Report on the employment of disabled people in European countries

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Background:

The <u>Academic Network of European Disability experts</u> (ANED) was established by the European Commission in 2008 to provide scientific support and advice for its disability policy Unit. In particular, the activities of the Network will support the future development of the EU Disability Action Plan and practical implementation of the United Nations Convention on the Rights of Disabled People.

This country report has been prepared as input for the *Thematic report on the implementation* of *EU Employment Strategy in European countries with reference to equality for disabled people.* The purpose of the report (Terms of Reference) is to review national implementation of the European Employment Strategy from a disability equality perspective, and to provide the Commission with useful evidence in support of disability policy mainstreaming. More specifically, the report will review implementation of EU Employment Strategy and the PROGRESS initiative with reference to policy implementation evidence from European countries, including the strategies addressed in the EU Disability Action Plan (such as flexicurity and supported employment).

PART ONE: GENERAL EVIDENCE

1.1 Academic publications and research reports (key points)

The Netherlands has a long history of providing care for persons with disabilities, but predominantly outside of the mainstream of society. Much of the research concerning the employment prospects for persons with disabilities is focused on reducing the cost of providing government benefits and/or derived from taxation and costs of care statistics. The most prominent research organizations commissioned by government ministries include the Netherlands Institute for Social Research (Sociaal Cultureel Planburo - SCP), Statistics Netherlands (Centraal Bureau voor de statistic – CBS), TNO Arbeid and Vilans (a recent merger of several smaller institutions involved in providing long-term care and rehabilitation services to persons with disabilities and chronic illnesses). Studies are also conducted by private contractors. Of recent concern is how to reduce the number of people receiving disability benefits, and determining whether this is the population receiving a fixed disability allowance awarded from age 17, the older population of employment disabled, or the persons receiving sheltered and supported employment benefits. One of the most important findings is that since 2002 there has indeed been a considerable reduction in the number of people receiving disability benefits. However, between 2002 and 2005 the employment rate of people with disabilities also dropped from 44% to 39% (SCP 2007). This finding is set out in a comprehensive study of the participation and life situation of disabled persons in the Netherlands, Participating with Limitations, Report on Disability 2007, prepared by the Netherlands Institute for Social Research (Sociaal Cultureel Planburo, SCP 2007) at the request of the Ministry of Health, Welfare and Sport (VWS). A similarly comprehensive report was also published 5 years ago in 2002. The SCP Report of 2007 makes an inventory of research and policy evaluation studies over the past decade aimed at





stimulating participation of people with disabilities, including figures and results. A substantial focus of the report is on employment.

The SCP Report identifies three main sets of policy measures related to employment and disability in the Netherlands. One set of measures has been aimed at stimulating employers, mainly by charging them part of the costs of disability benefits, to hire or retain employees with disabilities. The results are that employers insure themselves for the financial risks they are exposed to, but that the employment market has not opened to more people with disabilities. The employment statistics have not changed. The second set of measures was designed to stimulate more employment of workers with disabilities by setting up (re)integration programs, such as workplace adjustments or accommodation, additional vocational or professional training, and job coaching for employees with intellectual disabilities, e.g., among others. These measures provide employer subsidies for the costs of such integration supports. In 2000 a major change in policy led to the privatization of employment reintegration efforts. A great number of new private organizations cropped up to help unemployed people find a job and support jobseekers with disabilities. These private companies contracted with municipal governments in an open bidding system. The number of persons who utilized employment reintegration services doubled from 26,000 in 2002 to 52,000 in 2004. Since then, however, the number declined to 37,000 in 2006. (UWV Kwartaalverkenning 2007-III). The number of benefits extended to provide for workplace adjustment decreased in the same period as well. There is concern that employers are hesitant to hire prospective employees with disabilities or to claim subsidies to support workplace accommodations. A finding of an important commission, Commissie Werkend Perspectief (CWP), set up to investigate barriers in the employment market for unemployed youth, found that employers are wary of assuming an obligation to pay wages for workers who may be unable to work for extended periods of time due to chronic illness or disability (CWP, 2007).

The third set of measures aimed at decreasing the numbers of those dependent on employment disability benefits and increasing their participation on the labor market, involved a large scale re-eligibility screening of all disability unemployment benefits recipients under the age of 50. Stricter criteria were used to determine ability to work. The result of this national screening was that 27% of the total was declared eligible for work and ineligible for continuing benefits, and t 12% was declared eligible for a reduced amount of benefits. 32% of those who lost their benefits eventually found employment, but earned less than they were considered capable of earning. (Van Deursen, As/tri, 2007). Those who did not find work either lost income or qualified for welfare benefits (which is significantly less than disability employment benefits).

