out of ten men aged 66-67 receiving a disability pension, older workers are given a medical "ticket out of the labour force", thereby paving the way for young job-seekers.

35. Thus, what are still commonly regarded as health or disability-related matters appear to be heavily influenced by structural and economic developments and by priorities in other policy areas. This illustrates not only the socio-economic properties of the basic definitions of disability and handicap, but also the socio-economic nature of the field of disability policies in general.

36. The move from a static, medical concept of disability to interpretations focusing on environmental aspects is accompanied by an increasing awareness of the influence of general economic and structural changes in societies on, for
example, the employment situation of people with disabilities. This indicates a need to broaden the scope of "disability policies" to include the impact of developments and considerations in a number of policy areas.

Definitions and eligibility

37. As the definition of disability has moved from the medical sphere into the socio-economic sphere, a certain conceptual confusion has been unavoidable. Therefore, the ways in which concepts are interpreted, used and operationalised by policy-makers, researchers and service-providers vary widely both within and across countries.

38. This tendency is accentuated by the wide array of operational definitions or sub-definitions applied in the context of eligibility assessments. Depending on the purpose of an agency or specific programmes, different ministries, agencies and service-providers tend to apply their own unique formal or informal definitions when delimiting their target groups.

39. One important dimension in this regard is, at least in some countries, the severity or degree of disability. In Germany, people with disabilities, and even those threatened by a disability, are provided with various forms of rehabilitation tailored to their needs on the basis of individual entitlements. Persons classified as "severely disabled" (a degree of disablement of 50 per cent or more) after formal diagnosis and classification receive additional support of many kinds. In the United Kingdom, a system for assigning individuals with disabilities to different services has been set up on the basis of degree of disability: a person with an output not lower than 30 per cent nor higher than 80 per cent of that of another worker is classified as eligible for sheltered employment. Persons with an output below this level are considered incapable of employment, while those capable of 80 per cent or more are considered candidates for open employment.

40. While certain programmes may be targeted at individuals with special types of disabilities, the common rule is for programmes -- or the sum of programmes in one country -- to provide services to individuals irrespective of type of disability. There are, however, some exceptions to this rule which are worth noting. In the Netherlands, the long-term mentally ill have traditionally not been included when employment policies for the persons with disabilities have been developed. In Japan, persons with mental illness or mental retardation have not been eligible for quota places, although recently changes have been made to accommodate and include the latter group. These examples can be seen as survivals of a traditional bias of rehabilitation and employment schemes towards individuals with physical disabilities.

41. The specificity of criteria and rigour of procedures which are applied for disability classifications also vary considerably. At one end of the spectrum we find the strict criteria for determining eligibility under some quota schemes. Also within income maintenance systems, the focus is on thorough assessments of impairments and the impact of the impairments, in order to make judgements as "objective" as possible regarding loss of earning capacity and other handicapping effects.
42. These "objective" approaches might be contrasted with the more flexible and imprecise criteria for selecting persons for special employment measures for people with disabilities in the Nordic countries. The Nordic labour market administrations tend to use the concept of (vocational) disability primarily as an indicator of the need for services, focusing not so much on disabilities and limitations as on the amount and quality of assistance needed.

43. Somewhat surprisingly, according to the national reports, few problems arise in terms of inter-agency co-operation and collaboration due to differences in definitions and eligibility criteria. As indicated in Chapter IV, these problems are more often seen as a function of conflicting objectives and "cultures".

2. The scope of the problem

44. Estimates of the size, composition and employment situation of people with disabilities would be essential to form sound employment policies. However, as is apparent from the previous discussion, the complex relationship between general policies, administrative procedures and definitions poses considerable problems for the task of delimiting the target group. The American national report sums up these difficulties by citing Monroe Berkowitz, a leading academic in this field: "We cannot count, unambiguously, the number of people who are disabled, nor the amount of money spent in this area because being disabled is not the same thing as being young, old, black or white, male or female, educated or uneducated".

45. In addition to the more basic theoretical problems, there is an awkward tendency for surveys in this area to adopt unique operational definitions of disability. Along with the methodological diversity, this calls for great caution when interpreting the estimates presented below.

Size and characteristics of target group

46. Haveman et al. in Public Policy Toward Disabled Workers (Cornell University Press, 1984), allowing for differences in definitions and measurement procedures, concluded an eight-country investigation by indicating that a reasonable, if rough, estimate is that individuals with long-standing work impairments form from 5 to 10 per cent of the working-age population in typical Western industrialised countries.

47. This estimate is confirmed by Swedish research, finding 8 per cent of the working-age population to have severely reduced working capacity, and American surveys, indicating that people with disabilities represent 8.5 per cent of the working-age population. Research results from other countries suggest that these might be somewhat low estimates. The Canadian Health and Activity Limitation survey found 1.8 million people with disabilities aged 15-64, representing roughly 10 per cent of this population. The latter figure corresponds to reported estimates from Belgium. Finally, research based on the Norwegian 1985 National Health Survey estimated that 12.5 per cent of the 16-66 population had permanent problems with regard to employment due to health or disability problems.
48. The above "snapshots" would indicate that people with disabilities might make up roughly 10 per cent of the working-age population in Member countries.

