

### UNION OF EQUALITY: STRATEGY FOR THE RIGHTS OF PERSONS WITH DISABILITIES 2021-2030

## JOINT COMMISSION SERVICES – DISABILITY PLATFORM PAPER

### PACKAGE TO IMPROVE LABOUR MARKET OUTCOMES OF PERSONS WITH DISABILITIES (DISABILITY EMPLOYMENT PACKAGE – "EMPLOYMENT PACKAGE")

### 1. INTRODUCTION – JOINING FORCES FOR A COMMON GOAL

The Employment Package to improve labour market outcomes of persons with disabilities is one of the seven flagship initiatives announced in the Strategy for the Rights of Persons with Disabilities 2021-2030 (Disability Rights Strategy)<sup>1</sup>. Unlocking the potential and talents of persons with disabilities will be for the benefit of individuals, the economy, and for the cohesion of the society as a whole.

Together with the other flagships and actions of the Disability Rights Strategy, this initiative will support the implementation of the European Pillar of Social Rights and of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)<sup>2</sup>. Article 27 of the Convention states that: 'States Parties recognize the right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities'. All EU Member States and the EU, as a regional international organisation, have ratified the UNCRPD and are implementing it.

The Employment Package will support Member States in enhancing labour supply, skills and competences, and in fostering social inclusion, combatting poverty and promoting equal opportunities, in line with the Employment Guidelines<sup>3</sup>.

In order to join forces and ensure a design aiming at improving the employment situation of persons with disabilities, the Commission services involved Member States, disability organisations and social partners in the preparation of the Employment Package.

<sup>&</sup>lt;sup>1</sup> European Commission (<u>COM(2021) 101 final</u>): Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030

<sup>&</sup>lt;sup>2</sup> <u>United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).</u>

<sup>&</sup>lt;sup>3</sup> The guidelines for the employment policies of the Member States invite Member States to support an adapted work environment for persons with disabilities, including through targeted financial support and services that enable them to participate in the labour market and in society.

This paper presents the concrete planning and outputs of the Employment Package with the objective to provide guidance and support in six areas of action to enhance the labour market situation of persons with disabilities. The Employment Package will be used to support Member States in the implementation of relevant Employment Guidelines. The success of the Employment Package is ultimately in the hands of employers and of private and public sector companies, who are the ones employing persons with disabilities. This paper stresses that the deliverables of the Package will serve as practical tools and guidelines to be used by all involved actors as means towards reducing the persistent employment gap between people with and without disabilities.

The Employment Package reflects views from exchanges at Ministerial level, including a discussion in EPSCO on 16 June 2022, a hearing with Social Partners, and meetings with the Disability Platform and its sub-group Employment Package which brings together Member States and disability organisations and providers of services for persons with disabilities<sup>4</sup>. The Disability Platform and Social Partners will also be involved in the implementation of the Employment Package.

# 2. POLICY CONTEXT – CONTRIBUTING TO EUROPEAN EMPLOYMENT AND EQUALITY POLICIES

The European Pillar of Social Rights<sup>5</sup>, jointly proclaimed in 2017 by the European Parliament, the Council, and the European Commission, frames the employment and social policies at EU level and in Member States. Principle 17 of the Pillar underlines that people with disabilities have the right to income support that ensures living in dignity, services that enable them to participate in the labour market and in society, and a work environment adapted to their needs. Principle 3 of the Pillar on equal opportunities states that everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services available to the public, and that equal opportunities of under-represented groups shall be fostered<sup>6</sup>.

The European Pillar of Social Rights Action Plan of 2021 presented EU headline targets for 2030, which have been welcomed by EU leaders in Porto and at the June 2021 European Council meeting, and meanwhile Member States have identified and submitted national targets to reach these<sup>7</sup>. In order to reach the EU targets of reducing the number of people at risk of poverty or social exclusion by at least 15 million, having at least 78% of the population aged 20 to 64 in employment, and having at least 60% of all adults participating in training every year<sup>8</sup>, it will be necessary to increase the employment rate of persons with disabilities and reduce the employment gap with persons without disabilities.

<sup>&</sup>lt;sup>4</sup> French Ministerial Conference on Disability (9 March 2022); EPSCO orientation debate on the Employment situation of persons with disabilities (16 June 2022); Commission hearing with Social Partners (24 May 2022); Disability Platform sub-group Employment Package (20 May 2022; 16 June 2022).