A major policy change respecting employment disability benefits was implemented in 2006 and introduced a distinction between people entitled to disability benefits due to complete and permanent disability, and those considered sufficiently able-bodied to find some form of employment. The benefit level of the first group was structurally increased. For the second group measures were adopted to further stimulate their chances for employment: financial risks for employers were reduced, support for individual jobseekers was improved. The result of the policy measures was a sharp decrease in the number of employees filing for disability benefits for the first time, from 60,000 to 21,000 in 2006. It is not clear whether this drop in benefits has led or will lead to greater employment of the people concerned. More than half of the people denied disability benefits under the new law were forced to leave





their former job and were unemployed after the decision denying benefits was made. (Regionplan study, van Horssen and van Doorn 2007).

The SCP study concludes that the three sets of measures aimed at improving participation and reducing benefits dependency have not had positive results. The percentage of people with disabilities who are employed has decreased from 44% in 2002 to 39% in 2005, while employment for nondisabled persons has remained stable at 68%.

Several studies have investigated the continuous growth of the number of young disabled people receiving a disability employment benefit known as the Wajong benefit. This is a benefit for those who are disabled at the age of 17 which, once awarded, can be continued until the age of retirement. If the present trend should continue, this group will eventually constitute 5% of the workforce, according to the Ministry of Social Affairs and Employment (http://docs.minszw.nl/pdf/35/2008/35 3 11867.pdf). A study conducted by TNO Arbeid, a scientific research organization financed in part by the Ministry of SWZ, reveals that one in 15 young persons claims and receives a Wajong disability benefit before the age of 30. This study makes a direct link between the increasing Wajong population and the increasing number of children receiving special education in special schools (21% increase in the period 2003-2006). (Toenmame gebruik ondersteuning voor jongeren met een gezondheidsbeperking, March 2007, TNO, http://www.tno.nl/downloads/KvL-APAR-129 2007 3 10949.pdf) The same link between attendance at special schools and application for disability benefits is noted in a study conducted by the Socio-Economic Council of the Government, the SER, which is an important independent advisory council for the government. (See Meedoen zonder beperkingen, (Participation with Limitations) SER 2007/06 at http://www.ser.nl/) The SER study found that following present policies, the number of Wajong benefit recipients will grow from 156,000 in 2006 to 300,000 and possibly 360,000 in 2040. Of the current 156,000 recipients, 9% have a regular job and some 17% have a job in sheltered employment. This 23% participation rate is considered very low since at least half of the Wajong recipients are considered able to work in some way. The government is now considering legislative amendments to the Wajong benefits act to more actively encourage and support employment for young disabled persons, instead of presuming life-long benefits dependence (see, for example Report of a General Discussion with Parliament, TK 2007/2008, 31 224, nr. 29, 25/08/08).

Recommendations made to improve the employment prospects for disabled persons include: revise and refine employment subsidies so that both employers and prospective employees can make easier and better use of them; clearly define which organization is accountable for results in job placement and providing workplace accommodations, improve the quality of basic education for young people with disabilities and learning problems; experiment more with inclusive education; provide better assistance to children leaving school in finding job and internship. The SER finds that significantly more supported employment is needed, and recommends introduction of an individual 'participation budget', and it also recommends that integration service provision in particular for severely disabled persons be returned to the public sector. The SER also calls for an awareness-raising campaign among employers and employees without disabilities in order to create a more welcoming climate for persons with disabilities, as well as to publish good practices. Such an awareness-raising campaign was launched in 2003 and concluded in 2007, without significant result. (Commissie Werkend Perspectief: Het Maatschappelijk Advies, 2007.) The government has reacted to the SER advice with a plan entitled 'Participatie van jongeren met een beperking' (Participation of Youth with a Disability), September 2007



(http://www.ser.nl/) and followed up with a new plan: Vergroting participatie van jongeren met een beperking (Increasing Participation of Youth with a Disability), May 2008 (http://docs.minszw.nl/pdf/35/2008/35_2008_3_11867.pdf). This plan introduces a similar division into groups as noted above for employment disabled: one group, approximately half of the Wajong population, would receive a lower benefit but would be allowed to keep part of their earnings along with the benefit, providing an incentive to work. The other half, considered unable to work at all, would continue to receive their present benefit (75% of net minimum wage) until the age of retirement. An additional development will be to offer all Wajong recipients an individual participation plan comprising an offer of assistance in seeking employment along with additional schooling or training or an actual job offer. This will be available to every first-time applicant for Wajong benefits, unlike the current 'participation vision.' Refusal to comply with the participation plan will result in denial or termination of the benefit. A compulsory review for everyone receiving employment benefits at age 27 is also proposed. No compulsory scheme for hiring quotas will be imposed upon employers. There will be a higher subsidy for reduction of costs to employers who actually hire candidates with disabilities.

