question of displacement of able-bodied workers is not touched upon in the national reports, this might also contribute to reservations against quota solutions.

139. From countries which are in the process of developing a more comprehensive vocational rehabilitation system it is pointed out that quota schemes might be looked upon as a temporary measure, suited for a particular stage of development of society in general, and the vocational rehabilitation system in particular.

V. MAKING THE INDIVIDUAL COMPETITIVE

140. In all countries, measures to enhance the competitive power of individuals with disabilities is a cornerstone of policy. In the following, the focus will be on measures to prepare and train the individual for the labour market on the one hand, and measures which aim at reducing or eliminating the personal impediments associated with a disability on the other.

141. When considering the future development of supply-side measures for people with disabilities, it is important to bear in mind the prospect of an emerging "skills gap" in the labour market, implying a possible future mismatch between an increasing demand for skilled and flexible manpower on the one hand, and an increasing pool of low-qualified would-be workers on the other. While this presents a serious challenge to the development of overall training policies, the demands on the systems providing for rehabilitation and training of people with disabilities will be even greater.

1. The diversity of institutional arrangements

142. The institutional framework for the provision of rehabilitation and training services in Member countries is rather complex, and even a rough outline of the respective institutional structures would go beyond the scope of this report. A range of agencies and institutions are involved in the rehabilitation and general vocational/special occupational training of this group. For example, in France training is provided through the mainstream apprenticeship system, in mainstream training centres, and in a range of public and private centres for vocational rehabilitation and training of persons with disabilities. In Finland, the education authorities are responsible for more basic training in vocational training establishments (vocational schools), including those specifically for persons with disabilities. Supplementary vocational training or retraining in the form of Employment Courses is the responsibility of the Ministry of Labour. In addition, a special vocational course centre has been set up to provide vocational training for persons with disabilities who are difficult to integrate into ordinary settings.

143. In many countries, the rule is for governments to reimburse community organisations and private initiatives for their provision of rehabilitation and training services for people with disabilities. This may in some countries result in a very complex overall system and problems in terms of co-ordination of services. On the other hand, in countries like Japan, Germany, Norway, Sweden and the United Kingdom, the labour market authorities and the employment
services are given a more central role, and are more directly involved in the provision of services. Networks of special centres for vocational rehabilitation and training of persons with disabilities have been set up. The German system may provide an illustration of this approach. Their network includes 21 vocational retraining centres (with some 12 000 places for the retraining of adults) and training centres (with 10 000 places for the initial training of younger disabled people). In the German view, this comprehensive system for vocational training of persons with disabilities makes them adequately equipped to meet future requirements for specialised training services.

144. In some countries there is a trend towards de-institutionalisation and decentralisation of service provision structures. Large institutions for vocational rehabilitation and training of people with disabilities are replaced by smaller and more flexible units which are better prepared to meet the needs of the individual in his or her local community. Developments in Australia, which illustrate this trend are in the process of replacing large metropolitan vocational rehabilitation centres with a more comprehensive network of regional units. Also in Norway resources are being re-allocated from the four main Labour Market Institutes for people with disabilities, to a network of new Employment Counselling Offices at the county level.

2. Mainstream vocational training

145. Consumer and advocacy organisations increasingly call for access to mainstream services which serve the whole population, while maintaining that these services should be delivered in a way which recognises and accommodates the specific needs of people with disabilities. The governing principle should be "more of the same" in integrated settings, rather than meeting the special needs of individuals with disabilities by developing segregated training programmes.

146. A step towards this goal would be to integrate people with disabilities into schemes offering vocational training and other services to larger portions of the population. An illustration of this approach would be the Canadian Jobs Strategy, which includes a set of programmes offering assistance to a number of groups characterised by low labour market participation. However, it is worth noting that persons with disabilities represent only 1.7 per cent of the participants in these skills-enhancing, work experience and subsidy programmes in Canada. This suggests that this group has some difficulties when competing for places in programmes which are targeted at disadvantaged groups in general, including the long-term unemployed, immigrants and hard-to-place young people.

147. In order to encourage participation of people with disabilities in mainstream vocational training programmes, a number of countries have introduced special support services, special financial arrangements, and other provisions. In Greece, where 10 per cent of the places in ordinary vocational training courses are reserved for people with disabilities, special arrangements have been made to facilitate participation for this group, such as an extension of the length of time one can attend courses.
148. Another example is the Australian provision of a range of allowances and grants to help persons with mild disabilities integrate into some of the mainstream labour market programmes. In their labour market training programmes known as Jobstart and Jobtrain, which provide for wage subsidies and vocational training courses, the proportion of people with disabilities was 16 per cent and 8-9 per cent respectively in the period 1987-1988. In the United Kingdom, vocational training for people with disabilities is provided largely within mainstream Training Agency work experience and vocational training programmes such as the Youth Training Scheme (YTS) and the Employment Training (ET) scheme. YTS offers up to two years training and work experience for young people and ET one-year training for the long-term unemployed and other target groups. Integration of individuals with disabilities into these programmes is backed up by a range of measures, such as special funding based on individual training needs, a relaxation of age requirements and of the stipulated training period, and special grants for workplace adaptations and work aids. In addition, special introductory schemes have been set up for development of basic skills and a more gradual familiarisation with the world of work.

149. The United Kingdom figures show that people with disabilities represented 3.2 per cent of the participants in YTS and 12 per cent in ET in 1988/89. Examinations of these programmes have pointed to a number of possibilities for improving the take-up of people with disabilities, such as improved staff training and staff ratios and special provisions to accommodate people with mental illness.

150. In Sweden 22 per cent of those taking part in "ordinary" labour market training courses in 1988 had a vocational disability. Special training allowances are offered to people with disabilities who take part in these courses.

151. Also Finland and the Netherlands are increasingly paying attention to the many advantages offered by participation in mainstream vocational training programmes. The Netherlands have set a goal of doubling the intake of individuals with disabilities into their apprenticeship training system. The plans include more flexible module-based courses which take into account the specific needs and aptitudes of young individuals with disabilities.

152. The many promising developments in Member countries in regard to integration of people with disabilities into mainstream training schemes may be seen as consistent with the general move towards "administrative normalisation" of services for people with disabilities described in Chapter III. The overall goals of normalisation and integration suggest that this is an avenue which should be further pursued in the 1990s.

3. On-the-job training

153. Another trend in the vocational training of people with disabilities is towards more on-the-job training in ordinary work environments. Training agencies and institutions in a number of countries increasingly provide for trial work training periods in ordinary working life as a supplement to specialised training services in "artificial" environments, thus bridging the
gap between special training schemes and ordinary work. The possibilities for a gradual progression into ordinary employment are enhanced, and a transfer of work-related skills from special training environments to ordinary working life is facilitated.

154. While many countries report an increasing interest in on-the-job training, there are few indications as to the actual quantitative developments in this area. German figures reveal that nearly two-thirds of all trainees with disabilities assisted by the Federal Institute of Employment were undergoing in-company training at the end of 1987. On-the-job assessment and vocational work preparation is also a major component of the services of the Japanese Local Vocational Centres. Furthermore, Japan is introducing new special schemes for on-the-job training of persons with disabilities. In Belgium, a scheme called the "Special Apprenticeship Contract" is considered particularly successful. According to the latest figures available, it leads, in 71 per cent of cases, to real employment. During the period of apprenticeship, the person with disabilities receives wages, and is admitted to the social security system, just like other employees.

155. The introduction of a number of programmes providing for time-limited wage subsidies (see Chapter VII) also illustrates the emphasis put on on-the-job training in Member countries. However, the wage subsidy schemes are usually not supplemented by follow-up services or specific on-the-job training programmes. This lack of accompanying specialised services may be a weak point of many wage subsidy programmes, and may contribute to the low placement rates from these schemes into non-subsidised employment. A recent German report revealed a special employer concern for adequate preparation and follow-up support, and stressed the importance of supportive assistance to achieve access to in-company training for persons with disabilities.

156. The possible shortcomings of traditional wage subsidy schemes may indicate a need for models which combine wage subsidies and intensive (initial) on-the-job training. The "passive" nature of wage subsidy schemes can be contrasted with programmes which explicitly focus on systematic training in the initial stages of employment. In order to enhance the opportunity for job attachment, a number of programmes under the Canadian Vocational Rehabilitation of Disabled People umbrella are geared to providing ongoing training during the initial work experience. Not least, the rapidly expanding programmes for supported employment (see Chapter VII) in North America provide an illustration of models in which follow-up services, support and systematic on-the-job training are the primary concern.

4. Problems and challenges in vocational rehabilitation and training

157. The country reports give few indications as to the actual outcomes of training measures for people with disabilities. Sweden reports that 15.7 per cent of the participants at their Employability Institutes found non-subsidised work in 1987, while 21.2 per cent got work with a wage subsidy. A follow-up study of those leaving the Employability Institutes revealed that 47 per cent of those categorised as vocationally disabled were in employment after one year. Surveys of the German vocational training and retraining centres show that on the average the proportion of persons in employment one year after completion of training has exceeded 70 per cent for many years.
This high placement and job maintenance rate is in part attributed to the continuous introduction of participants to modern technologies, and to an increased emphasis on short periods of on-the-job training.

158. Although there are examples of programmes with good results in Member countries, there are a number of issues concerning rehabilitation and training of persons with disabilities which deserve further attention.

159. First, the programmes for rehabilitation and vocational training of persons with disabilities are subject to pressures from two sides: on the one hand, general economic and labour market developments lead to an increasing demand for skilled workers. On the other hand, changes in the composition of the target group make rehabilitation and vocational training increasingly difficult.

160. Thus Japan, while developing a network of regional and local vocational centres in the 1980s, has experienced an increased need for more advanced methods for assessment and training due to an increase in the number of persons with more severe and diversified disabilities. In response, Japan is in the process of establishing a General Vocational Centre for the development of more sophisticated rehabilitation and training methods and for training of specialists.

161. The overall importance of systematic assessment and counselling should not be underestimated. It is critical to the formulation of an individual rehabilitation and training plan to identify the current level of attainment, the motivation and the potential of the individual. To ensure a good match between the individual and the training, it is crucial that the persons with disabilities themselves take part in the development of their own personal action plan.