<sup>&</sup>lt;sup>5</sup> European Pillar of Social Rights | European Commission (europa.eu)

<sup>&</sup>lt;sup>6</sup> The European Pillar of Social Rights in 20 principles | European Commission (europa.eu).

<sup>&</sup>lt;sup>7</sup>https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-

 $<sup>\</sup>underline{investment/european-pillar-social-rights/european-pillar-social-rights-action-plan\_en}$ 

<sup>&</sup>lt;sup>8</sup> European Commission Communication (<u>COM/2021/102 final</u>): The European Pillar of Social Rights Action Plan.

The Employment Equality Directive<sup>9</sup> provides protection against discrimination in employment on the grounds of disability, age, sexual orientation, religion or belief. It requires employers to provide reasonable accommodation for persons with disabilities to facilitate their work. To support Member States in strengthening the social inclusion of persons with disabilities, the EU public procurement legislation provides for reserved contracts<sup>10</sup>: in procurement procedures it is possible under certain conditions to reserve the participation to "*sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons*". Furthermore, EU competition law allows specific State aid<sup>11</sup> to enterprises employing workers with disabilities<sup>509</sup>.

The Social Economy Action Plan<sup>12</sup> contributes to these goals by fostering the social economy, which helps to build bridges for persons with disabilities to employment in the open labour market, provides services which are essential to support their independent living, and offers employment opportunities. Strengthening the focus on young people neither in employment nor in education and training (NEETs) belonging to vulnerable groups, such as young persons with disabilities is also one of the priorities of the Reinforced Youth Guarantee<sup>13</sup>, while ensuring inclusiveness and accessibility of vocational education and training as set out in the Council Recommendation on vocational education and training<sup>14</sup>.

Like the Disability Rights Strategy as a whole, this Employment Package takes account of the diversity of disability, in line with the UNCRPD, resulting from the interaction between long-term physical, mental, intellectual and sensory impairments or psychosocial problems, which are often invisible, with barriers in the environment, as well as the increased prevalence of disabilities with age, with almost half of persons aged above 65 reporting some form of disability.

To lead by example, the Commission in its function as employer adopted in April 2022 a modernised human resources Strategy putting diversity and inclusion at centre stage<sup>15</sup> – another flagship initiative of the Disability Rights Strategy. The Commission commits itself to foster a diverse recruitment of staff and to develop a Commission-wide targeted action plan to promote a diverse, inclusive, accessible and respectful workplace with concrete measures to improve the employment of persons with disabilities.

The Disability Employment Package will help achieve a Union of Equality and the UN Sustainable Development Goals to promote sustained, inclusive and sustainable

<sup>&</sup>lt;sup>9</sup> Council Directive (<u>2000/78/EC</u>) of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

<sup>&</sup>lt;sup>10</sup> Directive <u>2014/24/EU</u> of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC.

<sup>&</sup>lt;sup>11</sup> Commission Communication (<u>OJ C 188, 11.8.2009</u>): Criteria for the analysis of the compatibility of State aid for the employment of disadvantaged and disabled workers subject to individual notification.

<sup>&</sup>lt;sup>12</sup> Commission Communication (COM/2021/778 final): Building an economy that works for people: an action plan for the social economy.

<sup>&</sup>lt;sup>13</sup> Council Recommendation (<u>2020/C 372/01</u>): A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee.

<sup>&</sup>lt;sup>14</sup> Council Recommendation (<u>2020/C 417/01</u>): Vocational education and training (VET) for sustainable competitiveness, social fairness and resilience.

Communication to the Commission (C(2022) 2229 final): A new Human Resources Strategy for the Commission.

economic growth, full and productive employment and decent work for all (goal 8) and to reduce inequality within and among countries (goal 10)<sup>16</sup>.

#### 3. CHALLENGES AND GAPS: DATA DEMONSTRATE PERSISTING BARRIERS

Despite a continuous small increase (i.e. 45.5% in 2012 to 50.7% in 2020) of the employment rate of persons with disabilities during the last decade, the gap between the employment rate of persons with disabilities and others persists at around 24 percentage points in the EU<sup>17</sup>. Persons with disabilities of all ages are also disproportionately affected by unemployment and leave labour markets earlier. Persons with disabilities, mainly severe disabilities, tend not to work in the open labour market but in facilities offering so-called sheltered employment. For instance, available data shows that in Germany three-quarters of people with intellectual disabilities are in sheltered workshops In Czechia, sheltered employment is a form of subsidized employment where employers employ more than 50% of persons with disabilities out of all employees (2015).<sup>18</sup>

Such schemes are diverse and not all ensure adequate working conditions or labourrelated rights for persons with disabilities, nor pathways to the open labour market. The COVID-19 pandemic aggravated pre-existing barriers in access to employment and created new ones such as those due to the limited accessibility for persons with disabilities of online information, IT tools and of telework facilities and equipment, while at the same time also bringing about the opportunity to foster such tools and ways of working.

