Policies of Reducing the Burden of Occupational Hazards and Disability Pensions

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Abstract

In this chapter we describe policy initiatives to enhance labor force participation among disabled people and assess their merits. One key message is that there is no easy or simple way to improve labor market participation and hence reduce poverty and receipt of disability benefit among disabled. If the aim is to further employment and economic well-being among disabled people, it is evident that much of the most popular disability policies pursued today, such as emphasis on work incentives, strict enforcement of conditionalities and sanctions, and focus on supply-side measures, employment quotas, and anti-discrimination legislation, do not have the desired effects. Some of them may even be counterproductive. Research evidence suggests, however, that interventions that improve the work environment, as well as programs based on supported employment approaches, are promising avenues for future policy development. As poverty is still a major

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challenge associated with disability, disability policies must still strive to ensure sufficient livelihood and economic independence for people with disabilities – with or without earnings from paid work.

Keywords

Disability policy · Working conditions · ALMP · Supported employment

Introduction

Welfare states in Europe and in the OECD face financial challenges due to aging populations and long-standing low fertility (Esping-Andersen 1999; OECD 2017). In addition, disability and sickness rolls have been on rise in many countries. In relation to this, a key policy advice from the OECD (2010) has been to improve the labor market integration of disabled people by strengthening economic incentives for sick workers, employers, benefit authorities, and service providers and increase employment expectations, responsibilities, and support among doctors and employment service caseworkers. Sick worker's partial work capacity needs to be assessed and made use of, according to the OECD, and employers need to get a "much more prominent role," supported by an employment-oriented occupational health service. These strategies are broadly in line with what has been become known as the "social investment" welfare state, particularly concerning young people with disabilities (Van Kersbergen and Hemerijck 2012).

However, the motivation to integrating disabled people in work is not purely financial but also mirrors a fundamental change in the notions of "the disabled person" and what having a disability entails in terms of work capacity. Social movements arguing for the "social model of disability" have contributed to this change (Owens 2015). The social model of disability opposes the biomedical view, which places the disabling condition – the impairment – at the level of the individual. Rather, the social model sees disability as a social construct: Impairment may become disability through the experience of "structural oppression; cultural stereotypes, attitudes, bureaucratic hierarchies, market mechanisms, and all that is pertaining to how society is structured and organized" (Thomas 2010). Being defined as "disabled" may thus in itself be a barrier to work.

The social model of disability is also underpinned by wider ideas about social justice, active citizenship, and realizing individual's capabilities (Halvorsen et al. 2017b). These perspectives are at the heart of the UN Convention on the Rights of Persons with Disabilities which aims to "promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity" (Article 1). The Convention further specifically addresses work and employment opportunities. Persons with disabilities have a right 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" (Article 27). Most of the EU and OECD countries have ratified the Convention and committed themselves to promote employment opportunities through prohibiting discrimination and providing rehabilitation, vocational training, and reasonable accommodation and ensuring safe and healthy working conditions.

In practice, disability policies have been directed toward at least three areas: (1) reducing the incidence of disability that results from injuries and hazardous working conditions in working life; (2) welfare arrangements and services that provide practical and economic support and enable participation in working life for people with varying levels of disability; and (3) securing social, legal, regulatory, and economic frameworks that protect against discrimination and promote stable employment among disabled people (including hiring and firing rules, workplace accommodation, universal access, etc.). Böheim and Leoni (2018) distinguish between the policy objectives prevention, activation, and protection, but it is not clear whether employment protection rules, accommodation, and universal access are included. Halvorsen et al. (2017b), in their analytical framework, separate between three subsystems in disability policy systems: a cash transfer system, a service delivery system, and a social regulation system. However, here the efforts to promote health and hinder impairments in the workforce are not captured. OECD (2010) offers a useful conceptual distinction between policies that pursue income compensation and policies that aim at actively integrating disabled into the labor market. The point is how these two dimensions work in combination. In this chapter, we combine these approaches into three policy objectives, *prevention*, *compensation/integration*, and *social regulation*, respectively.

In the following, we will present an overview of disability policies within these areas, critically discuss recent developments and trends, and assess consequences of this variety of policies for labor market outcomes among disabled people, before we sum up and conclude. We start, however, with a brief investigation of the empirical patterns of economic well-being, work, disability benefit receipt, and labor market trends.

Disability and Poverty

The overall aim of disability policy is to secure sufficient living standards and the economic resources to participate in society on an equal footing with everyone else, either through self-provision in the market or through social protection schemes. Hence, the investigation of poverty rates among disabled people is an excellent overall assessment of whether disability policies are effective. The development in poverty among the disabled and non-disabled population in Europe can be seen in Fig. 1. Disability is measured by limitations in activity.