162. Second, a weak point of many programmes for rehabilitation and training is a traditional bias towards persons with primarily physical disabilities. The German report explicitly points to the fact that their comprehensive network of vocational rehabilitation institutions for adults with disabilities are not all equipped to train persons with other than physical disabilities (the situation is different as regards the initial training of young people with disabilities). At the same time the tendency in Germany, as in other countries, is for vocational rehabilitation and training programmes to take in persons with mental illness and mental retardation in increasing numbers.

163. A third point concerns the kind of training which is offered to people with disabilities. Several countries point to a traditional orientation of rehabilitation and training programmes towards industrial manufacturing work which is not in accordance with trends in the composition of jobs in the labour market. The new possibilities for job openings within an expanding service sector are so far not reflected in the general orientation of most training programmes. In addition, there might be a need for more variation in training programmes to meet the needs of a rather heterogeneous target group. The excellent results in a new Japanese scheme may illustrate this point. This 8-week pre-vocational work preparation scheme for persons with mental illness or mental retardation lacking basic vocational skills, habits and attitudes, resulted in 73 per cent of the "leavers" moving into open employment in 1988.
164. For many people in general, and probably many people with disabilities in particular, the major barrier to access to the labour market may not be a lack of job-related skills, but rather a lack of job-seeking skills. Therefore, the development of programmes for improving job-search skills could become a valuable supplement to the traditional rehabilitation and training programmes. Furthermore, these programmes aim at encouraging independence on the part of the participant to increase his or her participation in the employment process. In the United Kingdom special help has been given to facilitate participation in the Jobclub programme, resulting in 10 000 participants with disabilities in 1987/88.

5. Workplace adaptation and technical aids

165. In most Member countries public grants are available for technical aids, special workstation devices and other forms of support to assist people with disabilities into employment, and to minimise the impact of the impairment on their productivity. In some countries the extra expenses involved in modifications of work environments, remodelling of work facilities and special equipment are covered by the social insurance systems, while in others the employment services or public rehabilitation agencies are the responsible bodies.

166. Few studies have addressed the question of the actual need for these types of services for people with disabilities. Canadian surveys indicate that for 10-25 per cent of disabled workers some alterations have been made in regard to the physical environment, modified duties, working conditions, work schedules, etc., to accommodate their limitations. However, there are indications in a number of the national reports of considerable under-utilisation of the know-how in this area in general, and of technical aids in particular. This is reflected in a generally low take-up of public provisions in this area. For example, a Finnish programme providing for special work equipment covered only 50 cases in 1988. A recent Norwegian study revealed a very low take-up of available social security benefits to finance adaptation of the workplace through use of technical aids.

167. A general lack of expertise in the agencies involved in this field may be one factor which contributes to this under-utilisation. Another problem is the absence in many countries of an efficient machinery for circulation of technical aids.

168. A third problem concerns the co-ordination of efforts to increase the interest and the competence in the possibilities for technical aids and workplace adaptations. In some countries a number of public and other agencies are involved in identifying the needs for special aids and in the provision of services. An example of a less fragmented system is the United Kingdom arrangements, which include technical consultants employed by the Employment Service (ES), a Disablement Advisory Service (also under the ES) which maintains a data-base of some 400 aids to employment, and machinery for distributing equipment available on loan. In 1987/88, some 4 200 persons with disabilities benefited from the Special Aids to Employment Scheme in the United Kingdom.
Another problem concerns the availability of information and advice regarding technical aids and workplace adaptations. The European Handinet system is one initiative which addresses this question. Another is the Job Accommodation Network System in the United States and Canada, which could prove a promising way to overcome the information problem. The purpose of this system is to provide useful and accurate information on how to overcome limitations in the workplace for individuals with disabilities. A data-bank has been developed with input from employers who have experience with workplace accommodations. A toll-free information line ensures access for employers who need advice and examples of successful solutions at other workplaces. The fact that three out of four of the accommodations suggested in the data-bank cost less than $100, suggests that much could be achieved and at low costs in terms of job retention and integration by way of relatively simple systems for exchange of information.

With respect to computer-based technologies and new computer-based aids to promote employment of people with disabilities, the general impression is that there is a lack of co-ordinated efforts in most countries to explore possibilities in this area. However, Sweden has initiated a number of projects to develop computer-assisted work for people with disabilities, and reserves SKr 32.5 million in fiscal year 1989/90 for computer-based technical work aids.

An interesting development in this area is the United Kingdom concept of "open learning", which includes forms of computer-based learning in which the trainees control their own learning process. As this approach offers possibilities for flexible and even home-based training, it is specifically targeted at persons with restricted mobility and persons who are intermittently incapacitated.

6. Transition programmes for young people with disabilities

Although there is a definite skewing of the disabled population towards the upper age categories, the importance of adequate services to assist young people with disabilities into the labour market should be emphasized. The result of a lack of appropriate services for this group is often a life-long career as income-maintenance dependants. Therefore, increasing attention should be paid to programmes which aim at preparing and introducing young people with disabilities to the labour market in general, and programmes which aim at assisting young people with disabilities in the transition phase from school to working life in particular.

The transition phase starts while the young person with disabilities is still in school. It is imperative that measures are taken at this stage to provide adequate preparation through vocational assessment, guidance and special training/job familiarisation programmes.

In some countries an extension of the school-leaving age and high age limits for granting permanent disability income support have been introduced to prevent premature pensioning of young people with disabilities. However, the crucial point will be the implementation of active measures to assist this group in getting a foothold in working life. Such measures would on the one hand include special accommodation to provide for participation in mainstream
youth vocational training programmes, and on the other specifically tailored transition programmes for young people with disabilities.

175. As indicated in Chapter VI, a major objective in most Member countries is, as far as possible, to ensure access to mainstream transition and vocational preparation programmes. The special provisions available under the United Kingdom Youth Training Scheme (described above) illustrate measures within mainstream programmes resulting in a fair take-up of people with disabilities. Also under the Australian Traineeship System, offering a combination of on and off-the-job training for 16 to 18 year-olds, special provisions are made to promote the participation of people with disabilities. These include extra financial incentives for the employers, traineeship access courses, and special assistance for the blind and the deaf. Participation of persons with disabilities is estimated at 2 per cent of training commencements, roughly reflecting their representation in the youth labour force.

176. However, for a number of young people with disabilities, highly specialised employment-promoting programmes are necessary to ensure labour market integration. The supported employment models (see Chapter VII) in the United States and Canada have proved to be a most promising development in this regard. Also in the United States, special Transition Planning Grants for Handicapped Youth provide for statewide transitional planning projects in three states, with the objective of developing models to assist disabled youth in the transition from secondary school to vocational rehabilitation and employment.

177. Another example of a programme specially designed to meet the needs of young people with disabilities is the Australian Disabled Apprentice Wage Subsidy Program, implemented to assist disabled youth into apprenticeship by way of a relatively high subsidy level.

178. In 1986/87 Sweden introduced a special programme to counteract the tendencies for early pensioning of young people with disabilities. Some 3 000 persons aged 16-29 have so far been offered vocational rehabilitation and training through this programme. By Spring 1989, some 20 per cent were employed in sheltered enterprises or in the ordinary labour market, while 8 per cent were in training/education. Recently, more emphasis has been put on the co-operation between the schools and the employment services, in order to develop models for the transition from education to the labour market for young people with disabilities.

VI. SHELTERED EMPLOYMENT PROGRAMMES

179. Within the framework of demand-side approaches, the following focuses on the development of a special sheltered labour market for people with disabilities. In addition, some possible future directions for the creation of jobs for this group are briefly discussed.
1. **Descriptions of systems**

180. The concept of sheltered workshops or enterprises covers a wide range of facilities geared towards providing people with disabilities with jobs in a protective environment along with their disabled peers. These establishments vary with respect to administrative structure, financing, target groups, salaries, and productivity. The common feature is the content of work: with few exceptions, sheltered employment implies manufacturing industry, often on a sub-contract basis, and sometimes involves the employment of persons without disabilities to support production and improve the working environment.

181. The most common administrative solution adopted in Member countries is for the government to sponsor either local authorities or voluntary agencies to provide sheltered workplaces according to some specified criteria. A typical example is the Netherlands, where the local authorities -- and to a certain degree the local employers and employees organisations -- are responsible for developing and running the sheltered establishments. In Belgium where some 20,000 people with disabilities are employed in 156 workshops, most initiatives are private in origin and have to meet strict conditions to get subsidies.

182. In Sweden and the United Kingdom, the central government is more directly involved. In Sweden the state-owned Samhall Group controls some 338 workshops with 30,400 workers with disabilities, while in the United Kingdom, the 94 state-owned Remploy factories employ some 8,800 people with severe disabilities. In addition, in the United Kingdom 127 sheltered workshops are run by local authorities or voluntary bodies.

183. One advantage of umbrella or consortium arrangements could be better possibilities for co-ordinated and more effective assistance to the enterprises. In Sweden a parent company is responsible for overall management, financing and co-ordination of the enterprises. In the United Kingdom, a special unit within the Employment Service offers advice and assistance regarding business opportunities, new products and technical advice.

184. As a rule, sheltered employment programmes are open to all persons, irrespective of type of disability. However, although there is a lack of data from some countries, the composition of the group employed varies considerably. One main reason for this is the different administrative and financial systems adopted in different countries. Thus, in the relatively low-cost Canadian workshops, 70 per cent of the workers are persons with mental retardation and in Belgian workshops this group represents 80 per cent of the workers, while in the Norwegian sheltered enterprises this group constitutes only a minor portion of the labour force.

185. The fact that the dominant sheltered programmes might not reasonably be able to accommodate all disabled groups has prompted some countries to set up special workshops (or departments within workshops) to meet the needs of people with special types of disabilities. In Germany, special departments with appropriate forms of assistance are designed for the mentally impaired. To accommodate people with mental retardation and other low-productivity groups, Norway is in the process of expanding the system of Work Co-operatives, in which workers are paid a small wage on top of their disability pension.
186. In the United Kingdom, the productivity of the would-be sheltered worker is the main eligibility criterion. There, sheltered employment programmes are open to persons with a productive output between 30 per cent and 80 per cent of a non-disabled person doing the same job. In order to achieve a balanced intake policy, the Netherlands divides applicants into four groups (people with physical/mental/psychiatric/other disabilities) to ensure equal opportunity for all groups to enter sheltered workshops.