The 'Joint Report on the implementation of the Employment Equality Directive and Racial Equality Directive' concluded that more needs to be done to ensure better practical implementation and application of the Employment Equality Directive. Key challenges identified include the limited awareness on the protection offered by the Directive and knowledge about reasonable accommodation. The report indicates some challenges in understanding this concept, applying it in practice and having adequate guidance in this regard. A few stakeholders mentioned challenges in interpreting the notion of 'disability' though the report acknowledges useful clarifications by judgments of the Court of Justice referring to the UNCRPD. The report also refers to a lack of public awareness of rights, underreporting of discrimination cases, a lack of equality data, gaps in access to justice and availability of remedies<sup>19</sup>.

Member States have been receiving recommendations by the UN Committee on the Rights of Persons with Disabilities, including in the area of work and employment in the context of the implementation of Article 27 of the UNCRPD. Almost all Member States have received a question, comment or recommendation calling for increasing quality employment of persons with disabilities<sup>20</sup>. The UN Committee was particularly concerned with the segregation of persons with disabilities outside the mainstream labour market, often in conditions that are not governed under labour law, which is not captured

<sup>&</sup>lt;sup>16</sup> United Nations: <u>The 2030 Agenda for Sustainable Development</u>.

<sup>&</sup>lt;sup>17</sup> European Commission (2021): <u>European Comparative data on Europe 2020</u>, pg 35. persons with disabilities at the EU level.

<sup>&</sup>lt;sup>18</sup> European Commission and the Disability High Level Group (2016): Eight Disability High Level Group Report On The Implementation Of The UN Convention On The Rights of Persons with Disabilities.

<sup>&</sup>lt;sup>19</sup> <u>'European Commission (2021): Joint Report on the implementation of the Employment Equality</u> Directive and Racial Equality Directive.

<sup>&</sup>lt;sup>20</sup> European Commission (2021): European Semester 2020-2021 synthesis on disability equality.

through general labour market statistics. With a view to data collection and monitoring, the UN Committee on the Rights of Persons with Disabilities recommended to Member States and the EU to take effective actions to measure the employment of persons with disabilities and to increase their employment rate in the open labour market<sup>21</sup>.

## 4. THE DISABILITY EMPLOYMENT PACKAGE: ACTIONS IN SIX KEY AREAS

Participation in employment is the best way to ensure economic autonomy and social inclusion. With the Disability Rights Strategy the Commission made the participation of persons with disabilities on the labour market one of the top priorities.

The Employment Package aims to bring more persons with disabilities to the labour market and retain them in quality and sustainable jobs, to increase their employment rate and to reduce the disability employment gap, while also contributing to ensuring the fair dimension of the green and digital transitions. The Employment Package will also help Member States develop policies in line with the Employment Guidelines, in particular guidelines 6 and 8 (on enhancing labour supply, skills and competences; and fostering social inclusion, combatting poverty and promoting equal opportunities).

The Employment Package sets a series of actions in key areas of active support to improve the employment situation of persons with disabilities. It addresses different services and stages in the employment process covering hiring, recruitment and reasonable accommodation at the workplace, preventive measures to avoid persons with disabilities leaving the workforce unnecessarily as well as covering alternative forms of employment. The Employment Package will provide guidance to Member States and stakeholders based on a collection of good practices and recommendations for implementation.

The Employment Package is particularly important to ensure that the green and digital transitions are fair and inclusive and involve persons with disabilities. Accelerated digital transformation and the green transition offer opportunities which will support the employment needs of persons with disabilities. Using information and communication technology (ICT), artificial intelligence and robotics to design on-site and remote services tailored to the needs of persons with disabilities can effectively provide new employment opportunities. In this way persons with disabilities can contribute to the transition towards an inclusive, digital and green economy and society.

To achieve this, the Employment Package focuses on six areas for action:

## 1) Strengthening capacities of employment and integration services

Persons with disabilities often have complex needs requiring personalised services of a wide range in a coordinated delivery process to improve labour market outcomes and integration. Many employers, in particular smaller enterprises, feel uncertain about the consequences of hiring a person with a disability. They need coordinated information and support to facilitate recruitment, job entry and human resource development, workplace accommodation, and return to work schemes for persons with disabilities. The scope and quality of employment and integration services considerably varies across Member

<sup>&</sup>lt;sup>21</sup> Idem.