49. Although definitions and procedural differences pose problems for estimating the size of the disabled population, the investigations into the characteristics of this group are not burdened with the same difficulties. The results also seem to be more uniform across countries.

50. Age is a most potent variable, as the number of disabled increases significantly with age. In a recent thorough United Kingdom survey of the prevalence of disability among adults (Office of Population Censuses and Surveys), 6 million adults with disabilities were identified, of whom 70 per cent were aged 60 or over. Those expelled from the labour market for reasons of health and disabilities tend to be older workers, as in Norway, where two-thirds of the new disability pensioners are 50 years or older. Labour force participants with disabilities in the United States tend to be 16 years older than the average non-disabled worker.

51. Although trend data on the demographics of disability are lacking, given the general shift in the age structure of the working-age population, a significant increase in disability rates is to be expected. This development, along with the fact that the prevalence of multiple disabilities increases with age, gives an indication of serious challenges facing future employment policies for the disabled.

52. Within racial or minority groups, the incidence of disability is higher. Women tend to have higher rates of incidence than men.

53. Another characteristic of the disabled population found in many studies is low educational level, although the tendency is, as revealed by American studies, for a rapidly growing number of young adults with disabilities to pursue a higher education, a number of surveys indicate consistently lower levels of formal education for all age groups.

54. A development which has important implications for service delivery systems is the changing panorama of disabilities. There is an increasing demand for vocational rehabilitation and employment services from people with psychiatric problems or mental retardation. For example, the clients of the Japanese Local Vocational Centres have changed from being mainly people with physical disabilities to being mainly people with mental retardation. In addition, the number of people with more diversified and mixed problems seeking assistance is increasing.

55. The picture emerging from this description of some characteristics of people with disabilities, is that of a group facing a number of barriers to employment in addition to their disabilities. The strong infusion of characteristics traditionally associated with being at disadvantage in the labour market further accentuates the need for a concentration of efforts aimed at this group.
The labour market situation of people with disabilities

56. With reference to the concepts introduced above, differences between the people with disabilities and the general working-age population with regard to labour market participation might give an indication of the handicapping effects of impairments and disabilities in the employment field. Bearing in mind the conceptual and methodological problems discussed above, the somewhat blurred picture of the labour market situation of this group that emerges nevertheless gives some insight into the considerable challenges facing Member countries in this policy area.

57. In terms of unemployment rates, the figures in the national reports vary from 7 per cent in Finland and Canada to 15 per cent in the United States. However, a clearer picture of the unemployment problem of people with disabilities appears when comparisons are made with non-disabled persons within the same survey. In the United States Population Survey of 1980, the unemployment rate of the disabled nearly doubled that of the non-disabled population. The United Kingdom Labour Force Survey of 1987 found an unemployment rate of 23.4 per cent among people with disabilities, as compared with 10 per cent in the non-disabled population. Thus, the proportion of people with disabilities who are unemployed and actively seeking work might in some countries be roughly twice that of the non-disabled population.

58. Other survey findings point to another important issue, namely the fact that unemployed persons with disabilities are consistently found to be among the most chronically unemployed segments of the population. Thus, in the United Kingdom Labour Force Survey of 1987, nearly half of those with disabilities or health problems had been unemployed for a year or more.

59. Estimates of the workforce participation of people with disabilities give some further insights into the labour market situation of this group. The United States 1980 survey revealed that 58 per cent of the men with disabilities and 76 per cent of the women were not considered to be in the labour force, as compared to 11.7 and 36 per cent respectively in the non-disabled population. In a recent survey of the Office of Population Censuses and Surveys in the United Kingdom, 31 per cent of disabled adults under retirement age were in employment, while 61 per cent were outside the labour force. Not surprisingly, this survey showed that being employed was strongly related to severity of disability. In Japan, 29 per cent of people with physical disabilities are estimated to be employed. The Canadian Health and Activity Limitation Survey found 40 per cent of people with disabilities aged 15-64 to be working.

60. Bearing in mind the conceptual and methodological variation, it still seems legitimate to sum up some tendencies from the above surveys. First, the registered unemployment rate of persons with disabilities is significantly higher -- and in many surveys nearly double -- that of their non-disabled peers. Second, the proportion of people with disabilities in employment is most often found to be 30-40 per cent, in some studies roughly half that of the non-disabled population. Third, the proportion considered (or considering themselves) outside the labour force is substantially higher than, and in some studies roughly double, that of the non-disabled population.
61. While the material on the special situation of women with disabilities in the labour market is relatively sparse, Canadian and German research indicates that it should be given more attention. Canadian surveys have revealed a marked disadvantage regarding employment for this group, with a relatively high unemployment rate and a high proportion of women with disabilities wanting to enter employment. A recent German report also found a disproportionately low number of women participating in vocational rehabilitation schemes.

62. Although few studies have been made regarding the employment patterns of workers with disabilities, it is generally recognised that they tend to be concentrated in low-status occupations, and that individuals with disabilities are frequently under employed. Also, they earn less than do non-disabled workers. Although full-time employees with disabilities in the United States tend to earn only slightly less than those not disabled, low labour force participation, more frequent part-time work, etc., result in disabled persons' income being on average one-half that of non-disabled peers.