187. In both Norway and Sweden, the workers in sheltered enterprises are organised in the appropriate unions and generally earn the same as workers in ordinary enterprises within the same branch. Also in the Netherlands, the workers should have the same pay as in the non-sheltered sector. The relatively well-paid and heavily subsidised jobs in these sheltered enterprises can be compared to the German sheltered workshops, where workers earn an average of DM 220 per month, which in many cases necessitates additional social assistance benefits. In Canada, a minimum wage is the rule. And in Belgium also there is a system of minimum wages in which workers are classified in five categories. Workers in the highest category earn wages which equal the minimum wage in open industry. (However many sheltered workshops in Belgium pay more than the minimum wage.) In the United Kingdom and Finland average earnings in the sheltered sector are roughly half the national average for manual jobs. In Australia, the government-financed Sheltered Employment Allowance equals the invalidity pension, while the workshops provide an additional limited amount.

188. The systems for government financing of sheltered establishments also present a complicated picture. The relatively straightforward Norwegian scheme applying a per capita principle, contrasts with, for example, the Canadian system involving federal or provincial contributions according to the content of the programme – e.g. how much training is involved. Also, the level of subsidy varies considerably. In Sweden, government contributions in 1990/91 equalled 109.6 per cent of wage costs (with ordinary wages paid), while in other countries the public contributions per worker are far more modest.

189. In Norway and the Netherlands (the latter spending Gld 3 billion annually in this sector), an increase in government expenditures in this sector has prompted a re-design of programme structure to bring the finances of sheltered employment under control. In both countries a strategy of decentralisation of responsibilities has been implemented, giving more responsibility and autonomy to the local authorities who are running the programmes, implying a more goal-oriented central government involvement.

2. Criticisms of sheltered programmes

190. The issue of sheltered employment has proved to be controversial. It involves, on the one hand, the kinds of services that sheltered workshops or enterprises provide and, on the other, conceptual, as well as practical, strategy issues of whether sheltered segregated work can realistically provide a suitable training ground so crucial to preparing persons with disabilities for economic and social integration.

191. The low levels of wages, accompanied by poor job protection and uncertain worker status and work-contracts, have given rise to much criticism in some countries. In Germany, consideration is now being given to these issues.
192. Another major criticism regarding some sheltered work schemes, raised e.g. by the Australian Handicapped Programmes Review in 1985, is the unchallenging and inappropriate work frequently found in workshops, often along with poor working conditions. Repetitive and boring work is qualified as "counterproductive" in the Canadian report.

193. However, the major criticism regarding sheltered programmes concerns the issue of segregation versus integration in general, and the problems associated with placement into open employment from sheltered programmes, in particular.

194. It was, in part, through the workshop and sheltered enterprise systems that early progress to competitive employment was achieved. Traditionally, sheltered employment was designed to provide work training and other services, in order to enable the individual to acquire work skills and enhance his/her competitiveness before moving on to open employment. However, this has proved to be a rather difficult task.

195. Sheltered employment usually has two explicit goals: offering permanent sheltered work to people with disabilities; and developing the working capacity of participants who can be brought to a productive level compatible with ordinary work. These dual aims seem to give rise to some conflict of function in most sheltered workshop/enterprise systems: on the one hand, they claim to be production units, and as such, productivity, earning power and ordinary work conditions are emphasized. On the other hand, they are training institutions or centres, with a focus on improving the work capacity of the participants. The one function easily becomes the "excuse" for the other. One result of this built-in dilemma might be that a number of individuals with potential for open employment are being "trapped" within a setting which hampers increased independence and participation in ordinary working life.

196. A major concern in a number of countries is thus the low placement rates from sheltered programmes. In Canada, 3 per cent of people who have been in workshops for more than two years are likely to find competitive employment. In Norway, Sweden and the United Kingdom the annual placement rates (numbers placed in open employment as portion of total workforce) are 5.4 per cent, 4 per cent and 1 per cent respectively. Belgium reports a 2.2 per cent annual rate of transfer to open employment. Also in the abovementioned Australian review, the lack of access to other work opportunities and the (permanent) segregation from non-disabled workers was criticised.

197. While this is a common theme in the country reports, the poor placement results are attributed to different factors in different countries, reflecting the differences in the design of programmes. The conflicting demands of productivity and training is one major barrier, while in countries like Norway and Sweden, the relatively high levels of wages in the sheltered enterprises offer few incentives for workers with disabilities to progress into ordinary employment. Also, a subjective fear on the part of the workers at leaving relatively safe and familiar environments would be an important factor in hampering turn-over and placement.

198. The above indicates a pressing need for special arrangements to bridge the gap between sheltered employment and ordinary employment. In response some countries have, in recent years, developed special transition programmes and
programmes focusing on follow-up and support for persons who are placed in open employment.

199. In Australia a re-orientation of policies in favour of placement-oriented programmes as a supplement or alternative to traditional sheltered work is under way. On the basis of the new Disability Services Act of 1986 Australia has introduced a transition phase, providing extra funding for organisations offering sheltered work in order for them to provide more diversified services such as supported employment in ordinary work-settings.

200. The Netherlands also stresses the need to bridge the gap to open employment, and underlines the importance of systematic identification and training of sheltered workers with prospects of moving on to ordinary employment. The setting up of special training units in some sheltered workshops in the Netherlands, focusing on elaborate assessments may be seen as a step towards the early selection of candidates for the open labour market.

201. The plans in many U.S. states for the transformation of sheltered employment programmes into assistance and support in open employment is a move in the same direction. Organisations providing sheltered work in the United States, such as the Goodwill Industries, are increasingly offering additional services such as supported employment programmes (see Chapter VIII for further description of these programmes). In the United Kingdom, the introduction of the Sheltered Placement Scheme in the mid-80s is regarded as a way of developing alternatives to traditional sheltered work.

202. A new development in Sweden is the built-in workshops in ordinary industry. While still employed by the Samhall group, the workers in these units gain experience with ordinary work environments.

203. The above examples indicate that there are attempts in many Member countries, although in rather different ways, to bridge the gap between sheltered and ordinary employment.

3. Trends in sheltered employment

204. In countries like Canada and Sweden there has been a significant expansion of sheltered programmes during the last decade, partly as a response to the number of persons moving out of institutions and the need for services to follow special educational and training programmes. Germany, with a voluminous sheltered sector (about 120,000 places) emphasizes a need for even more sheltered work-places due to the age structure of those employed and low expected future turn-over rates. In addition, demand for workshop places for mentally disabled persons is expected to rise in the future. In Greece, where sheltered employment programmes had not been developed previously, the labour market, health and social authorities are now in the process of planning an institutional framework for sheltered workshops.

205. Countries with expanding sheltered programmes maintain that the alternative for individuals with disabilities would not be open, integrated employment, because of the simple fact that the labour market is not open to this group, even in a situation with a future general manpower shortage.
Furthermore, those in favour of further development of a sheltered sector tend to argue that some groups simply cannot work under normal conditions.

206. On the other hand, Norway and the Netherlands have more or less frozen the expansion of a sheltered, segregated sector, partly due to financial considerations and partly due to the problems in this sector pointed out above. Still other countries tend to look for supplementary or alternative solutions (Australia, the United States, the United Kingdom and, to a certain extent, Canada). The tendency in these countries is to strive for higher turn-over and move towards "opening up" sheltered employment programmes, as indicated in the previous sections.

4. Other demand-side initiatives

207. The strong bias of sheltered employment programmes towards manufacturing industry has spurred some initiatives in Member countries focusing on the provision of service-oriented jobs. Thus, Sweden is in the process of exploring the possibilities for service jobs within the framework of the Samhall Group. In Norway, the basic idea of the rapidly expanding network of Work Co-operatives in the Public Sector is to couple work-crews of people with disabilities with unmet service needs in the local community. Also, under the umbrella of supported employment, a number of projects in the United States and Canada take as a point of departure the unmet need for services in the local community.

208. Under the ILE programme of the OECD the new possibilities for job creation within the service sector have been considered. It has been pointed out that within OECD countries the service sector has been the major source of new jobs during the last 25 years. It is further pointed out that some new service needs of both households and enterprises are inadequately met and that potential for job creation and new activity are under-exploited. On the basis of the often narrow range of occupations traditionally available to people with disabilities, it would be important to explore the possibilities and constraints regarding the job creation potential for this group in this particular area.

209. Another avenue to follow might be the provision of financial and other assistance to help people with disabilities set up their own businesses. Such legal and financial assistance to create "self-help firms" for people with disabilities is currently being developed in Germany; some 90 firms have been established providing about 900 workplaces, mainly for persons with psychiatric disorders. However, the United Kingdom seems to be the country which has most systematically explored these possibilities. In 1988 6 900 persons with disabilities made use of the mainstream Enterprise Allowance Scheme, which provides a weekly grant for the first year of a person setting up in business. Although evaluations of the performance of people with disabilities in this scheme are lacking, rough estimates indicate that their success rate is as high as that of their non-disabled peers.
VII. INCENTIVES AND DISINCENTIVES FOR LABOUR MARKET INTEGRATION

210. In theory, the whole field of employment policies for people with disabilities could be approached from an incentive/disincentive angle. The arrangements, service systems and programmes serving people with disabilities could be seen as attempts to influence the motivation and behaviour of the principal target groups, namely the employers and the population of people with disabilities. On the other hand, one of the problems facing persons with disabilities is the attitude of other workers and incentives can hardly be designed to encourage them to change their attitudes.

211. However, the incentive element is more prominent in some programmes than in others. While recognising the wide range and various forms of financial and other incentives involved in this policy field, we will here focus on some major avenues for assisting placement in ordinary employment of people with disabilities. The first two strategies, wage subsidies and supported employment, although having a common objective, differ considerably in terms of the type of incentive or assistance involved. Thus, the financial incentives involved in various forms of wage subsidy schemes are contrasted with the intensive follow-up efforts within the supported employment approach. Finally, the focus will be on some major disincentives to work which are built into the design and functioning of many income support schemes. In terms of incentives, this implies a shift in perspective from the employer side to the options with which individuals with disabilities are faced.