Figure 1 shows, firstly, that poverty rates among disabled people lie consistently above those of the non-disabled. Secondly, there is a steady increase in poverty among disabled and non-disabled, in particular from 2009. Among disabled people this growth is significant as the poverty rate rose from 19% in 2005 to almost 24% in

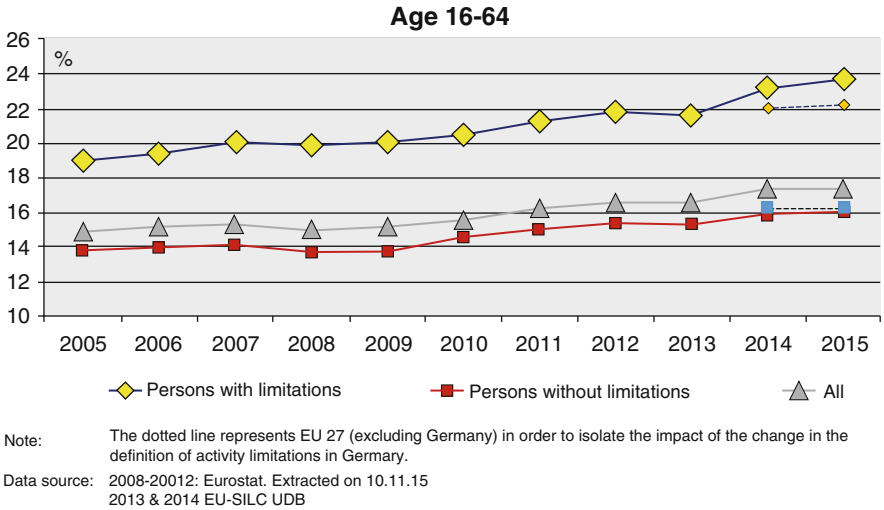

Fig. 1 Risk of poverty by disability status and year in the EU countries. Working age population. (Source: Grammenos 2018)

2015. Thirdly, the rise in poverty is somewhat more pronounced among disabled than non-disabled, resulting in a widening poverty gap between the two groups. It should also be mentioned that the poverty levels among disabled people most certainly are underestimated. Disabled people's needs are higher due to enhanced costs as well as extra costs (MacInnes et al. 2014). A similar development in poverty can be observed in the USA. In 2016, the percentage of disabled people who lived beyond the poverty line was 27. Eight years earlier it was 25% (http://www.disabilitystatistics.org/reports/acs.cfm?statistic=7). As we show below, the poverty rates may be linked to educational attainment, work opportunities, and welfare benefits.

Labor Force Participation Among Disabled People

The "labor force participation" of disabled people has different aspects. The disability employment rate tells us the extent to which people with disabilities have access to employment. However, from a social justice point of view, the disability employment gap, i.e., the difference in the employment rates for disabled and non-disabled people, may be more relevant.

Figure 2 displays both measures for the working age population in European countries. Most Northern European countries have high disability employment rates and low disability employment gaps, while Southern and many Eastern European countries combine low employment rates and large disability employment gaps. In general, there is a large degree of agreement between the two measures, but with a couple of exceptions: Norway has a higher disability

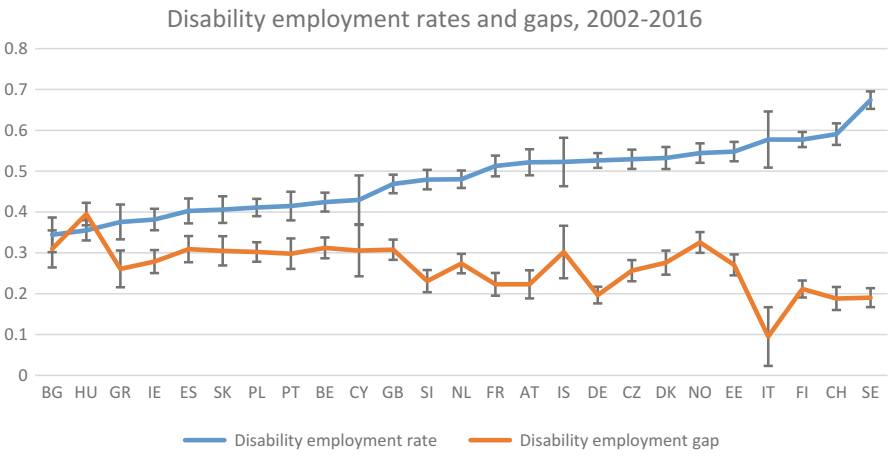

Fig. 2 Disability employment gaps and disability employment rates in European countries with 95% confidence intervals. Pooled data from round 1 to 8 of the European Social Survey (ESS), age 25–65, authors' calculations

employment gap than expected, and the Netherlands does less well than the other Northern European countries with regard to its disability employment rate. Italy seems to be an outlier, perhaps due to the few observations available in the ESS. Sweden, Switzerland, and Finland perform well on both indices, while Bulgaria, Hungary, and Greece have the lowest disability employment and high disability employment gaps.