63. However, the available data on the labour market situation of people with disabilities are generally confusing, and do not provide a basis for policy development or evaluation of strategies and programmes. Therefore, there are several areas which deserve more research attention. In particular, the possibilities for adjusting national surveys in order to provide more comparable information on the labour market situation of people with disabilities should be explored. Cross-national research projects focusing on the reasons for differences in labour market participation could possibly be launched, in order to provide a better "knowledge base" for further policy development.

The active/passive dimension, and trends within the income maintenance systems

64. Although there is an obvious lack of data concerning changes in the labour market situation of the disabled over time, there are indications of an increasing pressure on agencies providing rehabilitation and employment services. In Germany, people with disabilities make up 10 per cent of all people who seek advice from the employment services' vocational guidance officers, and the number has risen by 40 per cent in recent years. The number of persons with occupational disabilities registered at the employment service in Norway roughly doubled both in the 1970s and the 1980s.

65. These trends suggest an increased demand for vocational services for persons with disabilities. Although there is a lack of data from most countries, available estimates seem to indicate a widening gap between an increasing number of individuals with disabilities applying for services, and the capacity of the systems to meet their needs.

66. The increased pressure on agencies providing active measures is accompanied by a marked growth in programmes and an increased pressure on disability income support systems. During the 1970s and the 1980s there has been growing concern in Member countries regarding the costs of disability income support programmes and the increasing numbers of working-age persons permanently withdrawn from the labour market.
67. Haveman *et al.* (op. cit.), in their analysis of eight Western industrialised countries (including six of the Panel members), found that the median percentage increase in the number of recipients of income support programmes was equal to 6 per cent per year in the period 1968-1978. Expenditures grew at an even faster rate, in real terms 11 per cent annually. In the same period, the median percentage of national government costs accounted for by disability income transfer programmes rose from 7 to 10 per cent.

68. Although there are indications that the number of persons added to the disability rolls slowed down during the 1980s, possibly attributable to changes in the benefit structure and administrative changes designed to tighten procedures, the threatening clouds of a growing proportion of the working-age population on passive income support programmes is still a major challenge to OECD countries.

69. The Netherlands reports a continuing increase in the number of people who are ceasing to work and are becoming dependent on social benefits. Recent trends suggest 1.1 million Dutch citizens incapacitated for work around the year 2010 if policies and trends remain unchanged. This prognosis has resulted in the government being extremely concerned, not least about the social implications of such developments. Even more alarming are the Norwegian and Swedish reports of a sharp increase in the number of disability pensioners during the last decade. In Norway, the increase in the number of people on permanent disability pension increased by 35 per cent from 1983 to 1989. As in Finland, the number of working-age people on disability-related income support in Norway now equals 10 per cent of the labour force.

70. This growth in income support has important implications for the dependency burden placed on the working population, the growth of government expenditures, and labour supply. An increasing ratio of disability income support recipients to the employed population, and a growing imbalance between expenditure on active and passive programmes, might indicate that the time is ripe for intensified efforts aimed at greater economic independence for people with disabilities. Governments face a major challenge to find ways of channelling the considerable and increasing sums devoted to permanent income support into active measures capable of providing more permanent employment.

71. The need for further action aimed at enhancing the labour market participation of people with disabilities is further underlined by surveys pointing to the fact that a substantial proportion of persons on disability income support schemes are highly motivated for work. An American survey in 1986 indicated that two-thirds of the working-age respondents with disabilities not in employment wanted some kind of work. In Norway, a survey among disability pensioners in the early 1980s showed that 20 per cent wanted to enter some kind of employment.

72. However, further investigations into the relationship between compensatory policy responses on the one hand, and "corrective" or work-enhancing programmes on the other, are called for. In order to provide a basis for the development of sound economic policies in this area, it is essential that more priority be given to investigations into the relationship
between the spending on cash transfers -- that is, money which fosters dependency -- versus spending on active measures directed to greater involvement of persons in the workforce.

III. THE INSTITUTIONAL CONTEXT

73. In terms of its institutional structures, the field of vocational rehabilitation and employment for people with disabilities is a melting pot. A range of ministries, agencies and organisations with different objectives and cultures are involved in the development of policies and the provision of services.

74. Ministries and agencies concerned with employment, health, social services, education and income support programmes all have important roles in the Member countries. However, the division and allocation of responsibilities vary considerably from one country to another.

75. It would go beyond the scope of this report to give a comprehensive and detailed account of the intricate pattern of institutional arrangements and divisions of responsibility in the panel countries. The variation in institutional arrangements even on the national level, as between the different states in the United States, would suffice to illustrate the complexity of this area. Instead, in the following, some selected institutional patterns and developments will be focused upon, while special attention is paid to the considerable problems associated with co-ordination of services and inter-agency collaboration resulting from the complexity of the arrangements.

1. Some features of institutional arrangements

76. In Norway, Sweden, Finland, Japan, the United Kingdom and Greece the main responsibility for the development and provision of vocational services for people with disabilities lies with the labour market authorities. These responsibilities include the development, funding and administration of various interventions ranging from quota arrangements (the United Kingdom, Greece and Japan), vocational training measures, sheltered employment, and programmes to assist people with disabilities into open employment. The local employment offices often have special staff to provide vocational rehabilitation and employment services for this group, and they are a focal point for the co-ordination of services at the local level.