1. Purpose and structure of wage subsidy programmes

212. The rationale behind the various forms of wage subsidy schemes is, simply stated, to compensate for lower (initial) productivity on the part of the new employee, and/or for the costs associated with special training and supervision. However, from the perspective of the new worker (and the public authorities) this is not only a way of creating job openings by reimbursing employers, but also a measure to build up "human capital" through work training and work familiarisation, thus enhancing their competitive positions in the labour market.

213. A common feature of most wage subsidy schemes is the imposed time limitations. The maximum periods vary from one half year, as in Australia, up to three years, as in Norway. The subsidy levels and target groups vary considerably, both within and across countries. In Germany, employers can obtain labour cost subsidies of up to 80 per cent of wages for recruiting mentally or physically disabled persons with severe impairments, or disabled persons over 50 years of age. The Australian JOBSTART programme provides subsidy payments for employers in the private sector who provide jobs for members of disadvantaged groups, among them the disabled. In France and Belgium, wage subsidies are used to compensate for the gap between minimum pay and actual productivity, thus ensuring the individual with disabilities a minimum wage. In Japan also, a number of measures for subsidising employers have been introduced. Within the Job Applicant Employment Development System, the portion of wages which is subsidised varies with the degree of disability and the size of the enterprise. The Japanese Job Adaptation Training System
provides up to one year of on-the-job training and job familiarisation through the provision of a fixed sum per month. In addition, in connection with the quota-levy system, employers who employ more than the legally required number of persons with either physical disabilities or mental retardation are paid a fixed monthly sum per worker indefinitely.

214. A more indirect way of compensating employers for engaging and employing persons with disabilities is to grant such employers reductions in their tax liabilities. Thus, The Targeted Jobs Tax Credit in the United States provides tax credits to employers against the first year's wages paid to newly hired workers with disabilities. In Japan, in addition to the more direct wage subsidies, various forms of preferential tax treatment are provided for those who employ persons with physical disabilities or mental retardation.

215. In all the above-mentioned countries, the dimensions of these schemes are relatively modest. In the Nordic countries, however, they are seen as a major strategy to assist persons with disabilities into the open labour market. In Finland, two different schemes provide subsidies for 8,000 workers in open employment, while the average numbers of participants in subsidised jobs in Norway is roughly 3,500. In both countries, the subsidy level is higher in the initial stages of employment.

216. Sweden stands out from other countries both in terms of the dimensions of the subsidy system, and by the fact that their schemes are not limited in time. Following a substantial increase in the number of places within these schemes in the 1980s, 44,000 individuals with disabilities -- or nearly 1 per cent of the working population -- are presently placed in subsidised jobs in Sweden. A reform of the system is now being planned to provide greater flexibility in subsidy levels and time limitations.

2. Outcomes of wage subsidy schemes

217. Considering the dimensions of these schemes, especially in the Nordic countries, the lack of evaluative efforts is striking. Regarding the time-limited subsidy schemes, whether defined as short-term start-up support or more long-term job familiarisation programmes, there are few indications of overall programme performance or long-term outcomes.

218. There are indications, though, that the proportion of people with disabilities in these programmes who actually enter open employment, is probably not lower than in other disadvantaged groups on the labour market receiving similar subsidies.

219. The problems of permanent labour market integration following participation in subsidy programmes seem greater in the public sector than in the private sector. In Finland and Norway, both with higher subsidy levels in the public sector than in the private sector, inflexible hiring practices and personnel regulations in the public sector seem to create problems in terms of job retention after withdrawal of subsidies.

220. The impact and effectiveness of job subsidies in general has been subject to much debate. The attraction of wage subsidy schemes among employers has sometimes been questioned, as has the value of trial work-periods after
which there may be few possibilities for more permanent employment. A possible
tendency for this financial incentive in fact to create a disincentive for
employers to retain employees with disabilities for whom there are no subsidies
has been debated. There is also the possibility that the existence of a
subsidy from the state increases the reluctance of some employers to
participate either because of fears about the bureaucracy involved or because
of "branding". However, it is not possible to address these questions in a
meaningful way on the basis of available material.

221. The possibility of over-subsidising employers for hiring slightly
marginal workers might also pose a problem, especially in schemes with high
and/or fixed subsidy levels. Sweden, in the process of re-examining its wage
subsidy schemes, is considering new arrangements for increased selectivity in
which subsidy levels reflect the real needs of the individual rather than type
of employer involved. There seems to be a need in other countries also for
examinations to be made of rigidities hampering the economic performance of
subsidy schemes, and for thorough investigations of the performance and
outcomes of these schemes.

3. Permanent subsidies and combinations of wages and benefits/pensions

222. The absence of labour market programmes involving more permanent
financial subsidies for the employment of persons with disabilities, indicates
certain reservations in most countries regarding permanent compensation to the
employer for lower productivity on the part of employees with disabilities.

223. At the same time, most countries have experienced a marked increase in
expenditures for passive income support programmes. As part of a movement
towards more active and work-oriented ways of utilising income maintenance
funds, the possibilities for spending "passive" money in non-traditional and
work-oriented ways have been focused on in a number of countries. In e.g.
Norway, experiencing a sharp increase in the number of persons on disability
pension, this has been pointed out as one of the main avenues to follow in
order to change the work-active/passive ratio within the working-age
population. More specifically, Norway has developed systems in which
disability pensioners are allowed to work full time in open employment and
combine partial benefits with partial wages on a permanent basis. Similar
systems for combinations of pensions and wages are currently being examined in
Australia.

224. This system attacks the traditional "either-or" relation between paid
work and income maintenance schemes by allowing for combinations of wages and
pensions. In Norway it is seen as a promising way of encouraging employers to
retain workers who develop health problems or disabilities, as well as
motivating those already on passive income support towards integration.
Exploring the possibilities and barriers in regard to combinations of wages and
pensions/benefits would seem to be one way to counter the threat of a larger
proportion of the working-age population depending on income support.
4. Supported employment models

225. One of the most interesting and promising developments on the vocational rehabilitation scene in recent years, is the supported employment (SE) approach. Like a prairie-fire sweeping the North-American continent, the SE model -- or what may be called the SE movement -- has set out to change traditional lines of thought and established rehabilitation and employment practices. In the United States more than 1 400 programmes had been established by the end of the last decade, assisted by amendments to the Rehabilitation Act which provided for funding of a number of programmes and projects to promote SE models. In Canada, by mid-1988, 152 programmes supported a total of 2 400 persons in individual job placement.

226. Supported employment, simply stated, is the provision of extra supervision and assistance for individuals with (often severe) disabilities to perform a normal job in open employment. As with all new workers in a specific job, special guidance and support is needed, especially in the initial phases, depending on both the person and the job characteristics. Adhering to the normalisation principle, SE advocates maintain that the model implies just "more-of-the-same", taking into consideration the individual needs of people with disabilities. The governing principle regarding the amount of support and assistance provided, is that "you get what you need", nothing more and nothing less. This principle applies to both employer and employee. The support provided under these services may be quite intensive and is maintained at the level necessary for the person involved to stay in a job. Instead of compensating the employer for the lower productivity of the worker with a subsidy -- as in the wage subsidy schemes -- the emphasis is on a guarantee that the job will be done, with the help of job-coaches employed by the placement agency, who train, assist and support the worker in the work situation. Accordingly, normal minimum labour wages are the rule within supported employment programmes.

227. In many ways, SE challenges the traditional ideologies and practices of rehabilitation/employment services. Clients previously categorised as "hopeless" with regard to labour market integration and even workshop employment, are being placed in ordinary jobs with non-subsidised wages under SE programmes. In short, traditional lines of thought as to who can actually work, where persons who are severely disabled can work, and what they can produce and achieve at the workplace, are challenged.

228. A distinctive feature of this approach is the emphasis on the relationship between the individual and his/her surroundings or environments, and not on the disabilities "inherent" in the individual. Thus, with its focus not on individual deficits but on environmental arrangements which may minimise the disabling or handicapping effects of impairments, the modern interpretation of disability as a relation between individual characteristics and situational and environmental factors is manifested in practice. Tests and assessments are usually carried out only to match the individual with a specific job or job type, and not lead to decisions to exclude the person with disabilities from all employment.
229. The focus on abilities rather than on disabilities implies a more optimistic attitude towards the potential and labour market possibilities of the disabled. By these means the tendencies in the rehabilitation community in many countries to have low expectations and to be defensive in the face of the deterioration in the labour market in the 1970s and 1980s, have been and are being called into question by the supported employment model practised elsewhere.

230. The emphasis on preparing the individual which has dominated the service delivery philosophies for many decades is challenged by the straight-forward placement-orientation of the supported employment models. The "training, then work"-principle is replaced by "work, then training".

231. Not least, the traditional focus on financial support in the placement process, described in the previous section on wage subsidy schemes, is being challenged. The supported employment programmes focus on professional and "human" support. The financial "admission tickets" are replaced by close supervision and other follow-up efforts.

232. Taking as a point of departure the traditional exclusion of individuals with severe disabilities from the employment sphere, the SE advocates, especially in the United States, have set out to put the emphasis in these programmes on severely disabled people who are in need of extensive support, assistance and follow-up to obtain and retain paid employment. Also in all countries which have implemented supported employment programmes (mainly the United States, Canada and Australia) the focus is on young people with disabilities. The supported employment approach is seen as a major avenue to achieve labour market integration of school-leavers with disabilities.

233. Still in its infancy, the concept of SE is subject to different interpretations and much debate. A somewhat wide definition includes enclaves and work-teams under the supported employment heading. However a narrower definition excludes all models but placements of one up to three persons together within an ordinary work setting. The latter definition illustrates the strong ideological component in most supported employment programmes. The normalisation and integration principles, in their most radical interpretations, are the main point of departure. Accordingly, SE is considered by many as an alternative to traditional, segregated sheltered work. Some states of the United States have already made plans for SE programmes to integrate into open employment most of those presently in sheltered workshops. From more traditional or conservative quarters, this is often regarded as over-ambitious. It has been argued that supported employment dominance is stretching the "least restrictive alternative" principle to its limits and perhaps beyond its limits. As this issue is at the moment subject to much debate, the situation is perhaps most diplomatically summed up by the Canadian national report, stating that "despite the advantages of the approach, it would be premature to suggest replacing all of the segregated vocational services with supported employment programmes".