While there is a dearth of international trend studies on disability employment, some indications exist. Holland et al. (2011) investigated trends in social inequalities in disability employment in five countries between the mid-1980s and 2003/2005. Disability was measured by limiting long-standing illness. In all countries, there was a clear decrease in employment among disabled persons with low education. For those with higher education, the picture was less clear. Lowest levels of employment among disabled people with low education were found in Canada and the UK, while the rates were higher in the Scandinavian countries. In a more recent study using a similar measure of disability and covering 25 European countries in the European Social Survey 2002–2012, Geiger et al. (2017) found on average increasing disability employment (7.6%) and decreasing disability employment gaps (4.9%). The countries contributing most to increase disability employment were Germany, Poland, the Czech Republic, and Belgium. No countries had a statistically significant reduction of the disability employment rate. Both studies focused on the working age population. In the USA, employment rates among disabled have declined recently, from 40% in the year 2008 to 36% in 2016 (http://www.disabilitystatistics.org/reports/acs.cfm?statistic=7).

According to the OECD (2010), people with disabilities have marked lower levels of educational attainment. Twice as many of the disabled have less than upper secondary education compared to the general population. However, a recent

study indicates that it is more important to lift the educational level from primary to secondary education, than from secondary to tertiary (Bliksvaer 2018).

Receipt of Disability Benefits

On average around 6% of the working age population received a disability benefit in the OECD countries in 2008. There are, however, rather large differences between the countries. In Hungary, Norway, and Sweden, about 10% of those in their working ages received disability benefits (or long-term sickness benefits). At the other extreme, in Japan, Korea, and Mexico, only about 2%, or even fewer, went on disability benefit. In 11 OECD countries, there were a growing number of disability benefit recipients (OECD 2010).

Disability and Working Conditions in the Postindustrial Labor Market

Since disability is the product of the interaction between individual impairment and the demands of the working life, it is of interest to review some of the labor market changes that have taken place over the past decades. During the last half century, major labor market changes have occurred related to technological developments, upskilling, new modes of organization, shifting employment relations, and the global division of labor. These changes can be subsumed under the term "post-industrialization" (Bell 1973). According to Bell's ideal typical forecast, the transition to the "postindustrial society" is recognized by increased centrality of theoretical knowledge and the use of it for commerce, political, administrative, and strategic purposes; intellectual technology such as computing; an emerging knowledge class; a change from goods to services, also reflected in the occupational structure and the characteristics of work; increased labor market participation among women; and meritocracy. Many similar declarations of "epochal transformations" exist, although controversial (Doogan 2009).

The consequences of the postindustrial labor market for low-skilled workers and workers with disabilities in terms of long-term unemployment, poverty risk, and precariousness have been widely acknowledged (Esping-Andersen 1999; Standing 2011; Taylor-Gooby 2004). Although evidence exists on weakening labor market opportunities of low-skilled people with disabilities during the 1980s and early 1990s (Bartley and Owen 1996; Holland et al. 2011; van der Wel et al. 2010), the trend does not seem to be continuing (Geiger et al. 2017). Although expansion of high-skilled jobs has happened at the expense of low-skilled jobs, European countries have largely escaped massive unemployment or inactivity among low-skilled workers, unlike the US, according to Oesch (2015). (The study included Switzerland, Germany, Denmark, Spain, and the UK.) This is because there has been

a simultaneous growth in education in most European countries, which has significantly reduced the number of low-skilled workers. Oesch (2015) further reports that employment rates among low-skilled workers were either stable or increased in the countries included in the study.

Furthermore, in the latest report from the European Working Condition Survey (EWCS), which covers the 28 EU countries, we observe little change in the share having fixed term contracts or being self-employed, indices of precarious work, between 2005 and 2015 (Eurofound 2017). Similarly, no dramatic change could be seen in the share reporting that they might lose their job in the next 6 months. There was an increase in decision latitude and in the skills discretion of European workers in the same period. These results do not suggest an escalation in "postindustrial" working conditions in the latter decade, which add to the doubts concerning this hypothesis expressed by studies using data from the 1980s (Burchell and Fagan 2004; Greenan et al. 2007). The overall picture in the report from the sixth EWCS (Eurofound 2017) is somewhat complex as some indices show progress, whereas others show deterioration. For example, the physical environment index, which captures a number of physical risks (e.g., biological and chemical), shows a small increase in exposure since 2005. The work intensity index, which measures exposure to work demands, shows a slight reduction in work intensity between 2005 and 2015. Working time quality also improved.