77. There are certain notable advantages in this institutional "mainstreaming" of services. The possibilities for people with disabilities to participate in mainstream vocational training and employment programmes are improved. As employment services are responsible for placement, the links between training institutions and programmes on the one hand, and actual placement activities on the other, are strengthened. Furthermore, a possible tendency for employment services to focus on abilities and opportunities, rather than on the disabilities and limitations of the individual, would speak in favour of giving the labour market authorities and agencies an even more central role in the years to come.
78. In Belgium a special public institution was founded in 1958, with the purpose of ensuring that every vocational rehabilitation applicant can enjoy the advantages of an integrated process of rehabilitation, including medical and vocational rehabilitation as well as assistance in obtaining employment. The institution has a considerable influence on overall policy and on the expansion of a network of institutions (centres for counselling, for vocational rehabilitation, sheltered workplaces) as well as on the settlement of individual cases.

79. In the United States, the Rehabilitation Services Administration, which is responsible for the development of national policies for assisting people with disabilities to prepare for and engage in employment, is part of the Department of Education. Both the central role of the education authorities and the complex institutional arrangements at the state level make the United States stand out from other countries in terms of allocation of responsibilities. Although the Department of Labor and the Social Security Agency fund a number of programmes, the special role of the education authorities in the United States seems to have contributed to a sharper focus on young persons with disabilities and programmes to assist them in the critical transition phase from school to working life.

80. To some extent the variations in institutional arrangements and divisions of responsibilities may reflect differences in ideological or "philosophical" orientation between countries. For example, when vocational rehabilitation and employment services for people with disabilities are based on health and social authorities, this may reflect a general "welfare orientation" of policies. The general objectives, cultures and ideologies which dominate the institutions will in turn make their mark on the way services are organised and delivered.

81. Against this background, the division of responsibilities between health and labour market authorities in some countries is interesting. In Australia the programmes under the labour market authorities have the objective of open employment, they are generally mainstream programmes for the unemployed or the disadvantaged, and they serve persons with less severe disabilities. The health authorities, on the other hand, are responsible for special programmes for more severely disabled persons with uncertain prognosis on the labour market and those aiming for permanent sheltered or supported employment. The health authorities have set up a special body, the Rehabilitation Service, to take on responsibilities in this area.

82. In Germany, the welfare agencies of the Länder play an important part in providing services to integrate persons with disabilities into employment. The revenue from the compensatory levy of the quota scheme is shared between the Länder and the federal authorities; at least 50 per cent of receipts at the federal level are made available for the labour market authorities in order to provide an additional programme for integrating persons with disabilities into the labour market. Thus, the German welfare agencies are playing a role which in many other countries is reserved for the employment services, such as vocational counselling, and company visits. Regarding the sheltered workshops, the majority of costs are borne by the social assistance agencies, while the contributions from the labour market and other occupational rehabilitation authorities finance special introductory courses and special training schemes within the workshop system.
83. Canada may serve as an example of an institutional health and welfare orientation. The administration of the Vocational Rehabilitation of Disabled Persons Act, providing the legal basis for the major rehabilitation scheme in Canada, was transferred from the labour market authorities to the Department of National Health and Welfare in 1973. Also the Canada Assistance Plan, providing for a range of programmes and services for Canadians in need -- including persons with disabilities -- is administered by the health and welfare authorities. Thus, the institutional basis for the provision of vocational services is not in Canada Employment and Immigration, where all other training and employment resources are located.

84. The degree to which this institutional welfare orientation permeates the ways in which services are delivered is not clear. However, linking rehabilitation and employment services to the apparatus providing overall social services, would seem to imply a medical and therapeutic activity orientation, as opposed to an employment orientation of rehabilitation, training and employment services.

85. The bodies responsible for the administration of social insurance and other income maintenance systems are, to a varying extent, concerned with the rehabilitation and reintegration of persons with disabilities. They may be responsible for payments to individuals involved in a rehabilitation process, and in some countries they reimburse expenses for e.g. workplace accommodation, technical aids, transport to and from work, etc. However, they may also take on a more central role regarding rehabilitation activities. Thus, in the Netherlands, while the employment offices formally have primacy regarding employment services for all groups, implementation is largely left to the more medically-oriented social insurance bodies (the Joint Medical Services). It is also envisaged that the social insurance agencies will have an executive function in regard to implementation of a quota-levy scheme.

86. The often complex relationship between social security agencies and rehabilitation and/or employment agencies is best illustrated by the American system in which the vocational rehabilitation agencies at the state level are reimbursed for the costs associated with successful training and placement of disabled beneficiaries. The rather innovative feature of this arrangement lies in its goal orientation: reimbursement from the social security sector takes place only after continuing employment has been achieved for 9 months. Although designed to focus on results rather than efforts, this system has nevertheless resulted in the vocational rehabilitation agencies being less inclined to enter into rehabilitation projects with beneficiaries, and a dramatic reduction in actual placements of income support dependents.

2. Activating the employers

87. There is an increasing awareness in the panel countries of the importance of involving organisations of both employers and employees in the development of policies and programmes for people with disabilities. The central role of the employers in regard to hiring, training, workplace accommodations and preventive activities makes them essential partners for public agencies.
88. However, in most countries there is only a modest involvement of employers in the development of policies and the provision of services. Most commonly this takes the form of representation in central-level advisory councils or bodies, along with representatives from employee organisations and the organisations of the disabled.