234. Considering the relative infancy of most supported employment programmes, it would be premature to draw any conclusions regarding benefits and outcomes. However, ongoing evaluations indicate that through this approach, it has been demonstrated that a considerable number of persons with
even severe disabilities are able to succeed in jobs beside their non-disabled peers -- contrary to the expectations of many professionals, service deliverers and society in general. Canadian research indicates good or excellent integration in 80 per cent of the cases studied. Although this may be a step forward for provision of services to all individuals with disabilities, the American experience is that it has been most effective with more severely disabled, and especially persons with mental retardation, autism, severe physical disabilities, chronic mental illness and traumatic brain injuries.

235. Also in financial terms, it is still difficult to evaluate the impact of supported employment programmes. In the United States, research shows that these programmes, still in the initial high-cost phase, are markedly cheaper than traditional day centres, and especially than sheltered employment. However, it is expected that supported employment programme expenses will decrease considerably as programmes mature and the need for support diminishes.

236. An interesting development along the same lines is the Sheltered Placement Scheme introduced in the United Kingdom in 1985. This programme provides flexible financial support to make up for possible deficits in performance, together with support from an outside agent to overcome particular problems as they arise. Involving a "sponsor" with a formal employer responsibility (usually a sheltered enterprise or workshop) and a "host" organisation providing the work, this scheme has expanded from 1 000 places in 1985 to a current 7 000. The wages paid are the same as those paid to the host's ordinary employees. The host pays according to the output of the individual, while the sponsor provides the remaining pay up to 100 per cent. Although only 2 per cent of the workers leave the programme annually for ordinary work contracts, this scheme is seen as a promising and more cost-effective way of employing people with disabilities than traditional sheltered employment, with potential for considerable expansion. It has proved to be especially attractive to young people with disabilities.

237. The fact that large numbers of people, often with severe disabilities, work successfully alongside non-disabled colleagues, may not least have some wider and more indirect impacts on the commitment of service providers, the self-perceptions and ambitions of people with disabilities, and on the attitudes of employers and society in general. As optimistically stated in the United States report, given adequate technical and community support, "virtually all individuals, regardless of the complexity of their disability, are able to perform valued work beside their peers".

5. Disincentive structures

238. Having outlined two main incentive strategies for creating job openings in the previous section, this section will bring into focus some major disincentives which discourage people to increase their economic independence and realise their potential for work. More specifically, some disincentives built into the design of income maintenance arrangements will be scrutinised.

239. Income support transfers are usually provided within the framework of a public or private social insurance system (earnings-related); systems for compensation for work-inflicted impairments or sicknesses, or as social assistance (usually means-tested).
240. It should be emphasised that the incentive properties of the wide range of income support systems in the Panel countries vary considerably. While some public social insurance and assistance schemes tend to encourage passivity and dependence, others, such as the Canadian workers compensation schemes to be discussed in Chapter VIII, appear to have a built-in financial incentive structure with great potential for both preventive and rehabilitative interventions. A crucial point seems to be the degree to which the employers are directly confronted with the social costs of moving people into passive income maintenance schemes.

241. In addition to a lack of built-in incentives for employer interventions, the design of many public income maintenance systems presents the individuals with disabilities with financial and other disincentives for moving into work. This feature of some large income maintenance systems is generally considered a major barrier to enhance the labour force participation of people with disabilities. The problem is further accentuated by two important characteristics or developments associated with these systems.

242. Firstly, there is a tendency in all countries for pensions or benefits which are provided on a permanent basis to become an end station. People enter the income maintenance systems in large numbers, never to return to the sphere of work. They remain frozen in a state of dependency, even if their potential and motivation for work, and the external labour market conditions, may change considerably over time. Very few rehabilitation or employment schemes are targeted at persons on permanent income maintenance.

243. Secondly, as pointed out in Chapter II, there might be a tendency for some major income maintenance programmes for people with disabilities to serve other policy purposes. While ostensibly granting e.g. permanent disability pensions for medical reasons, the driving force behind an increase in the passive income support population may in fact be labour market considerations or retirement policies. Thus, marginal groups with more diffuse and non-medical problems are allowed into income maintenance systems from which there is no clear outlet.

244. Both the above trends point to the crucial importance of removing the barriers for movement out of these systems. Some of these barriers are discussed in the following.

245. First, especially in the countries with the most rigorous eligibility criteria and procedures, the difficulties involved in being recognised as disabled in order to qualify for a pension could pose some serious problems for reintegration into work. Rigorous formal standards of inability to work may in fact induce applicants to exaggerate their impairments and discourage them from seeking rehabilitation or employment. In e.g. the United States and Canada, applying a so-called Substantial Gainful Activity Test (a particular level of monthly earnings, which the individual should be prevented from earning due to his or her impairments) as a means to decide eligibility for cash benefits, the time and energy spent on proving one's eligibility possibly make it difficult to motivate the individual for a return to work. In fact, as the criteria for eligibility state that the person cannot pursue any substantial gainful occupation, any attempt to promote vocational rehabilitation might imply risks of losing entitlement to benefits.
246. Second, when the same agency and professionals are responsible for both the disability and eligibility determination in regard to income support systems, as well as the initiation of possible rehabilitative actions, these problems will be accentuated. A process focusing on disabilities and work-limiting characteristics, is combined with a process necessarily focusing on the abilities and potential of the individual. The resulting confusion with respect to goals and expectations could seriously hamper the possibilities for work-oriented interventions.

247. Also, the labelling process and the strengthening of a sickness identity involved in such procedural arrangements should not be underestimated. As pointed out in the national report from Finland, there is a tendency for service systems to "maintain the clients dependence and feeling of inadequacy to master his own situation, though the goal of rehabilitation is just the opposite". Thus, the apparatus set up to assist individuals with disabilities may become part of the problem, rather than part of the solution.

248. Fourth, certain inflexibilities of income maintenance systems lead to low motivation for trial periods in ordinary working life. On the one hand, lack of administrative flexibility in terms of opportunities for moving in and out of pension or benefit systems may discourage both the would-be worker and the service providers. On the other hand, inflexible rules imposing tight restrictions on what earnings are allowed on top of benefits is also identified as a major problem in terms of labour market reintegration in a number of countries.

249. A fifth problem concerns the "fringe benefits" which in some countries are linked to income maintenance payments. As an example, Canadian studies show that the many disabled persons who require large amounts of drugs are unable to accept any type of job because they risk losing their drug benefits from social assistance. A low to moderate salary could not cover these expenses. Also in the United States, with an automatic Medicare or Medicaid coverage of beneficiaries, this has been identified as a major barrier for people with disabilities to move on to work.

250. Finally, the generosity of benefits or pensions would be a most potent variable in terms of the attraction of income maintenance systems. However, this aspect has not been very widely stated, either in the national reports or in the international literature on employment policies for the disabled in general. Apparently, sensitive issues concerning what is the desirable gap between income maintenance payments and potential salaries are not explicitly on the agenda in the OECD countries. Involving a delicate balancing of incentive considerations on the one hand, and humanitarian welfare concerns on the other, this may be a hard question to address. However, the incentive properties of different income maintenance payment levels deserve more attention in further studies in this field.

251. The impact of the disincentive aspects of income support systems sketched above will depend on the actual design of the system. However, all countries are challenged by some of these barriers to work for people with disabilities. The traditional gearing of income maintenance systems towards passive solutions, rather than on work-enhancing efforts, is a common problem. It would seem imperative that persons with disabilities are not "trapped"
within income support systems. The tendencies for these safety nets to turn into passivity traps should therefore be actively countered by removing disincentives for rehabilitation and work, and generally by providing for more flexibility in the interface between the labour market and income support systems.

252. A recent Swedish report stresses the importance of more flexibility along the active/passive dimension, both in terms of the incentive for the individual to move in the direction of work, and in terms of improved possibilities for spending money from the social security systems in an active manner. Measures have recently been introduced to encourage disability pensioners to go on work trials. In the United Kingdom there are plans for new provisions through the social security system (the Disability Employment Credit) which would not only remove some of the financial anxieties for many people with disabilities who would like to work, but actually promote their independence by financially supporting them in work.

253. In the United States this has been a much focused theme, and steps have been taken to dismantle the disincentive structures of their income support arrangements. Their point of departure has been the principle that no person entering employment should be in immediate danger of losing the supports which have been essential to his or her living situation. Thus, under the Social Security for Disabled Individuals (SSDI) programme, several changes have been made, including possibilities for a 9 months work period without affecting benefits, with coverage of medical expenses for at least 39 months following a trial work period, and automatic re-entitlement to benefits if earnings fall below a particular threshold. Within the means-tested Supplementary Security Income (SSI) income support programme, provisions have been made for more flexible and work-oriented arrangements, including allowing the beneficiaries to earn money without their eligibility for benefits being terminated, and possibilities for setting aside money if a plan for achieving self-support has been set up.

VIII. PREVENTING MARGINALIZATION -- EARLY INTERVENTION STRATEGIES

254. According to the national reports, the issues of prevention and early detection/intervention are a major concern in most countries. As the pressure on the income maintenance and rehabilitation systems increases, the spotlight is put on strategies to prevent the onset of disabilities and marginalization and exclusion from the labour market of long-term absentees and employees who develop vocational disabilities. In Finland, for example, the pressure on the pension systems and the prospects of a future manpower shortage have spurred plans for a more active manpower policy (a movement from an "employment policy" to an "Active labour policy"), with an emphasis on e.g. making the work environment safer and more attractive, and measures to retain marginalized workers in the workforce. However, as this is a very complex field involving many policy areas (work environment policy, accident prevention, workers compensation, etc.), we will limit ourselves to briefly touching upon some of the main issues and strategies.
255. Experience from preventive and early-intervention programmes reveals that many people who develop a disabling condition and subsequently enter the income support population could remain in the workforce given adequate help and follow-up while still in employment. Furthermore, many research projects have shown that early information -- preferably while the person still has a work contract -- is a most cost-effective and efficient strategy for rehabilitating people back into working life. The economic benefits from prevention and early intervention could therefore be considerable.