States, including outreach to the numerous inactive persons with disabilities<sup>22</sup>.

**Deliverable**: The Commission services, in cooperation with the European Network of Public Employment Services (PES) and Cedefop, the European Centre for Development of Vocational Training, will prepare guidance for Member States to improve the accessibility and inclusiveness of employment and career guidance services (planned for Q3 and Q4 respectively/2022). This includes the PES Network Toolkit 'Strengthening PES to improve the labour market outcomes of persons with disabilities'.

# 2) Promoting hiring perspectives through affirmative action and combating stereotypes

Barriers to hiring persons with disabilities are created not only by negative stereotypical beliefs and preconceptions, but often also by a lack of positive action, of guidance and of information on support for adaptation of concrete recruitment processes and for social inclusion of persons with disabilities at the workplace. Most European countries have established a quota system obliging employers to hire a minimum proportion of persons with disabilities. However, effectiveness is limited, with many employers paying penalties rather than fulfilling such requirements<sup>23</sup>.

**Deliverable**: The Commission services will produce a **catalogue of positive actions** to facilitate hiring of persons with disabilities involving employers which will also address measures such as awareness raising in relation to the abilities, talents and the potential of persons with disabilities, coordinated information, financial and other support for employers, in particular for SMEs (planned for Q1/2023).

### 3) Ensuring reasonable accommodation at work

Reasonable accommodation<sup>24</sup> has many facets comprising changes to the application or hiring process, to the job, to the way the job is done, or the work environment. Reasonable accommodation at work is an obligation for employers under EU legislation (Directive 2000/78) and is essential for some persons with disabilities to be able to work. There has been some progress in the provision of reasonable accommodation to ensure that persons with disabilities can participate in employment in recent years. The COVID-19 pandemic has in particular demonstrated the benefits of reasonable accommodation in the form of telework. However, considerable challenges still persist when ensuring reasonable accommodation in workplaces in Europe.

**Deliverable:** The Commission services will prepare guidelines for reasonable accommodation at work addressing employers (planned for Q3/2023).

### 4) Retaining persons with disabilities in employment: Preventing disabilities

<sup>&</sup>lt;sup>22</sup> Eurofound (2021): <u>Disability and labour market integration: Policy trends and support in EU Member</u> <u>States (europa.eu).</u> European Commission (2020): <u>Activation of the Inactive</u>: PES initiative to support the activation of inactive groups (Author: Regina Konle-Seidl).

<sup>&</sup>lt;sup>23</sup> All EU Member States except Denmark, Finland, Latvia and Sweden have a quota system in place. Disability and labour market integration: Policy trends and support in EU Member States (europa.eu)

<sup>&</sup>lt;sup>24</sup> Reasonable accommodation means necessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms (Directive 2000/78, Art.2)

### associated with chronic diseases

Effective (secondary) prevention through early intervention at work to dismantle barriers is particularly important to retain in employment workers who have impairments associated with chronic diseases such as musculoskeletal diseases, cancer or mental health illnesses or to prevent psychosocial risks. As the risk of acquiring a disability increases with age, the ageing workforce poses challenges to find and retain employment.

**Deliverable:** The Commission services, taking into account information provided by the European Agency for Safety and Health at Work (EU-OSHA), will issue a **manual for managing chronic diseases and preventing the risk of acquiring disabilities** (planned for Q4/2023). The manual will be complementary to existing frameworks for occupational health and safety to prevent occupational diseases. EU-OSHA will provide on its website a dedicated web feature based upon EU-OSHA resources.

### 5) Securing vocational rehabilitation schemes in case of sickness or accidents

Early disability retirement and long-term sickness absences are not only associated with high disability and sickness benefit costs, but also with a high risk of psychological issues and of social exclusion for the persons affected. It can be difficult to motivate employers to secure vocational rehabilitation and return to work can be demanding, in particular with a view to ensuring coordinated support in case of complex needs. The aim is to enhance early intervention and to arrange a return to work in a suitable position including also through vocational education and training where needed.

**Deliverable:** The Commission services, taking into account information provided by EU-OSHA, will issue **guidelines for effective vocational rehabilitation schemes covering frequent diseases and types of accidents** (planned for Q1/2024). EU-OSHA will provide on its website a dedicated web feature based upon EU-OSHA resources.