89. However, some countries are trying to explore the possibilities for a stronger involvement from the employer side, and thus to make better use of their resources and knowledge.

90. In Japan the employers have been given a central position regarding the development of services, as members of the Association for Employment of the Disabled -- with a main responsibility for both supply- and demand-side measures.

91. In the United Kingdom an interesting development is the new network of local Training and Enterprise Councils in which two-thirds of the representatives will be major local employers. These councils will be responsible for planning and managing training and economic development measures in general, and it is hoped that they will lead to more flexible training schemes reflecting the needs of the local economy, on the one hand, and the needs of different groups of trainees on the other.

92. Another inroad to more employer engagement is through the funding of programmes. In the United States, an increasing number of programmes are jointly financed by public authorities and private corporations, ranging from job banks to on-the-job training and supported employment programmes. One example is the Project with Industry (PWI), sponsored by the Electronic Industries Foundation, a training and job referral/placement programme which in 1986 matched more than 14,500 individuals, mostly with severe disabilities, with employers offering competitive employment. Furthermore, each PWI has its own business advisory council which identifies jobs available and prescribes adequate training. Over 3,500 businesses and corporations have participated in this programme.

93. While employer involvement is crucial to create openings for disabled job-seekers and, more generally, to change the attitudes towards people with disabilities in the labour market, there still seems to be a "missing link" in many countries between the organisations of the disabled and the service providers on the one hand, and the employers on the other. The Canadian Council of Rehabilitation and Work is an example of an independent organisation aiming to put resources in place to assist employers in their initiatives to employ persons with disabilities. Serving as a "facilitator" between employers and the other players in the field, this type of organisation could contribute to bridging the gaps between e.g. service-delivery systems and employers.

3. The role of the organisations of people with disabilities

94. The organisations of (and for) people with disabilities are usually represented in high-level advisory and consultative bodies concerned with the development of rehabilitation employment policies. As such, although in a limited way, they exert some influence over the formulation of general policies.
in Member countries. In Greece, for example, they are more directly involved in the management of certain types of programmes, such as the quota scheme and the centres.

95. However, the formal representation in advisory and other bodies is in many countries supplemented by an even more important role as watch-dogs putting increasing pressure on public authorities to improve the employment possibilities for people with disabilities. Thus, following in the foot-steps of the civil rights movement of Blacks in the 1960s, individual activists and organisations of the disabled in the United States have been a driving force behind major legislative changes in the 1980s.

96. There is some reason to believe that the resources and the special expertise of these organisations are grossly underutilised. A new and promising emerging trend is therefore a tendency for them, as in the United States, to be active on the service-delivery side. The United States Employment and Training Administration (under the Department of Labor) is financing many such organisations to tailor programmes to the needs of people with disabilities. This has resulted in some innovative approaches to expanding the employment opportunities for certain groups. One example is the National Employment Training Program developed by the Association for Retarded Citizens, which has provided more than 40,000 individuals with on-the-job training. Other examples in the United States are the Training and Placement Services assisted by the Epilepsy Foundation, and the Job Opportunities for the Blind, the latter operating a job bank for matching visually impaired individuals with the needs of employers.

97. There are some clear advantages from the involvement of organisations of people with disabilities on the service-delivery side. The consumer-orientation of these organisations might contribute to the development of a less client-oriented and over-professionalised service-delivery system. They have unique knowledge of the special problems persons with certain disabilities encounter, and thus they are in a position to tailor services to the special needs of these groups. The built-in consumer control of organisational solutions implying a greater involvement of these organisations could therefore prove valuable in terms of improving the quality of programmes.

4. Co-ordination of services and inter-agency collaboration

98. Given the complicated divisions of responsibilities and the complex institutional arrangements in this area, it is not surprising that a number of Member countries identify a lack of inter-agency co-ordination and collaboration as a major barrier to the integration of people with disabilities into the labour market. These problems are further accentuated by some major developments concerning the institutional structures in Member countries.

99. One important aspect of the movement towards normalisation and integration is what might be called organisational or administrative normalisation. The removal of many segregative rules has led to a dismantling of administrative bodies and institutions designed to meet the needs of people with disabilities in many areas of life. The systems based on a "whole person" strategy, implying that one institution takes care of the whole range of
service needs, are increasingly giving way to delivery systems where the special service needs of the disabled are taken care of within the machinery serving all citizens.

100. In the Australian Statement of Principles and Objectives under the Disability Services Act of 1986, the trend towards a diversification of responsibilities is clearly stated and even encouraged: "programmes and services should be designed and administered so as to ensure that no single organisation providing services shall exercise control over all or most aspects of the life of a person with disabilities".

101. One example of these emerging trends is the changes taking place regarding the provision of services to people with mental retardation. In Norway, as in many other countries, the special institutions and administrative bodies traditionally serving this group are now being replaced by a mainstreaming of services. This implies on the one hand an extended responsibility on the employment services for providing vocational rehabilitation and employment, and on the other a stronger need for developing new patterns for co-ordination and collaboration at the local level.