256. A range of legal interventions, financial arrangements, and programmes for public financial support have been introduced in Member countries to encourage the employers' and employees' own prevention and rehabilitation efforts. However, in spite of the many statements on the crucial importance of counteracting the tendencies for an increasing number of persons to enter the disability income maintenance schemes, the general impression is that the action taken in this area is relatively modest. For example, in many countries there are no real incentives for employers to retain their marginalized workers (there are more incentives in place to hire new workers with disabilities). Furthermore, there are few comprehensive public programmes in place with the objective of encouraging employers and employees to improve the working environment and to initiate early rehabilitation measures.

257. Accordingly, there is a strong need to further explore possible incentive systems and programmes that might function as catalysts for joint employer and employee initiatives at the work-place. It should be emphasised that the value of public programmes in this area to a large extent depends on the impact they have on the initiative and activity of working life itself -- that is, on the employers/employees and their organisations on different levels. In the following, we will take a look at a selection of initiatives and programmes in Member countries, in order to indentify some possible directions for further policy development in this field.

258. Attempts to induce employers to retain their marginalised workers by means of legislative provisions seem so far to have yielded mixed results. The Working Environment Acts of Sweden, Norway and the Netherlands -- and the Vocational Rehabilitation Act of United States -- require employers to ensure best possible working conditions, and to take measures to enable the employee to retain suitable work. In the Netherlands a lack of initiatives to set up good working environment policies has been reported from many companies. The impact of this type of legislation so far is rather doubtful. The lack of an accompanying sanction and enforcement system is one problem, as is the unclarity of the letter of the law. The employers' interpretation of "reasonable" provisions seems, in particular, to have somewhat undermined the intended impact of this type of legislation.

259. Public agencies may also take on a role as consultants to help develop employer and employee initiatives. In the United Kingdom, special units within the Employment Service have been set up to e.g. give advice and guidance to employers to retain workers with disability or health problems. Consultative services will be a major component in the new and far-reaching Swedish initiative aimed at working environment improvements and early rehabilitation activities. By imposing a temporary duty on employers -- making it mandatory to pay 1.5 per cent of wage costs for a period of 16 months ending
December 1990 -- 11 billion SEK will be raised to finance a Working Life Fund. The Fund will allocate grants to projects based on employer and employee initiatives which aim at follow-up of long-term absentees, reducing absenteeism, and working environment improvements. In addition there are plans for 1,200 new employees in the Employment Services to work on preventive activities in companies on a consultative basis.

260. The design of income support systems in general, and the special workers compensation arrangements in particular, are of crucial importance for the possibilities for successful preventive and early-intervention actions. For example, the financial incentive systems built into many worker compensation schemes may affect employers' attitudes and behaviour. Some of the most outstanding examples are probably the workers compensation schemes in Canadian provinces which in a sophisticated way confront the employers with the social costs of work accidents and occupational sicknesses. Through a system of "Experience Rating Assessment" employers pay premiums according to the performance of both their branch and their individual company. These contributions provide funding for the Workers Compensation Boards, which pay out cash compensation and pensions to workers injured at work, and to those suffering from industrial diseases. One of the main intentions with this system is to make it in the interest of the employers -- who not only finance the boards, but also are active in their administration -- to concentrate a major part of their action on the prevention of accidents, improvement of the working environment, and early rehabilitation and reintegration. Thus in many Canadian provinces systems are in place for the provision of a comprehensive range of work-enhancing services for those injured or incapacitated at work.

261. Spurred on by the sharply increasing costs of financing national disability pension schemes, other countries have started reviewing the incentive mechanisms embedded in their social security arrangements. Both Norway and the Netherlands are in the process of discussing differentiated employer contributions to the national social insurance scheme according to their actual performance regarding the exclusion of individuals incapacitated at work.

262. In some countries the design of more general public income support arrangements offers certain advantages in terms of possibilities for early detection and early intervention. For example, the Norwegian national sickness benefit system -- which registers and monitors all workers on sickness leave from an early stage on -- forms the basis for a newly introduced system for "early warning" after three months. New regulations have been issued concerning the follow-up of persons on sick leave with new procedures, more personnel resources, and new collaborative patterns between local public agencies to support the reintegration of persons in danger of more permanent exclusion from the labour market. In the Netherlands also a system for early "punctuation" of income support careers has been introduced, in which assessment and guidance is offered to an increasing number of persons during their first year of sickness.

263. Yet another strategy is to establish an organisational "infrastructure" within the enterprise for the promotion of preventive and rehabilitative activities. The Japanese labour market authorities have initiated a project to encourage the creation of so-called Promotion Teams in enterprises to help disabled employees adapt to and retain their jobs. In addition, establishments
employing five or more persons with disabilities should assign a Vocational Life Consultant for the Physically Disabled to assist disabled employees in various ways. In e.g. Norway and Sweden, the Working Environment Acts call for working environment committees to be set up in enterprises with more than 50 employees. These committees -- or their rehabilitation sub-committees -- should also focus on internal rehabilitation of workers.

264. In order to motivate enterprises and support their efforts in this area, some countries have introduced special subsidy programmes for in-company rehabilitation activities. The Netherlands has recently introduced a subsidy scheme for employers who engage experts to help them draw up their own working environment policy. In Norway, financial assistance from the employment services is based on a binding standard agreement with the employer. The employers are required to develop systematic routines for in-plant rehabilitation in order to receive financial aid in the form of wage subsidies or grants to internal training workshops. In Japan, wage subsidies are provided when employees with disabilities receive ability development training.

IX. THE CHALLENGES AND POLICY RESPONSES

265. Employment policies for people with disabilities are not developed in a vacuum. Having outlined the labour market situation for people with disabilities and some of the main strategies and programmes which have been implemented in Member countries, we now bring into focus some social trends which will affect future policy formulation. These major challenges for development of policies serve as a point of departure for a discussion of some ways of thinking -- or "ideologies" -- which permeate this area, and a rough outline of some major strategies or policy responses.

1. The challenges

266. Policy responses must be flexible and adapted to changing environments. Certain social and economic developments which should be taken into consideration and given special attention in the development of sound employment policies for people with disabilities can be identified.

267. First, general economic and technological change gives rise to new employment structures and qualification requirements. Planning and creative skills are gaining in importance, and more complex qualifications are required. Traditional industrial work/manufacturing is generally in the decline in developed countries, and there is a reduction in jobs of a more routine nature in these sectors. Simple manual skills are becoming less important.

268. Simultaneously an expanding service sector might open up new possibilities for the disabled. The traditional orientation of rehabilitation and employment programmes for people with disabilities towards industrial and manufacturing jobs and work tasks should thus be re-examined. The potential of future service sector growth is still not reflected in the general orientation
of the systems set up to assist people with disabilities into employment. Accordingly, an important task in the years to come would be to develop flexible rehabilitation and training systems which could adapt to changes in the composition of jobs in the labour market.

269. The introduction of information technology in the world of work is a second development with far-reaching implications for the employment opportunities of people with disabilities. Whether this development is positive or negative is still unclear. On the one hand, new technology in general, and information technology in particular, is changing the nature of job tasks in ways which might negatively affect the labour market opportunities for many people with disabilities. On the other hand, the range of special aids to both training and employment is extended, implying new options and opportunities, especially for individuals with physical disabilities.

270. Third, prolonged structural unemployment poses serious problems for the employment of people with disabilities. High unemployment rates, with large proportions being long-term unemployed, create a pool of non-disabled manpower serving as a "buffer" between people with disabilities and employment. Also, the large sums of money devoted to labour market programmes for the unemployed in general might hamper an expansion of measures specifically targeted at people with disabilities.

271. Another impact of high unemployment rates must be to increase the number of persons in need of measures designed for people with disabilities, due to the documented effects of long-term unemployment on the general health of the individual.

272. These impacts of high and continuing unemployment tend to result in an accumulation of people with disabilities both inside and outside the labour force. Although few studies have focused on the ways in which individuals move between different income support and service delivery systems, an increasing pressure on both active and passive measures for people with disabilities could be envisaged.

273. A fourth important development affecting the employment situation of people with disabilities takes place in the educational sector. The trend in most countries is away from segregated, special schools for people with disabilities, towards integrated school settings in which the "least restrictive environment" principle is a fundamental guideline. Improvements in the educational opportunities for persons with disabilities have some implications for the apparatus set up to assist school-leavers into working life. The new generations of better-educated young people with disabilities will be much better prepared for an active life in the workforce. It is reasonable to speculate that higher expectations for an active life will lead to increasing consumer demands for labour market participation. Second, the simple fact that these young people with disabilities are accustomed to integrated settings in the school system will lead to higher expectations for integration into ordinary employment: why be integrated in the schools, and then segregated in working life?

274. A fifth development concerns health care systems. The strong movement for transferring individuals with e.g. mental retardation or psychiatric problems back into their communities has so far left an important question
unanswered: what do we offer those returning from institutions in terms of opportunities for becoming productive and contributing members of society? The fact that "hidden unemployment" among these groups traditionally excluded from working life is becoming visible in local communities, will certainly increase the pressure on both politicians and service providers to enhance their employment opportunities.

275. Finally, when looking at the long-term prospects for the people with disabilities on the labour market, one of the most important issues which should be taken into consideration is what has been called "the demographic time-bomb". Demographic developments give rise to different, although inter-connected concerns: a possible future manpower shortage hampering economic growth could be envisaged. Furthermore, a changing ratio of the active/passive population results in fewer people working to meet the needs of a growing passive population with high demands for income support and health services. The prospects of a sharp increase in the proportion of the old and the elderly give rise to concern about the economic burden laid on the shoulders of a shrinking active population. Finally, with a skewing of the workforce towards the upper-age categories, an increase in the number of persons with disabilities in the working-age population could be envisaged.

276. These possible developments underline the importance of removing the disincentives to work for the working-age population and for encouraging and assisting more people at the margin of the labour market to participate in it. Measures geared towards employment for people with disabilities could thus contribute to an increase in labour supply on the one hand, and on the other to a reduction in the number of economically dependent persons on passive income maintenance programmes.

277. In some countries these demographic challenges are already seen as a major point of departure when future policies for the employment of people with disabilities are developed. Envisaging a future tightening of the labour market due to demographic and labour market trends, United States authorities expect employers to be more motivated to reach out to persons with disabilities and other marginal groups on the labour market.