Nevertheless, as working conditions are closely linked to specific tasks and modes of work organizations in different industries, occupation is still a strong determinant of inequalities between workers. Overall, manual and low-skilled jobs expose workers to a number of physical hazards that are detrimental to health (Bambra 2011). Many low-skilled jobs, e.g., in the service industry, induce psychosocial stress through high demands/low decision latitude (Karasek 1979) or through an imbalance in rewards and efforts, in particular if combined with an orientation of overcommitment (Siegrist and Wahrendorf 2016). Workers in less-skilled occupations report significant poorer well-being and satisfaction with their working conditions. They also report higher levels of time pressure at work and a higher number of health problems and are less likely to stay in the job until old age.

Thus, the rather pronounced inequalities in poor working conditions in European working life and the lack of improvement on a number of indicators suggest that work characteristics have the potential to generate ill-health and disability. As employment prospects of disabled people are often in peripheral segments of working life (Roulstone 2012), characterized by low-skilled tasks and precariousness, the work environment may serve as barriers to enter work for people with impairments.

This perspective should not, however, overshadow the possibility that work also may be healthy and promote recovery. Only recently, researchers and politicians alike have directed attention to the possible salutogenic aspects of work (Waddel and Burton 2006). Furthermore, the availability of part-time jobs and opportunities for self-employment may help (older) disabled workers maintain employment (Jones and Latreille 2011; Pagan 2012).

Disability Policies

Prevention

Sound and safe working conditions in all segments of working life are a precondition for a healthy work force and an inclusive labor market. Physical, chemical, psychosocial, ergonomic, and organizational aspects of work may produce disability (Bambra 2011) and represent barriers to work for people with disabilities, as argued above. Preventive measures include work environment legislation, control and sanctioning, information to employers and employees, systematic workplace monitoring of occupational risk, and work place interventions. Work place interventions may be directed at the workplace as a whole (primary prevention), at specific target groups (secondary prevention), or directly toward sick or disabled employees (tertiary prevention) (Joyce et al. 2016). These include measures to improve time organization, enhance worker control or physical activity, or provide various forms of therapy (Bambra 2011; Goldgruber and Ahrens 2010; Joyce et al. 2016).

Since the 1989 Safety and Health Work Directive, numerous EU directives on working conditions have been passed (see https://ec.europa.eu/social/main.jsp?catId=706&langId=en). The EU has regulatory efforts in the areas of working time, temporary work, pregnant workers, and much more. Furthermore, in 2019, a European Labour Authority will be up and running as part of the European Pillar of Social Rights (https://ec.europa.eu/social/main.jsp?catId=1414&langId=en). The EU directive on the safety and health of workers places some general obligations on the employers. The first of these is that "the employer shall take the measures necessary for the safety and health protection of workers, including prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means" (https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31989L0391&from=EN).

The obligations of the employer are further to avoid risks; to evaluate the risks which cannot be avoided, adapting the work to the individual and alleviating monotonous work and work at a predetermined work rate; and to develop a coherent prevention policy which covers technology, organization of work, working conditions, and social relationships. National work environment regulation has been in place for decades in most advanced capitalist countries (Bambra 2011, pp. 164–165) and with important legal steps taken during the 1970s (e.g., the 1975 Health and Safety at Work Act in the UK, the 1970 Occupational Safety and Health Act in the US, the 1977 Working Environment Act in Norway and Sweden, etc.).

While work environment legislation at the national and supranational levels is important, they need to be linked to action, knowledge, routines, and preventive measures at the level of the workplace and with information, control, and law enforcement at the national level, in order to be effective. Inspections and appropriate sanctions against employers are important and necessary measures in order to secure the implementation of health and safety regulation (Bambra 2011, p. 165).

Compensation/Integration

The main bulk of disability policies aim to provide practical and economic support and to enable participation in working life for people with varying levels of disability, i.e., compensation and integration (OECD 2010). However, in line with the biomedical model of disability, compensatory measures, like disability benefits, rehabilitation, and sheltered employment, have been the prevailing approach. In 2010, OECD wrote: "Public spending on disability is still dominated by 'passive' payments of benefits. Investment in employment support and vocational rehabilitation – 'active' spending – is generally small. This is despite the recent shifts in policy orientation from passive to active measures in most countries" (OECD 2010, p. 2). This shift in orientation could be seen in 20 OECD countries that introduced reforms that made their benefit systems stricter in terms of, e.g., more objective medical criteria, more rigorous vocational criteria, stricter sickness absence monitoring, and stronger work incentives. Less than a handful of countries registered an increase in benefit generosity and then from a low level. The OECD (2010) further notes that integration policies, such as improved incentives for employers and supported employment, were strengthened in all countries.