102. Thus, a mainstreaming of service-delivery systems often implies a diversification of responsibilities, and as such accentuates the need for co-ordination and collaboration. The challenge is to find a balance between maintaining and diversification of service delivery systems, on the one hand, and the need for policy co-ordination and operational efficiency, on the other.

103. The fact that in many countries institutions and services have tended to develop independently of each other, with no overall plan, has resulted in a fragmented and unco-ordinated system of institutions, agencies, benefits and services. According to the American national report, their system still remains a "scattered collection of primarily welfare-oriented policies and regulations filled with disincentives for individuals with disabilities to work". This is reflected on the institutional level where "a minimal co-ordination exists among agencies".

104. Rehabilitation and employment of people with disabilities requires the formulation, follow-up and evaluation of a clear-cut plan for the individual; a clear division of responsibilities between service providers; and effective and smooth arrangements for co-ordination of activities towards a common goal. The gap between these ideals and the realities in many Member countries seems to be wide. The multiplicity of service-delivery systems -- often with different objectives and "cultures" -- seems to create gaps and duplication in the system as a whole. The result is often late intervention, referrals between services, and ineffective interventions.

105. There are few examples in Member countries of initiatives which attack these fundamental problems. One possible strategy would be a centralisation of responsibilities in one agency. As mentioned earlier in this chapter, Belgium has set up a special public institution for policy development (in collaboration with other departments and institutions) as well as to assume follow-up of individual clients. Some countries have introduced new patterns of co-operation to achieve better integration of the range of services needed
in a rehabilitation/employment process. These generally include a formalization of local collaboration through establishing new bodies at the local level. In Australia, there are plans to set up inter-departmental teams which will operate both in metropolitan areas and in provincial cities. In Sweden, a small-scale project is being launched in which the social insurance, social security and employment offices at the local level share premises and provide joint services to clients. In Norway, local collaboration between the social security offices, the employment offices, and the health services was formalized in 1988 through the setting up of new "Basic Co-ordination Teams" at the municipal level. Although this team model is under evaluation, it is seen as an important step forward in terms of more effective procedures and a more frequent use of the joint financial resources in a more active and work-oriented way.

IV. LEGAL INTERVENTIONS

106. In the Member countries a number of laws concerning employment for people with disabilities regulate the provision of services, the rights of individuals, and the responsibilities of employers.

107. The structure of national legislation in this field varies considerably, as does the emphasis put on legislative interventions in general. Thus, while the United States has recently put into effect far-reaching legislation concerning equal access and equal opportunity, and while France and Germany have tightened their quota legislations, the United Kingdom national report maintains that "the employment prospects of people with disabilities are best served by measures which encourage employers voluntarily to adopt good practices, rather than by imposing further statutory obligations, particular procedures or restrictions".

1. Legislation on provision of services

108. In the following sections, the primary focus will be on legal interventions concerned with equality of opportunity and "equality of results". However, some characteristics of the wide range of legislation providing special vocational services for persons with disabilities should be mentioned.

109. In some countries different laws tend to cover different kinds of services. In the Netherlands, two principal acts cover the field of employment for the disabled, one concentrating on (re)integration into the normal job market, the other concerned specifically with work in a sheltered environment.

110. In other countries the laws target the provision of services at special groups of people with disabilities. One example is the United States Rehabilitation Act, focusing the provision of services on individuals with severe disabilities. Likewise, the Severely Disabled Act of Germany provides for a range of instruments for the creation of jobs and training places for persons with a degree of disablement of 50 per cent or more, including a system of compulsory employment and a compensatory levy, help and counselling at the
place of work, special protection against dismissal, and special bodies representing the interests of the severely disabled at their places of work.

111. Laws are also important tools for changing the composition and direction of rehabilitation and employment programmes. Thus through the 1986 amendments to the United States Rehabilitation Act, newly authorized funds for supported employment were introduced. In the Australian Disability Services Act of 1987 a new basis for policies and programmes was outlined in a set of principles and objectives concerning the provision of services, focusing on the objectives of independence, participation and integration. These general statements provided a basis for more precise specifications of the orientation of services in the direction of e.g. supported employment programmes, competitive employment training and placement-oriented services.

112. It should be emphasized that legislation providing for special services for people with disabilities is often controversial. The possible countervailing effects of these laws have been subject to much debate. On the one hand this enables services to be provided to selected groups; on the other these laws are seen by many as "handicapping" the target groups through the labelling process involved in categorising people as disabled.

113. A range of legal interventions aim to influence the attitudes and the actual behaviour of employers. These laws may, on the one hand, be seen as alternatives to strategies focusing on financial incentives: employers are given responsibilities instead of money. However, in most countries these are in practice supplementary strategies, together forming a "carrot and stick" strategy towards the employers.

114. These legislative interventions could also be placed on a continuum from intention-oriented to more result-oriented laws. We then move from an emphasis on equality of treatment and equality of opportunity to an emphasis on equality of results. Whereas equality of opportunity is basically concerned with behaviour, affirmative action, especially in the form of tight quota schemes, is primarily concerned with outcomes.

2. Equal opportunity legislation

115. Equal opportunity implies that everyone should be treated equally, and that the same opportunities are afforded to all potential employees and existing employees regardless of their individual characteristics.