A recent study of the effect of job coaching shows that job coaches assisting young people with learning disabilities in jobs on the open market obtain positive results and are more cost-effective than outplacement schemes via sheltered workshops. A new law on sheltered employment, in effect since 2008, gives workers who qualify for sheltered employment the right to search for work on the open market supported by a job coach from the sheltered employment scheme. Government plans contain a proposal to research how to improve the quality and effectiveness of job coaches. A final proposal is to introduce an individual budget which job seekers can take with them to their jobs.

Research has also shown that a lack of affordable and available transportation for people with disabilities is also a factor preventing jobseekers from accepting paid work.

1.2 Employment statistics and trends (key points)

The SCP Report of 2007 provides employment statistics related to persons with physical disabilities, and does not include information on persons with intellectual and psychiatric disabilities (due to a lack of a national data base or recent nation-wide study). The SCP Report is relatively up to date since it was just published, although it refers to the situation up to 2003. Statistics on participation in employment are set out in Chapter 4 of this report and additional statistical information is contained in the appendices to the report. Reference is made to Statistics Netherlands (Centraal Bureau voor de Statistiek, CBS) which compiles statistics related to disability primarily on the use of disability benefits. Employment statistics can only partially be derived from these figures on benefits-use. The CBS conducts an ongoing survey of availability for employment within the potential workforce (Enguete Beroepsbevolking). Since 2002 this survey includes questions on disability. 1,8 million people report in this survey that they consider themselves disabled to some degree and that their disability or illness restricts their ability to work. Of this group, 685,000 have a job. Of those who have a job, almost half need some form of workplace accommodation. These statistics are disaggregated for gender and age. Women with disabilities and older people with disabilities are less likely to be employed than men and younger persons with disabilities. The SCP 2007 report also disaggregates the statistics for severity of disability and type of disability, but only for visual, motor and hearing impairment. Intellectual and psychiatric impairment, as well as chronic illness, are not included in the statistical





breakdown. Also not included in the statistics are the factors of race or ethnicity. The CBS survey includes only persons who are considered able to work for more than 12 hours per week. All those who are not considered able to work are left out. The estimated 110,000 persons with an intellectual disability in the Netherlands, for example, would not be included in this survey.

The Ministry of Health, Welfare and Sport reports on the use of disability support measures, but since 2004 it has stopped differentiating age groups, ethnicity or kinds of impairment. Unclear is if this is part of an effort to make inclusive policy. If this is the case, it is an ineffective strategy as it does not allow us to know who the needs and situation of the members of the larger group of disabled persons in the Netherlands, how they are faring relative to each other, and compared to others who are not disabled.

Improvement in employment participation is not reflected in the statistics set out in the SCP Report of 2007, to the contrary, employment participation has worsened. Unfortunately, employment participation figures, including figures disaggregated for type and severity of both physical and intellectual disability, gender, age, educational background, and ethnic or national origin are not easy to find in other sources and may be unavailable altogether.

1.3 Laws and policies (key points)

Changes in policy were noted in 1.1. A potentially important policy development is the impending ratification of the UN Convention on the Rights of Disabled People. It is also clear that the current government policy is directed toward greater inclusion, and committed to raising the percentage of labour market participation from 70% to 80% by 2016. ('ledereen doet mee', Everyone Participates, September 2007.) This will involve modernization of the WSW, which is the Law on Sheltered Employment, to place a greater emphasis on job coaching on the open market and also to stimulate greater employment prospects for Wajong recipients.

The Equal Treatment Act on Disability and Chronic Illness (WGBH-CZ, was enacted in 2002 and entered into force in 2003. This is also an important instrument in promoting employment opportunities for persons with disabilities. Proposals have been made in Parliament to expand the scope of this law to include all levels of education as well as to the provision of goods and services. An examination of the activities of the Equal Treatment Commission (CGB) reveals an increasing number of disability-based complaints being filed, a total of 98 since 2004, with 36 filed in 2007. (Gelijk Behandeling, 2008). A recent analysis of disability-based employment discrimination cases reveals both a somewhat restrictive scope of application of the law (not to include advisory bodies), as well as optimism given government plans to expand coverage to areas other than employment and adult education. (Kroes & Brussee, CGB, 2007)

While the National Employment Reform Programme for the Netherlands identifies improving the labour supply as one of the challenges of highest priority and the Commission recommends that the NL take further measures to improve the labour supply of disadvantaged groups, disabled persons are not specifically mentioned in the NERP. It is therefore not at all clear that this group has the specific concern of government.