# 6) Exploring quality jobs in sheltered employment and pathways to the open labour market

As previously mentioned, persons with disabilities, mainly the ones with severe disabilities, tend to work in alternative employment models<sup>25</sup>. Policy concepts and schemes applied in the Member States are diverse. As consequence, working conditions, labour rights and approaches for career development differ. The line between rehabilitation schemes and occupational therapy is sometimes blurred. In general, even though specific quantitative data is not yet available transition rates from alternative forms of employment to the open labour market tend to be very low.

**Deliverable**: The Commission services will launch a study on improving the employment for persons with disabilities through alternative employment models, including **recommendations for fair working conditions and career development in alternative forms of employment** and **pathways to the open labour market** that comply with the UNCRPD. The study will also look into relevant aspects of market and social economy actors in this area as well as into the different national frameworks and

<sup>&</sup>lt;sup>25</sup> European Commission and the Disability High Level Group (2016): Eight Disability High Level Group Report On The Implementation Of The UN Convention On The Rights of Persons with Disabilities.

the relevant EU law in this regard (planned for Q1/2024).

#### 5. MONITORING EMPLOYMENT LEVELS

The Employment Package will also support the setting and implementation of targets by Member States to close the employment gap between persons with and without disabilities. In the Strategy, the Commission called upon the Member States to establish by 2024 targets for increasing the employment rate of persons with disabilities and for reducing the respective employment gap.

The revised Social Scoreboard adopted to accompany the European Pillar of Social Rights Action Plan includes, as new indicator, the disability employment gap, which is part of the monitoring done via the European Semester. As the Strategy indicates, having the right skills and qualifications is a prerequisite for accessing and succeeding in the labour market. The Strategy therefore asks Member States to set targets for the participation of adults with disabilities in learning with a view to increasing their participation and to ensure that national skills strategies cover the specific needs of persons with disabilities to help achieve the target in the Skills Agenda and in the European Pillar of Social Rights Action Plan.

The Commission monitors the situation of persons with disabilities in the areas of employment, education and training, poverty and social exclusion. Numerous gaps have been identified across the EU and are monitored in the context of the European Semester. Since 2010, the Commission has collected and published data and indicators on the situation of persons with disabilities<sup>26</sup>. In order to support the process of setting targets, the Commission will discuss the matter in the Disability Platform and arrange regular exchanges with Member States.

#### 6. IMPLEMENTATION AND DISSEMINATION: CREATING SYNERGIES

The Commission will work with stakeholders, including at the national, regional and sectoral level where appropriate, to prepare and present these key deliverables and ensure their effective dissemination and implementation. This will enrich the content and facilitate the implementation of the Employment Package.

While all deliverables will aim to address policymakers, they will also target specific stakeholders, such as employment or career guidance services, or social economy employers. As mentioned before, the success of the Employment Package is ultimately in the hands of employers and of private and public sector companies, who are the ones employing persons with disabilities.

Dissemination efforts should be shared between all involved actors. The Commission will strive to disseminate the practical tools and guidelines in the Employment Package as wide as possible. This will be done through the use of various channels. The deliverables of the Employment Package covering key areas for active support to bring and retain persons with disabilities in employment will be published on the Commission website. Mutual learning events will be key to the transfer of practices. The deliverables will be also shared with a broad range of stakeholders and networks at European level

<sup>&</sup>lt;sup>26</sup> Mainly using SILC Data to populate indicators by the Academic Network of Experts on Disability (ANED) and now the European Disability Expertise (EDE).

comprising social partners, the European Network of Public Employment Services, the Cedefop CareersNet. Moreover, events organised under the Social Economy Action Plan and by the involved agencies will serve for dissemination and exchange where possible. At policy level, cooperation with the Employment Committee and the Social Protection Committee will be stepped up.

The Members of the Disability Platform, including Member States and civil society organisations representing persons with disabilities, as well as other employment experts and social partners, are invited to make full use of and help disseminate the deliverables of the Employment Package. Member States are also encouraged to make use of EU funding, notably of the European Social Fund Plus, the Recovery and Resilience Facility (RRF) and the Technical Support Instrument to promote labour market inclusion of persons with disabilities.

Achievements and priorities for the second half of the Disability Rights Strategy implementation will be reflected in a Progress Report to be published by 2024, involving the Disability Platform.

The endorsement of this document through Council Conclusions as envisaged by the Czech Presidency will be key to show the willingness and commitment of Member States to support the implementation of the Disability Employment Package.