In the same, influential, report OECD recommends that in order to expand employment opportunities, financial incentives need to be strengthened for all actors involved. OECD is also an advocate for the introduction or honing of behavioral conditionality for disability benefit claimants. Activity requirements and (harsh) sanctions seem to be spreading to more nations and from social assistance to disability benefit recipients. Recently, Geiger (2017) has explored how these kinds of policies have diffused in seven OECD countries. He concludes that behavioral requirements now are widespread but that sanctioning is rare.

An updated study using the OECD conceptual framework indicates that countries have pursued different types of reforms since 1990 (Böheim and Leoni 2018). The study examines the extent to which sickness and disability policies at different time points can be characterized as oriented toward compensation or integration. The integration dimension includes "among other things, the complexity and consistency of benefits and support systems, the degree of employer obligation towards their employees, the timing and extent of vocational rehabilitation and the existence of work incentives for beneficiaries" (ibid., p. 169). Examples of the ten subcomponents of the OECD integration dimension are employer obligations, supported employment, subsidized employment, benefit suspension option, and work incentives. The compensation dimension, on the other hand, covers "the coverage and level of disability benefits, the minimum degree of incapacity needed for benefits and full benefit entitlement, the type of medical and vocational assessment, as well as information on sickness benefits" (ibid.). The authors show that the more recent reforms have led to the emergence of a distinct cluster of Northern and Continental European countries, the "social democratic" cluster, characterized by a combination of strong employment-oriented policies and comparatively high social protection levels. They also identify a "liberal" cluster, consisting of countries oriented toward low compensation and who, during the period, became increasingly oriented toward

policies in the integration dimension, most notably work incentives, benefit suspension, and supported employment. Finally, the study identified a "residual" cluster consisting of countries with low reform activity and intermediate values on the two dimensions.

A new "paradigm" is emerging within both "liberal" and "social democratic" integrative measures, which fall between the compensation/integration and the social regulation areas in our overview. This paradigm may be dubbed a "support-side" policy, which distinguishes itself from the traditional supply-side and demand-side approaches (Frøyland et al. 2019). Compared with the traditional active labor market policies (train-then-place), this new paradigm focuses on working life as the arena for work inclusion (place-then-train), i.e., "support-side" policies "more proactively support client and collaborate closer with employers" (ibid., p. 195). These approaches further include financial incentive, cooperative action, and professional, long term if necessary, follow-up and are based on voluntary agreements and commitments encouraging a corporate culture that promotes diversity through progressive recruitment and accommodation measures within the workplace. Incentives are measures that aim to reduce the assumed risks connected to employing workers perceived to be high-risk recruits, such as the need for extended follow-up in the workplace. Support-side approaches rest on an assumption that even jobless disabled individuals have a work capacity that can be made use of when stigmatizing prejudice is removed and reasonable accommodation is undertaken. Examples of support-side measures are Supported Employment and Individual Placement and Support (Nøkleby et al. 2017).

Social Regulation

The social regulation subsystem of disability policies includes laws and policies aimed at changing the behavior of employers to facilitate and protect employment opportunities for disabled people. These policies can be hard, e.g., laws against discrimination or the use of employment quotas in combination with strict enforcement, or they can be soft, e.g., economic incentives or strategies to inform and support employers. While compensatory measures aim at redistribution in the face of markets failing to provide equal opportunities, regulatory measures aim at *remedying* market failure by influencing how markets work (Halvorsen et al. 2017b). The social regulatory system may include legislative means, financial incentives or persuasion through information, and appeals to actor's social conscience. Many of these strategies are included in place-then-train policies presented above. These different strategies presuppose that actors may be either forced, economically encouraged, or morally convinced to adhere to societal norms and expectations.

Supranational organizations have played a key role in developing regulatory policies. The European Union's Employment Equality Directive from 2000 contributed to "address areas which had not previously been regulated in most Member countries" (Waddington and Lawson 2009). A European comparative study reports that anti-discrimination legislation has been transposed in all 28 member countries

(Chopin and Germaine 2017). The report concludes that EU efforts in this area have "immensely enhanced legal protection against discrimination on the grounds of racial or ethnic origin, religion or belief, age, disability and sexual orientation across Europe" (p. 128). Most member states even provided further protection compared to the requirements of EU law, and many shortcomings have been remedied as a consequence of infringements proceedings by the European Commission or after pressure from stakeholders.

The UN Convention on the Rights of Persons with Disabilities (CRPD) probably served to give the EU stronger momentum in their efforts to implement the Employment Equality Directive (Halvorsen et al. 2017a). There is however much national variation in how anti-discrimination policies have been implemented in Europe, for instance, whether the private sector is covered and whether social – not only biomedical – definitions are included (Chopin and Germaine 2017; Sainsbury et al. 2017). The US has had one of the most extensive disability rights acts in the world, the 1990 Americans with Disabilities Act (Bambra 2011).