278. However, a possible increase in the demand for marginal groups in the labour market does not necessarily imply that there is an easy way in for these groups. The United States national report describes a future scenario with "a surplus of people without the skills demanded by a highly competitive, information-based economy while a growing number of higher skills jobs go begging at the same time. This is becoming known as the "skills gap" and sets up a scenario for waste of human potential and breakdown of labour markets". In this perspective, the challenges on the supply-side of the labour market will be considerable. The development of adequate polices for training people with disabilities, and providing them with necessary accommodation and supportive services will thus be of crucial importance for the future employment opportunities of this group.
Some "ideological" points of departure

279. The social trends outlined above suggest some of the challenges facing policy makers in this field. Another angle from which to approach the development of policies is in terms of some basic "philosophies" or ideologies which seem to heavily influence the choice of strategies and the composition of programmes. Considering the lack of systematic evaluation activities in this field (see below), the development of programmes may be seen as less a result of a "trial-and-error" process singling out the most successful interventions and programmes, than of underlying political and professional assumptions, preferences and goals. Therefore, some "philosophical" points of departure which are central to present policy developments are outlined below.

280. In some countries the goal of full employment or "employment for all" seems to be the central point of departure. Although all Member countries would agree with the ultimate goal of labour market integration of all persons able to work, including people with disabilities, an explicit commitment to an "employment for all" policy seems to influence the resources put into this particular policy area. The countries emphasizing an "employment for all" policy also tend to argue that a low level of general unemployment is a prerequisite for labour market integration of marginal groups in the labour market. A general structural shortage of jobs is pointed out as maybe the most important impediment to labour market integration of people with disabilities.

281. Sweden may serve as an example of a country which stresses the "work line", implying an emphasis on active employment measures rather than on cash benefits. As a result, Sweden has nearly 80,000 subsidised jobs for people with disabilities in sheltered and open employment. Furthermore, vocational rehabilitation and employment services for people with disabilities are seen as a composite part of overall labour market policies.

282. A second important point of departure for policy development is the concepts of normalisation and integration. As stated by the United States National Council of Disability, an overall goal is to achieve "a maximum life potential, self-reliance, independence, productivity, and equitable mainstream social participation in the most productive and least restrictive environment".

283. However, while all countries would easily subscribe to these general goals and guide-lines, the concepts of normalisation and integration are subject to different interpretations. Normalisation, in its more radical interpretation, implies that there is no such thing as abnormality. All people are different in many ways and that is what is normal. Accordingly, the primary concern should be the difficult task of adapting societies to the needs of different people. The focus should be on the removal of barriers in society rather than on "normalising" the individual. According to the Japanese national report, normalisation implies that "societies have an obligation to make their general physical environment, their social and health services, their educational and work opportunities, as well as their cultural and social life ... totally accessible to disabled persons". In line with this approach, "independent living" has developed as both a concept and a programmatic thrust in e.g. the United States. The basic idea is for people with disabilities to exert control over their lives, based on the choice of acceptable options that minimise reliance on others in making decisions, and performing everyday
activities. The focus is on supportive programmes and environmental accommodation which allows people with disabilities to have opportunities and seek goals open to the general public.

284. The tendency in many countries to meet the needs of individuals with disabilities through mainstream programmes would be in accordance with the normalisation principle. A radical interpretation of this principle may also be found in e.g. the supported employment "movement" in the United States. The tendency in countries like Australia, the United States, Canada and UK to develop alternatives to traditional sheltered work may be seen as a manifestation of the normalisation principle. Thus, the "radical" interpretation of the concepts of normalisation and integration implies that "economic integration" through e.g. sheltered employment is no longer enough: the primary goal of all services in the labour market field should be ordinary, open employment. In this regard, an interesting approach has been developed in Japan, based on so-called "third sector" activities. This development has followed the realisation that existing measures were unable to promote the open employment of considerable numbers of persons with severe disabilities. "Third sector" activities are the result of joint ventures between private enterprises and local public authorities under which businesses employing persons with severe disabilities in high value-added activities are set up. The greater part of the necessary capital investment (51 per cent) is made by the private sector and 49 per cent by the public authorities.

285. A third ideological trend which could become influential in the 1990s is based on a consumer policy perspective. In Australia, a new "consumer outcomes focus" has resulted in an increased interest in the accountability of services and a change in overall policy orientation in the late 1980s. In the United States, the organisations of people with disabilities have introduced the idea of providing the rehabilitation client and would-be worker with more service options, by re-allocating resources from the service provision systems to the individual. The idea is to give the individual more freedom of choice by making it possible for him or her to purchase services according to perceived needs and preferences. An essential aspect of this strategy would be a new sort of relationship between the consumer and the service providers. By making it possible for an individual with a disability to pay for and choose between different types of services, many of the problems associated with the traditional client role could be overcome.

3. The strategies

286. The many problems and barriers facing people with disabilities in the labour market would indicate that a many-pronged attack is necessary to improve their possibilities for employment. Accordingly, as will have been apparent from the discussion of programmes and measures in the previous chapters, a set of strategies has been adopted in the Member countries, including:

- assessment and counselling to establish skills, aptitudes and needs;
- rehabilitation and training to enhance the competitive powers of the individual;
- legislation to secure equal access and equal treatment;
- legislation requiring the employers to reserve a specified number of jobs for people with disabilities (quotas);
- financial and other incentives to encourage integration into the ordinary labour market;
- encouraging employers and other involved parties to take voluntary action to facilitate employment of people with disabilities;
- developing a special sheltered labour market for people with disabilities;
- work environment/health and safety improvements and early rehabilitation interventions to prevent marginalisation and exclusion from the labour market.

287. As indicated in the previous chapters, the importance attached to the various strategies or policy responses varies considerably from one country to another. Although all countries have the common objective of facilitating the integration of people with disabilities into the labour market, the differences regarding means allocated to this objective are striking. For example, the United States emphasis on individual rights and legislation focusing on the elimination of barriers, is in contrast to the Swedish policy in which subsidised employment for people with disabilities is a cornerstone. Both these approaches are in turn very different from some other countries' reliance on legal interventions under a quota system, through which employers are obliged to reserve a certain percentage of jobs for persons with disabilities.

288. Thus, the avenues chosen to improve the labour market situation of people with disabilities differ considerably from one country to another. Another general impression in this field is that the policy developments -- at least in the last decade -- are not characterised by daring leaps or radical changes. They could best be described as "more-of-the-same". This continuity at the national level is illustrated by the recent introduction of new and far-reaching legislation in the human rights tradition in the United States; by the steady increase in the number of subsidised jobs in Sweden during the 1980s; and by the recent focus on modifications and improvements of quota-levy arrangements in Germany, Japan and France.

289. However, there are signs in some countries of a re-orientation of policies. In e.g. France, UK, Finland, Australia, and the United States, major examinations of policies have been (or are being) carried out in order to provide a basis for new initiatives. The point of departure for these policy reviews is indicated in the United States report, stating that "a uniform, consistent national policy has not been developed. As a result, many of the laws, regulations and funding conflict with each other, and create significant disincentives to employment, self-sufficiency and integration with non-disabled peers".

290. The Australian initiatives are perhaps the best illustration of the new thrusts in this area. Old practices and "ways of thinking" have been questioned through some major reviews of social security and vocational rehabilitation policies. The reviews found services to be inflexible, poorly
funded, inadequate and offering few opportunities for persons with disabilities to make choices and exercise control. Against this background, Australia is in the process of introducing a combination of measures known as the Disability Reform Package (DRP). This involves changes to the eligibility criteria for disability income support, and a removal of disincentive structures at the intersection between income support systems and training/employment programmes to encourage testing of work potential and work trials. Measures to improve the co-ordination of policies have been introduced, e.g. by combining the resources of agencies by setting up cross-departmental teams to ensure systematic assessment and planning in rehabilitation. Simultaneously, the programmes for rehabilitation services and labour market training are being expanded. Another Australian development is a sharper focus on flexible services which aim at integration and placement into ordinary paid employment. Thus, the Disabled Services Act of 1986 is followed up by a significant expansion of the Supported Employment and Competitive Employment Training and Placement programmes.

4. Some issues concerning the evaluation of programmes

291. The relatively sparse indications regarding evaluation studies and evaluation results in the national reports would suggest that few countries have put stress on developing a policy for systematic and continuous evaluation of interventions and programmes in this area. Furthermore, a certain imbalance between the considerable sums of money spent on vocational rehabilitation and employment programmes, on the one hand, and the resources devoted to evaluation activities on the other, is indicated. Generally speaking, the focus has been on monitoring the costs and dimensions of programmes, rather than on programme performance and programme outcomes.

292. The apparently low importance attached to evaluation is perhaps partly attributable to general theoretical and methodological problems in evaluation of employment training and social programmes. A recent OECD expert conference addressed these questions and pointed to a number of difficulties and "pitfalls". While the fundamental importance of control-group strategies to reveal outcomes of measures was stressed, the ethical and financial problems raised by this approach were also pointed out. Another problem concerns the "yardstick" with which to measure programme outcomes: should the emphasis be on economic, social, political or humanitarian outcomes? A third problem concerns changes in "programme environments" - e.g. how to take into consideration changing economic climates or changing labour market conditions when analysing and interpreting evaluation results.

293. A special problem with respect to the evaluation of vocational rehabilitation and employment programmes for people with disabilities concerns the objectives and goals of programmes. Relatively clear-cut goals would be a prerequisite for meaningful evaluation of programme outcomes. Programmes in this policy area tend to have many explicitly stated objectives - e.g. many sheltered workshops offer both permanent sheltered employment and employment training for placement into ordinary employment. This poses great problems for the evaluation of programmes. More emphasis on precise definitions of programme goals and more singleness of purpose is therefore called for.
294. A more precise formulation of programme goals would also provide a basis for a sharper focus on, and more resources put into evaluation activities in Member countries. The theoretical, methodological and practical problems concerning evaluation of programmes should not prevent governments and agencies from encouraging more evaluation to be "built into" the design of programmes.

295. In a policy field characterised by institutional complexity and an array of programmes, co-ordination of evaluation activity is essential. Some countries have responded to the obvious need for more coherent research and evaluation by establishing institutions with overall responsibility in this area. For example, the United States National Institute on Disability and Rehabilitation Research is administering the research programme authorised by their Rehabilitation Act, and co-ordinates all federal programmes and policies relating to research in rehabilitation. Japan is in the process of establishing a new national centre (General Vocational Centre) with the objective of developing research and innovative rehabilitation methods. The idea is also for this centre to disseminate and spread research and pilot project results to those providing services to people with disabilities throughout the country.