1.4 Type and quality of jobs (summary)

Sheltered employment is a very developed form of employment for people with disabilities in the Netherlands, and in 2006 some 99,000 people had jobs in sheltered employment, some of them in supported employment on the open market, and some also detached to private companies under supervision of sheltered employment providers. The numbers continue to increase and the waiting list for sheltered employment increases as well. In 2006 16,000 people were on a waiting list, up from 6,000 in 2002.

The SCP Report of 2007 reports that people with disabilities work more often on a part-time basis than do non-disabled persons. The more severe the physical disability, the fewer hours one works. Most employment is in the private sector. One sees more physically disabled persons in industries in which such disabilities are likely to occur, such as in construction. The incidence of supported employment has increased a bit in recent years, but is still much less than what disabled workers themselves want. A report on the Access of People with Intellectual Disabilities to Education and Employment in the Netherlands (prepared by EUMAP, European Union Monitoring and Advocacy Project, of the Open Society Institute) reported in 2005 that of the approximately 73,000 adults with an intellectual disability in the Netherlands, some 30,000 were employed in sheltered employment. At the same time, 3,000 persons were supported on the open job market and 15,000 persons with an intellectual disability were attending adult day-care facilities, often engaging in unpaid 'employment-like' activities

Considering the available evidence, employment activation policies do not seem to focus on specific kinds of work or specific types of jobs for disabled people. Physically disabled persons appear to benefit more from efforts than persons with intellectual disabilities.

PART TWO: SPECIFIC EXAMPLES

2.1 Reasonable accommodation in the workplace

In theory all adaptations needed to facilitate employment are possible (the Equal Treatment Act requires employers to make 'reasonable adjustments'). A distinction is made between fixed accommodations to the workplace and assistive devices which the employee can take to another employer. An employer can request a subsidy for adaptations to the workplace once his/her employee has been in employment for at least 6 months. Portable adaptations, such as an adapted desk chair, which go beyond the usual equipment expected to be provided by an employer, must be purchased by the employee who can request a subsidy from the UWV (Benefits Provision Office). Personal assistance in the form of a job coach is possible, either as a Sheltered Employment benefit (which requires that one be employed via Sheltered Employment), or on the open employment market via a reintegration firm contracted by the UWV. The UWV contracted job coach can assist during maximally 15% of the hours worked during the first year. This decreases to 7.5% in the second year and to 5% in the 3d and subsequent years. Flexible employment contracts are possible. It is possible to treat the first three months of employment as a trial period for which the employer does not need to pay wages. Instead the employee continues to receive his or her unemployment benefit. It is also possible to get wage dispensation for an employee who performs demonstrably less due to his or her disability. This is possible for a period of a half year to 5 years (extension is also possible)





The State pays for the various benefits noted above, in addition to sick benefits should the employee become ill and unable to work at all. According to UWV statistics, close to 52,000 UWV clients found work in 2007. 31,000 found work after completing a reintegration training course and 21,000 after receiving intensive supervision by a reintegration coach. (Jaarverslag van UWV over 2007). However, only 10,500 of those who found work had been determined to be employment disabled. The remaining 41,000 were people who had been unemployed for longer than 6 months. It is difficult to ascertain the costs and benefits of different interventions.

2.2 Other activation policies

Government policy as reflected in the laws providing disability benefits attempt to provide financial incentives to work in three ways: by tightening the eligibility requirements for higher benefits, by providing employers with subsidies to hire disabled employees and by providing educational and reintegration support to persons with an employment disability. The government has not imposed an employment quota (it could under the relevant employment law). The coordinating governmental body, UWV, is charged with mapping competencies and matching employees with reintegration companies to provide reintegration training, individual training support and job coaching. Limited financial compensation for transport to work is available to employees who require this, although transportation is identified as a problem.

2.3 One example of best practice

Some best practices in the Netherlands:

Each year a contest is held by the national advocacy organization for employers between companies with the best policy for workers with disabilities or chronic illnesses. Usually companies with a good disability prevention policy win, but some companies won nomination because they explicitly hire workers with disabilities.

One such company is Taxi Centrale School, a company with 180 drivers. The taxi company hires drivers who due to illness or disability had to give up their original work. Executive director Cees Zeeman says: "We prefer them above applicants with no disability". He gives several reasons. The company finds that men and women with a disability are more motivated to work, more quiet and stable as compared to young drivers without a disability. Clients also prefer drivers with a disability-experience because of their better motivation and emotional stability.