Many other social regulation measures exist. Some countries, like Germany, Italy, Czech Republic, Ireland, Poland, Luxembourg, Serbia, and Spain, use employment quotas which require 2–5% of a company's workforce to have a disability or a chronic condition (Bambra 2011; Sainsbury et al. 2017). Sometimes these quota requirements are coupled with financial incentives to encourage compliance. In the Czech Republic, companies can instead make payments to support employment of disabled people elsewhere (Sainsbury et al. 2017). Wage subsidies for employers are used in, for instance, Norway and Sweden as part of their regulatory approaches.

Finally, the broader employment protection legislation in a country may affect the opportunities for disabled people to retain work and their likelihood of getting work (Heggebo 2016; Reeves et al. 2014). A prominent example is the Danish "flexicurity" model which has been celebrated for creating high employment and low unemployment in the general working age population. The model combines three key elements, a flexible labor market legislation, generous unemployment insurance, and active labor market policy. In the next section, we will address the model's merits regarding the employment opportunities for people with health problems.

What Works?

While there is strong evidence that the work environment is related to health (Bambra 2011; Bonde 2008; Fletcher et al. 2011; Stansfeld and Candy 2006), causal inference is often difficult (Barnay 2016; Bonde 2008). Nevertheless, the studies that do exist seem to favor the idea that there is a true effect of work on health (Barnay 2016; Landsbergis et al. 2014). Improving working conditions in general thus should be high on the preventive policy agenda. Joyce et al. (2016) reviewed primary, secondary, and tertiary preventive workplace intervention and their effects on common mental disorders. Primary prevention interventions, which correspond to our prevention dimension, that increase worker's control and physical activity had

modest effects on depression and anxiety. Cognitive behavioral therapy-based measures were related to better outcomes in both secondary prevention and tertiary prevention. In addition, exposure therapy had effect on both mental health and occupational outcomes in tertiary prevention. Primary prevention aimed at helping individuals seems to be more effective than interventions that target the work force as a whole, as were combined approaches (Goldgruber and Ahrens 2010).

Vooijs et al. (2015) carried out a systematic review of nine reviews of interventions to enhance labor market participation among people with chronic illness. Five medium quality reviews were retrieved. One of these reported inconclusive evidence for policy-based return-to-work programs. The others described interventions focused on changes at work, such as changes in work organization, working conditions, and work environment. Three of these reported positive effects of the intervention on work participation. The evidence reviewed indicated that work-oriented interventions could be effective for people with variety of chronic illnesses.

Van (according to APA rules) Oostrom and Boot (2013) conducted a systematic review of workplace interventions aiming at return to work and identified nine studies that met their inclusion criteria. They focused on people with musculoskeletal illness and mental health problems. The authors concluded that "workplace interventions are effective to reduce sickness absence among workers with musculoskeletal disorders when compared to usual care" (p. 352). This review confirmed and strengthened the evidence produced by an earlier review. Another important finding of the review was that abovementioned positive effects did not apply to health outcomes, as they were unaffected by the work place interventions. Given the aim of the intervention, i.e., to reduce barriers to work, this came as little surprise. There was a lack of studies of work place interventions for people with mental health problems and other health conditions. Hence, no conclusions could be drawn in this respect (van Oostrom and Boot 2013).

Clayton et al. (2012) undertook a systematic review of evaluations of interventions directed at the employers aimed at helping chronically ill or disabled people into work. The literature search included Canada, Denmark, Norway, Sweden, and the UK. Thirty studies were identified. The main findings of the review can be summed up in five points. Workplace adjustments seem to have a positive impact on employment among people with poor health, but such adjustments only apply to a minority. The reviewed evidence further suggests that financial incentives such as wage subsidies can have a positive impact given that they are sufficiently generous. However, unintended side effects are also reported. Moreover, involving employers in return-to-work planning can reduce later sick leave, but such policy often fails to have the level of intensity that is likely to make a difference. Some interventions increase social inequalities as they favor the more advantaged disabled people, e.g., those with higher education. Regarding anti-discrimination legislation the authors conclude that it is hard to detect a positive effect on employers' propensity to recruit disabled employees.

The other main regulative approach (in addition to anti-discrimination laws) to enhance disability employment is quotas. Assessments of this policy measure conclude that research on the effectiveness of quotas is limited (Delsen 1996) but

that: "In a cross country perspective higher employment rates of persons with disabilities are not systematically correlated with employment quotas" and "According to available data quota systems only lead to small net employment gains" (Fuchs 2014, p. 5). This result is probably due to windfall gains, squeeze out, and substitution effects (Fuchs 2014).