296. In a situation with an increasing number of people entering the income support programmes, special attention should be given to research into the financial costs and benefits of "active" and employment-oriented interventions. However, few countries seem to have launched research projects to investigate the possible economic benefits of rehabilitation and employment programmes. A Swedish report examining the costs and benefits of wage subsidy schemes, and a Norwegian cost-benefit analysis of a sheltered enterprise, both indicate that these programmes might be rather lucrative investments for public authorities. However, the question of the "profitability" of rehabilitation and employment measures for people with disabilities is complex. The theoretical assumptions and the models and methods for these types of analysis are still vague and need to be developed further. Also, an analysis of the socio-economic performance and impact of programmes involves more than just isolated cost-benefit analysis of single measures. The broader socio-economic environments in which this policy field is embedded must be taken into consideration. Although there is reason to believe that vocational rehabilitation and employment promotion programmes have yielded substantial social benefits, costs in the form of e.g. reductions in work effort and displacement of more productive workers by those with lower productivity, need to be studied further.

297. A general lack of demonstrable results and economic benefits may be one of the main barriers for a future expansion of employment-promoting programmes for people with disabilities. More emphasis on evaluation and on the public accountability of rehabilitation and employment programmes is therefore essential for future policy development. In the present situation, policy responses and programmes seem to be developed on the basis of political and professional preferences -- and on assumptions regarding programme impacts -- rather than on actual knowledge of programme performance and outcomes.

298. However, as mentioned in the previous section, it is worth noticing that some countries have given priority to broad reviews of overall policies in recent years. In these exercises the parties involved in the rehabilitation
and employment field are invited to participate in examinations of programmes and policies. An example of this approach is the major review by the Netherlands of their Handicapped Workers’ Employment Act of 1987, focusing on in-company interventions, the impact of collective labour agreements in this field, and, more in general, the performance of all agencies and bodies of concern. When the results of the investigations are available, further actions and interventions will be considered, e.g. the question of imposing a compulsory quota in (branches of) industry.

299. Another example of such a major, self-critical exercise is the ongoing United Kingdom strategic review of the full range of Employment Department measures for people with disabilities. The review will examine the effectiveness and efficiency of current measures, and include surveys of the labour market situation of the target group and more in-depth reviews of the schemes available to help people with disabilities in employment and training.

X. THE DEVELOPMENT OF POLICIES -- A SUMMARY

300. As indicated in the previous chapters, there is great variation in regard to the strategies and composition of measures in Member countries, with respect to the direction in which national policies are moving. A rather complex international picture emerges from our description and analysis of policy responses.

301. On the other hand, the problems and challenges facing governments and service delivery systems are more uniform across countries. Increasing demands on the productivity of the labour force, accompanied by a decrease in the number of simple manufacturing jobs which have traditionally been offered to people with disabilities, might imply additional problems for the labour market participation of this group. On the other hand, changing demographic patterns leading to a possible future manpower shortage, and an expanding service sector with new job openings for people with disabilities, point to new possibilities for labour market integration. Simultaneously, a de-institutionalisation and mainstreaming of services within the health sector, and an integration into ordinary schools and generally improved educational services for people with disabilities, might indicate a future increasing pressure on the vocational rehabilitation and employment service systems.

302. The point of departure is a participation rate for people with disabilities which is considerably lower than, and in some countries only half, that of the non-disabled population. It is generally agreed that the work potential of people with disabilities is grossly underutilised and that this affects not only the individuals concerned, but also the economic performance of societies. At the same time an increasing portion of the working-age population is excluded from the workforce due to health and disability reasons. To counteract these tendencies and even reverse the process is a considerable task and would imply a many-pronged attack on the wide range of barriers to employment for people with disabilities, and a mix of instruments to assist and encourage the labour market integration of this group.
303. A growing imbalance between expenditures on income maintenance schemes on the one hand, and vocational rehabilitation and employment schemes on the other, raises the question of whether resources would not be more effectively used -- in terms of both the welfare of the individuals and the national economy -- if allocated to work-promoting measures rather than simply being used to pay compensation. To pave the way for a re-allocation of resources, more research on the financial resources devoted to active and passive measures is called for, along with a much sharper focus on the impacts and the accountability of rehabilitation and employment measures.

304. A need for more co-ordination of all policies which affect the labour market participation of people with disabilities is an overriding concern. As noted in the United States national report, it is imperative that there is a closer and more active co-ordination of social, labour market and education and training policies.

305. The task of identifying and removing the barriers and disincentives involved in moving from passive income support into employment is also of special importance. The "passivity trap"-nature of many income support arrangements is a major hindrance for many people with disabilities to utilise their productive capabilities. The challenge is not only to remove the disincentives, but also to design a system of incentives for step-by-step progress towards employment and economic independence.

306. The tendency for income maintenance schemes to absorb increasing portions of the working age population is partly attributable to developments and goals in related policy areas, such as retirement policies and overall labour market policies. This suggests a need for a thorough analysis of developments which could divert the traditional role or function of disability income maintenance systems to serve other policy goals.

307. In institutional terms, co-ordination of policies implies a much closer collaboration between the wide range of agencies and service providers involved in this area than is generally achieved. A fragmented provision of services may be one of the major barriers for integration into the labour market of people with disabilities. A conflict of goals and "cultures" between agencies, and a lack of collaboration both at the central and local levels, result in late interventions and generally a lack of efficiency in the system as a whole. One step forward would be to set up new collaborative patterns at the local level.

308. In addition to improving the public machinery for labour market integration of people with disabilities, it is imperative that both the employer and employee side, and people with disabilities themselves, are encouraged to become active players in this field. The traditional form of involvement of non-public organisations through central-level advisory bodies might therefore be supplemented by e.g. shared responsibilities and agreements between the government and the social partners at the central level, and fora for local-level participation in the development and implementation of programmes.
309. Legislative interventions to counteract discrimination against people with disabilities in the labour market and to ensure equal access and equality of opportunity, as e.g. the recent Americans with Disabilities Act may prove to be a powerful instrument for ensuring access to the labour market for people with disabilities, and a valuable supplement to more direct employment-promoting programmes. Also, legislation providing for quota arrangements has in many countries contributed to a considerable number of persons with disabilities moving into open employment. However, the functioning of quota systems seems to depend on a certain level of acceptance of the programme among the parties involved, and on a relatively clear-cut and agreed-upon definition of disability and an efficient enforcement system. Quota systems and enforcement provisions have been the subject of much debate. An interesting development is the trend in countries like Japan, Germany and France increasingly to use the quota-levy systems as a basis for financing vocational rehabilitation programmes for recruitment and employment of people with disabilities.

310. Regarding vocational rehabilitation, employment training and employment-promoting programmes, it is important that they are designed to take into consideration both the disability and the potential of the individual. A "menu" or range of measures is necessary to be able to tailor the vocational rehabilitation plan to the needs and the possibilities of the individual. A promising development is the tendency for a mainstreaming of services and more concentration on on-the-job training. In accordance with the principles of normalisation and integration, many countries have made provisions to facilitate the participation of individuals with disabilities in ordinary training programmes. The challenge is to find a better balance between integration into overall measures serving the non-disabled population and measures specifically targeted at the needs of people with disabilities. Training agencies also increasingly provide for training and trial work periods in ordinary working life in order to prepare the individual for more ordinary, open employment. The many time-limited wage subsidy schemes in Member countries may also be seen as providing for job familiarisation and on-the-job training. However, the performance of many of these subsidy schemes might be questioned, and the possibilities for combining wage subsidies with special follow-up and training services could be further explored.

311. With respect to rehabilitation and training programmes focusing on enhancing the competitiveness of the individual, special attention should be paid to their ability to accommodate the increasing numbers of applicants with mental illness, mental retardation and more diversified disabilities. Furthermore, the traditional bias of many employment training programmes towards industrial manufacturing would indicate a need for a re-orientation towards possible job openings within an expanding service sector.

312. While most countries have developed a comprehensive sheltered and segregated sector for employment of people with disabilities, recent trends point to greater emphasis on arrangements to bridge the gap between sheltered and ordinary employment. This tendency is reinforced by ideological trends (the principles of normalisation and integration) and by criticisms of the functioning of the sheltered sector in many countries. The supported employment models may prove to be instrumental in this regard, and may be seen as a supplement or an alternative to sheltered employment. These programmes
provide more direct inroads to ordinary working life through on-the-job-training and intensive follow-up services tailored to the needs of the individual.

313. As the increasing pressure on income maintenance and rehabilitation systems is closely related to a flow of marginalized workers in the process of being expelled from the workforce, the question of preventing health problems and disabilities and retaining marginalised workers in employment gains in importance. In order to utilise the resources of working life itself, and to encourage employer initiatives in regard to preventive and early rehabilitation activities, financial incentives would seem mandatory. One point of departure for development of policies in this area might be the sophisticated incentive systems built into some workers compensation schemes -- through which the employers are confronted with the social costs involved in excluding victims of work accidents and persons with work-related sicknesses from the labour market. An alternative avenue to pursue could be the Norwegian, Swedish and the Netherlands systems' for subsidising employers who initiate projects or develop systematic routines for prevention and early rehabilitation of marginalized workers. A further possible strategy might be to put more responsibilities and obligations on employers through legislative measures, providing them with increased assistance and guidance. It is also of crucial importance to design an organisational infrastructure through which the employees become involved in rehabilitation matters.

314. The main conclusion to be drawn from this report is that policies for the employment of people with disabilities have an important role to play in that the group concerned is significant (and unlikely to diminish in size in the future) and the resources at present devoted to their needs are considerable. Whilst the present state-of-the-art does not enable firm conclusions to be drawn about the effectiveness of present policy approaches in meeting the needs of persons with disabilities, the experience gained and the contrasts between the different approaches followed in the Member countries underline the importance of continuing to monitor developments in this area.
ANNEX 1

EMPLOYMENT POLICIES FOR PEOPLE WITH DISABILITIES
REPORT BY AN EVALUATION PANEL

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