116. In North America, and especially in the United States, much emphasis is put on legislation in this tradition, either in the form of general laws, or legislation specifically designed to protect the right of disadvantaged groups. The recent Americans with Disabilities Act is probably the most far-reaching legislation in this regard. Expanding the scope of its predecessor, the Civil Rights Act of 1964, the new law prohibits discrimination against persons with disabilities in many areas. Encompassing all private entities that serve the public, it is expected to have a significant impact in terms of accessibility, mobility and employment for people with disabilities. Employers may not refuse a job for a qualified person due to his or her disability, and within reason they are required to alter the workplace to meet the needs of employees with disabilities.
117. One crucial point regarding this type of legislation is the interpretation of legislative expressions such as "within reason" and "reasonable accommodation". As in the Working Environment Acts of Norway and Sweden, these formulations are subject to different interpretations resulting in different opinions among the players involved regarding the actual responsibilities of employers.

118. The government of Canada has two employment equity initiatives to promote a fair and equitable workforce. The Employment Equity Act and the Federal Contractors Program require employers to develop an Employment Equity Program for four designated groups, including persons with disabilities. This law and federal policy combine with federal and provincial human rights legislation to allow special programmes to hire, train and retain workers from designated groups.

119. The focus in this approach is more on process than on outcome. The legislation allows for complete intelligence on designated groups in the federal jurisdiction area, it allows employers to implement equity plans tailored to their circumstance and industry. Other positive aspects are the possibilities for public monitoring and for competition among employers. On the other hand, the lack of clear-cut goals and procedures for determining goal fulfilment might weaken the impact of these laws, as might the absence of an agreed definition of disability. An important factor affecting the impact of employment equity legislation would be the existence of strong consumer movements serving as watch-dogs, testing and challenging the plans and practices of companies.

120. Theoretically there is no clear dividing line between much employment equity legislation and what has been termed affirmative action. However, the latter would imply a focus on equality of results by means of removing barriers or by introducing forms of positive discrimination going beyond equal treatment, thus taking into consideration the differences of various (potential) employees.

3. Quota systems

121. A major strategy for improving the employment possibilities of people with disabilities is by way of quota arrangements. The quota schemes which are implemented in some Member countries vary along many dimensions, such as the degree of enforcement, the administrative arrangements, the sanction or levy system, and the actual quota percentage.

122. The adoption of "softer", less enforced quota arrangements is usually motivated by a) the problems concerning the implementation and follow-up of more rigorous schemes and b) more ideologically or politically motivated reservations with respect to strict employer obligations and interventions in the labour market.

123. Thus, in the Netherlands the quota percentage is viewed as an official target. Having announced a long-term target of 5 per cent of jobs being taken up by people with disabilities, the Netherlands government is considering
imposing compulsory quotas of a minimum 3 per cent and a maximum 7 per cent if necessary steps are not taken to enhance the employment opportunities of the disabled.

124. On the other hand, in the United Kingdom, reliance on persuasion rather than on obligations on employers has somewhat undermined their quota system. Although employers with more than 20 employees are obliged to have a 3 per cent portion of employees with disabilities, the system has been described as "ineffective, unenforceable and outdated" by the House of Commons Public Accounts Committee. The number of persons with disabilities who are registered as disabled and who are employed in organisations which are subject to the obligations of this scheme has declined from 282 000 in 1975 to 97 000 in 1988. As the number of people who have formally registered to be eligible for quota places has fallen dramatically in the same period, there are at the moment actually too few people in the registers for employers subject to the scheme to fulfil their obligation.

125. In Greece, which introduced a quota scheme in 1986, 3 per cent of private sector employees should be persons with disabilities. There is a proposal to increase the quota for the private sector to 5 per cent irrespective of whether there are vacancies or not at the time. In the public sector, the legislation provides for 5 per cent of vacant posts to be reserved for people with disabilities. A special arrangement in Greece is the reservation of 100 per cent of certain categories of posts for people with certain disabilities, such as telephone operator jobs for the blind.

126. In Japan the quota system is based on the idea that all employers are responsible for employment of people with disabilities in proportion to their overall representation in the labour force. By taking as the point of departure those actually in employment and those registered as job-seekers, Japan ends up with relatively low quotas of 1.9-2 per cent in the public sector and 1.6 per cent in the private sector, subject to change at least every 5 years. The Japanese scheme has traditionally been limited to people with physical disabilities, although recent modifications of the scheme have been made to include persons with mental retardation. In 1988, some 200 000 persons were employed under this scheme.

127. Beside the Japanese quota scheme, the German scheme is commonly regarded as the most effective and well-functioning. In 1987 some 800 000 persons with severe disabilities were employed under the German scheme, which imposes a 6 per cent quota on employers with 15 or more employees.