Several comparative studies have investigated how more specific policies or policy packages are related to employment opportunities and disability benefit claim among people with impairment and long-standing illness. In a comparative analysis of 17 OECD countries, Morris (2017) found, first, that in countries with more employer responsibilities and stricter definitions of disability, there was a reduced likelihood of going on disability benefits. Secondly, and contrary to common belief, he showed that comprehensive rehabilitation systems and strong work incentive rules were unrelated to the likelihood of going on long-term disability cross-nationally. As two of the most widely used forms of employment policies for disabled, these null findings are worth highlighting. It is likely, however, that "rehabilitation systems" in this study mostly refer to provision of supply-side services which are proven to have limited employment effects. Another point is that it is rather common to use (reduction in) disability benefit caseload as an indicator of "successful" disability policies. We would argue that this is a misconception which is based on the assumption that reduced caseloads are equivalent to increased labor force participation. This assumption is, however, not supported by empirical evidence. In the OECD area, there is virtually no association between benefit receipt rates and employment rates among disabled people or changes over time in these phenomena (MacInnes et al. 2014: Figs. 5.1 and 5.2). Furthermore, improving work incentives by cutting benefits may have other unintended consequences. One recent study indicates that generous sick leave arrangements may constitute a source of resilience for workers, as the mental health of workers with the harshest working conditions was significantly better in countries with more generous sick pay arrangements (van der Wel et al. 2015). Another recent study even found that cuts in sickness benefit provision, although related to short-term gains, were related to *higher* sickness absence in the longer run (Sjoberg 2017). These results throw some doubt on the validity of OECD's recommendations to strengthen work incentives and expand traditional rehabilitation efforts to deal with the disability challenge.

In a study of the Scandinavian countries, Heggebo (2016) found that the Danish "flexicurity" model, described above, seems to stimulate on average better employment opportunities among disabled people. However, this turns out to be true only for individuals with higher education, whereas people with health problems and low education were "punished" in terms of labor market participation. Furthermore, the study indicated no particular benefit in terms of the overall disability employment rate. A comparative study by McAllister et al. (2015) by and large supports this. The authors stated that policies with higher employment protection and higher economic security, like the Swedish, were more beneficial for those with short education and health problems. Reeves et al. (2014), in a multi-country comparison, found that employment protection may reduce the risk of job loss among disabled women but

only in countries that were moderately hit by the Great Recession. Employment protection legislation may also interact with the benefit system (Biegert 2017). Finally, econometric evidence on job satisfaction suggests that it is better to have a fixed term contract and high subjective job security than to have a permanent job and low job insecurity (Origo and Pagani 2009).

An increasingly popular policy nationwide is the use of benefit conditionalities and sanctions imposed on non-complying people with impairment or long-standing health problems. This policy option is part of the OECD integration dimension aiming at influencing the labor market behavior of the disabled and is recommended by the organization. An overview and assessment of six well-conducted studies from different countries conclude that only one study (from Norway) demonstrated a clear positive effect. The others show null or negative results. Two studies indicate that the stronger forms of disability conditionality are counterproductive as they show a reduction of labor force attachment among disabled people and detrimental effects on mental health (Geiger 2017, p. 120). Other studies corroborate these findings. In Finland, Malmberg-Heimonen and Vuori (2005) find absence of positive mental health effect of program participation among long-term unemployed if participation was enforced as well as lower reemployment rates. Davis (2018), in an analysis of data from the USA, demonstrates that harsher sanctions and stricter job search requirements affect mental health negatively among low-educated single mothers. Research findings like these are important in light of OECDs recommendation from 2010 to enforce conditionality in member states' disability policies. At that time, OECD's advice was not backed up by direct empirical evidence (Geiger 2017, p. 108) and still fails to gain support from empirical research.

Whereas supply-side (e.g., counseling) and demand-side approaches (e.g., wage subsidies) have proven to render limited impact on labor market participation among disadvantaged groups, "support-side" approaches that are based on place-then-train strategies and provision of long-term quality support at the workplace appear far more promising (Frøyland et al. 2019). Support-oriented programs such as Supported Employment and Individual Placement and Support (IPS) seem to outperform supply-side programs (Nøkleby et al. 2017). However, although many carefully conducted RCTs of IPS programs indicate a good effect on labor market participation among the target groups, the implementation of such programs in the real world is a somewhat different matter. A review of facilitators and barriers linked to the implementation of IPS programs identifies a number of barriers at different levels (Bonfils et al. 2017). This literature review points out influential factors at the level of the context, organization, cooperation/teamwork, and the individual. For example, an important facilitator is the adoption of a fidelity scale to measure quality and that the local leaders and IPS specialists are adequately educated and skilled. Barriers at the contextual level are present when the national employment policy contradicts the IPS program. At the local level, barriers are related to mental health professionals' negative attitudes toward IPS. Difficulties in implementing IPS in the real world suggest that if rolled out on a large scale, expectations as to the effectiveness of IPS schemes should be somewhat tempered. Furthermore, job quality is essential. Disabled people seem to more often occupy peripheral positions in the

labor market (Roulstone 2012), which may also entail higher job insecurity and poorer working conditions.