It is also important for the company that drivers with illness or disability accept the low wages in the branch. Employees can afford to do so because they can combine their wage with (part of) their original disability benefit. The taxi company invests more time in drivers with a disability. The company sometimes needs to arrange special employment provisions and procedures for these are time consuming. Bureaucracy is cited as a quite a problem. Personnel manager Tack also invests extra time in helping out the drivers with disabilities with various problems. This extra time of the personnel manager is compensated for because employers in the Netherlands pay less for social security tax when they hire disabled workers. http://www.kroonophetwerk.nl/Taxi Centrale Schoorl b.v. genomineerde 2005%20 chauf feurs met een WAO-achtergrond zijn extra gemotiveerd 484.html

Cor Unum (nominated in 2006) is a ceramics company with 16 employees. More then half used to work in the sheltered work scheme because of their disability. They are formally





hired by the sheltered workshop but are sent out to this company to work. The company itself used to be part of the sheltered work scheme but was threatened with closure due to costs of production. The management, Corry Krapels and her husband Jan, decided to take over, "with naturally all the workers with disabilities because they are excellent craftsmen", says Corry Krapels. The company has been a commercial success. They concentrated on ceramic art. They sell all over the world; one piece to the Museum of Modern Art in New York.

Corry says the scale of the company makes it possible to work with so many workers with severe disabilities. "We are small. We spend time on making our workers feel appreciated and comfortable. No matter what their disability is, we make them feel what they have to offer the company".

The hiring of workers with a severe disabilities is an important economic success factor. Workers with severe disabilities cost the company less wages and tax. "Our products would be too costly if we were to hire regular workers," says manager Jan Krapels. Unfair competition?` "Of course not," says the manager. "Every company can do what we do. Workers from sheltered work schemes may work slower but prove to very valuable with the right adjustments. Employers who don't see this miss good opportunities."

http://www.kroonophetwerk.nl/Cor Unum 2006%20 werkgevers zonder SWmedewerkers missen kansen 478.html

Another company which was nominated in 2006 is Ubbink in Doesburg. This company used to source out assembly work to a sheltered workshop where people with intellectual disabilities work. In a very busy period the company asked the workshop to send nine workers over to Ubbink in order to save time by skipping the transport of goods and products. It was such a success, socially and economically, to have the workers from the sheltered work scheme within their own walls, that Ubbink decided to prolong this indefinitely. General Manager Martin Beijer says: "our own workers and those from the sheltered workshop are integrated. They really work together now and everyone uses the same facilities." He would like to hire the group from the sheltered workshops as his own workers, but finds bureaucratic barriers so high that so far only one of the group of 9 has a regular contract. "The special rules are too much of an obstacle for us", the company's personnel manager Van den Berg says.' It should be made easier for companies to hire people with disabilities. It can be of economic profit he says. Work that otherwise would go to low-wage countries could then stay in the Netherlands. General Manager Martin Beijer sees hiring people with intellectual or other disabilities as something companies should all do. "It is our responsibility to do so for all who have difficulty to be accepted on the labour market. As a company we are part of society and we should try to represent all in our workforce". Are the workers with intellectual disability fully accepted? Yes, says personnel manager van den Berg: "coaching, full integration and structured work made it easy for all."

http://www.kroonophetwerk.nl/Ubbink in Doesburg nominatie 2006%20 'inburgering' v an verstandelijk gehandicapte medewerkers 474.html



PART THREE: SUMMARY INFORMATION

3.1 Conclusions and recommendations (summary)

Employment activation policies have not yet proven to be effective in improving the employment prospects for disabled people in the Netherlands. The emphasis on cost reduction has not changed employer attitudes toward hiring people with disabilities or removed other obstacles to the labor market, such as bureaucracy and effective support for people with intellectual disabilities. The Equal Treatment Act is being used more and more for employment-related disability discrimination claims and the prospect of broadening the scope of the Equal Treatment Act to the sectors of transportation, primary and secondary education and the provision of goods and services would likely do much to improve the visibility and situation of disabled persons in Dutch society.

Recommendations:

- Develop an accurate and complete statistical data base on the employment position of persons with disabilities, disaggregating them for type and severity of disability, support needed, support utilized, gender, age, ethnic or national origin. These statistics should be updated annually.
- Attention should be paid to the employment situation of disabled people living in intramural and semi-mural institutions.
- Make use of the legal measure to impose a 5% hiring quota on employers, or raise the current voluntary commitment of 2% to 5% and monitor employer achievement of this minimum employment goal.

3.2 References

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