128. As in France and Japan, the German scheme has been somewhat modified in the late 1980s. Persons in in-company training have been excluded from the calculation of the number of persons with disabilities employed, and the compensatory levy was raised from DM 100 to DM 200 per month in October 1990. Furthermore, the special German system of representatives of the severely disabled in bigger firms and administrations has been improved, by clarifying their role in matters concerning the recruitment and employment of the severely disabled. These representatives are said to make a valuable contribution to improving the work opportunities for people with disabilities, e.g. by functioning as advocates for the disabled within the enterprise, and by providing a link to the service agencies.
129. The most recent substantial modification of a quota scheme took place in France in 1988. In addition to introducing a new flat-rate quota of 6 per cent both in the public and private sector, the new arrangements provide for closer links to the employers and the social partners on the one hand, and the sheltered sector on the other. An innovative aspect of the new French scheme is the ways in which the employers may partially or totally fulfil their legal requirements without actually fulfilling the quota. One alternative is to pay a fixed annual contribution to the "Development Fund for Occupational Integration of the Disabled", which, in turn, may allocate resources to employment programmes for persons with disabilities in small companies not covered by the quota scheme. In order to strengthen the links between the sheltered sector and public or private enterprises, employers may, as an alternative, enter into sub-contracting agreements with sheltered workshops. Under a third possibility, enterprises are authorised to fulfil their legal requirements by concluding and implementing company or branch level agreements providing for programmes for recruitment, training or maintenance of persons with disabilities.

130. A number of factors affect the functioning and impact of quota systems, such as the labour market conditions, the structure of rehabilitation services and income maintenance systems, attitudes (e.g. the level of acceptance of the programme by employers), culture and tradition, and the actual design of the system. This implies that the lessons learned in one country are not necessarily transferable to another country.

131. The question of quotas has been keenly debated in most Member countries. As is obvious from the above descriptions, these debates have resulted in different trends in different countries. It is difficult to register clear tendencies regarding quota arrangements at the international level. Thus, in the United Kingdom it is generally agreed by the government, employers and voluntary bodies that their quota scheme is not working as intended. Research was initiated to reveal more precisely the factors contributing to this development, in order to establish a better knowledge-base for decisions concerning the quota scheme. Views on this and other related questions are now being sought in the context of UK government proposals as set out in the Consultative Document "Employment and Training for People with Disabilities". On the other hand, Finland, although recognising the problems associated with these schemes, is considering experiments with quota systems in some public sectors. Belgian legislation recognises the principle of right to employment and stipulates the possibility of compulsory employment. One special working group, composed of representatives of the social partners and of associations of persons with disabilities, has recently rejected the introduction of a quota system in the private sector, partly motivated by a general reluctance to increase statutory obligations. In the public sector, on the other hand, some regulations concerning obligatory recruitment have been enacted.

132. There is no doubt that the quota schemes are instrumental in securing employment for a considerable number of persons with disabilities. In Germany, with a quota of 6 per cent, the average employment ratio in companies covered by the scheme is 5 per cent (4.7 per cent and 5.9 per cent in the private and public sector respectively). In the Japanese private sector, with an imposed quota rate of 1.6 per cent, the actual employment rate was 1.3 per cent as of June 1988.
133. However, the variations within these countries are striking: while some German employers more than fulfil their obligations, 70 per cent failed to do so in 1987, and 30 per cent, mainly smaller enterprises, did not employ any severely disabled persons at all. In the Japanese private sector 48.5 per cent of the enterprises did not fulfil their quota obligations as of June 1988. Thus even in the countries with relatively tight and well-run quota schemes a considerable number of employers fail to meet their obligations.

134. Critics of quota arrangements have pointed to a tendency for quota schemes to draw attention to the disabilities of individuals, rather than to the handicapping conditions or barriers with which they are faced. At least in some countries this criticism rather seems to miss the point. The design of the quota-levy arrangements in Germany, Japan and France tends to make these schemes important vehicles for rehabilitation and environmental modifications, as they are linked with programmes for vocational training and integration of people with disabilities. In Japan, the levy and grant system is used to reimburse employers for the extra costs involved in employing persons with disabilities, e.g. in the form of grants for workplace adaptation. Also, the amendments to the Disabled Persons Act of Germany may be seen as a response to some of these "passive" characteristics of quota schemes. The compensatory levy in Germany is increasingly used to encourage the recruitment and employment of people with disabilities. Much of the revenue from the levy (amounting to DM 305 million in 1987) is thus channelled back to employers in the form of financial assistance for technical aids, workplace adaptations, and wage subsidies.

135. Quota-levy systems may thus be seen as systems for transferring money from employers not complying with the quota, to those either without quota obligations or those making an effort to fulfil their obligations. The result is a form of "carrot and stick" system which includes financial incentives for vocational rehabilitation and employment.

136. However, despite the fact that quota schemes have contributed to securing employment for a considerable number of persons with disabilities in many countries, there are rather different views on this strategy both across and within countries -- and within the Panel responsible for this report. Generally speaking, there are three main lines of argument against quota schemes. First, there are the practical problems concerning definitions, registration and control. Any type of quota system requires a relatively clear-cut definition of disability for determining eligibility, as well as tight regulations for the registration process. A tendency in some countries for "loose" definitions and procedures for registration might easily undermine the goal orientation and accountability of their quota schemes.

137. Second, a prevailing view in some countries is that quota systems are not easily combined with efforts to improve the relations between service agencies and employers on the one hand, and between employers and employees on the other. Quota systems could be seen as implying a division of the labour force into "normal" and "B-team" categories, and furthermore attaching a stigma to the people employed through the quota arrangements.

138. Third, as in the United Kingdom reservations against enforcement of the quota scheme, quotas may be seen as a substantial intervention in the labour market not in accordance with overall labour market policies. Although the