Summary and Conclusion

Over the past decades, we have witnessed a radical shift in the perspective on the role disabled people have in relation to the labor market. Many disabled people want to work, are able to work, and lawfully have the right to work. Nonetheless, low employment rates and high poverty rates among disabled people persist, and this is despite the numerous policy initiatives that have been launched aiming at rising employment levels in many countries over the past few decades. We have seen policy reforms in the areas of prevention, compensation, and integration policies and in the regulation of the labor market. In the foregoing section, we have attempted to appraise how several of these policy initiatives and interventions have affected the labor market outcomes among chronically ill and impaired people.

Working conditions are a likely cause behind sickness absence and disability, and large differences exist between social and occupational groups (Eurofound 2017). Although legal frameworks exist to protect the health of workers, much can still be done to enforce compliance. Furthermore, examples of successful workplace interventions exist to increase workers' control and physical activity and hence their health and resilience. Improving working conditions in general may also ease the integration of disabled people into work. Prevention in terms of improving the work environment is and still should be an important priority.

Compensation and integration measures represent the main social policy tools to improve labor market participation and economic well-being among disabled people. Improving work incentives for beneficiaries, restricting eligibility criteria, enforcing activity requirements, and expanding costly training and rehabilitation schemes have been popular strategies, often advocated by the OECD (e.g., OECD 2010). However, doubts about the effectiveness of these approaches have emerged.

The underlying philosophy of such supply-side policies has been that the disabled person is lacking something that he or she needs for successfully entering the labor force and that jobs are in fact available (Frøyland et al. 2019). These assumptions have been dubious, as evidenced by available literature reviews referred to above. Furthermore, reduced benefit generosity combined with insufficient integration measures is hardly a good mix as evidenced by persistent or increasing poverty rates and no or negligible improvement in labor market participation in many countries among disabled persons. Reliance on work incentives and/or reduced benefit generosity are likely to be inefficient, may increase poverty and sickness absence, and may severely affect the mental health of disadvantaged workers, rather than generating higher employment rates among disabled people (Geiger et al. 2017; Lindsay et al. 2015; Sjoberg 2017; van der Wel et al. 2015).

Bridging between integration measures and social regulation, "support-side" approaches (place-then-train) focus on engaging, incentivizing, and supporting employers to take on disabled people. Although we have insufficient knowledge

of large-scale implementation of such approaches, experimental evidence is highly promising. Programs that employ supported employment (e.g., Individual Placement and Support, IPS) have been shown to be effective in bringing people with severe health problems such as poor mental health into work (Nøkleby et al. 2017). Since mental health challenges are on the rise as a major reason for disability in many countries (Vornholt et al. 2018), this way of addressing the work issues among disabled people looks very promising, compared with existing alternatives which traditionally are supply-side oriented.

Regulative approaches, such as employment quotas and anti-discrimination legislation, do not seem to receive much empirical support, but it seems obvious that national and supranational legal frameworks have played an important role in defining the now broadly acknowledged aim of improving participation, economic well-being, and labor market opportunities of disabled people. Furthermore, employment protection legislation provides an important context in which other integrative efforts exist, and may affect labor market outcomes. Research reviewed here indicates that flexible hire-and-fire labor markets may come with costs in terms of mental health and social inequalities among disabled workers (Heggebo 2016; Origo and Pagani, 2009; Barnay 2016).

One key message that emanates from this analysis is that there is no easy or simple way to improve labor market participation and hence reduce poverty and receipt of disability benefit among disabled. It is hard to assess the employment effects of all the reviewed policies, reforms, and interventions in a rigorous and comprehensive way, so robust conclusions are not warranted. Yet, if the aim is to further employment and economic well-being among disabled people, available evidence indicates that much of the most popular disability policies pursued today, such as emphasis on work incentives, strict enforcement of conditionalities and sanctions, focus on "traditional" integration measures, employment quotas, and anti-discrimination legislation, do not have the desired effects, and some of them may even be counterproductive. Research evidence suggests, however, that interventions that improve the work environment, as well as programs based on supported employment approaches, are propitious avenues for future policy development.

Cross-References

- ▶ Investing in Integrative Active Labour Market Policies
- ▶ Reducing Inequalities in Employment of People with Disabilities
- ▶ Work-Related Burden of Absenteeism, Presenteeism, and Disability: An Epidemiologic and Economic Perspective

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