Disability, Work and Inclusion in Ireland

Executive Summary



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Under the direction of several broad policy strategies, including most recently the Comprehensive Employment Strategy (CES) for People with Disabilities 2015-24, significant disability policy changes have taken place in Ireland in the past decade. The impact of those reforms, however, has been limited. Persons with disabilities in Ireland continue to face significant gaps in employment and unemployment compared with persons without disabilities. In 2016 (census data), the employment rate of persons with disabilities was about half of the rate for persons without disabilities (36.5% vs. 72.8%). This employment gap is much larger than in most other EU-OECD countries, and also slightly larger than the gap in Ireland ten years earlier.

The COVID-19 pandemic is having a severe impact on job creation in Ireland and there is a considerable risk that the crisis will deteriorate the labour market situation for persons with disabilities further – as was the case after the Global Financial Crisis in 2008-09. As persons with disabilities in Ireland tend to have lower levels of formal education, are under-represented in full-time employment and over-represented in involuntary part-time employment, they are more vulnerable to job losses during a crisis. Being more exposed than the average worker to the risks from accelerated automation and slightly over-represented in the economic sectors hit hardest, they are also more vulnerable in this crisis.

Four out of ten working-age individuals with a disability in Ireland have only primary or lower secondary education, twice the rate of the rest of the Irish population. Lower levels of education, skills and adult learning participation act as a major impediment to the labour force participation of persons with disabilities in Ireland. In 2018, over 10% of the Irish working-age population received one of the many disability payments, including many young adults. This is one of the highest shares in OECD countries, in part caused by the fragmentation and characteristics of the disability benefit system. Very few of those on disability payments in Ireland work, yet, data indicate that a significant share of them would be able to take up work if the right incentives and support measures were in place.

Employer engagement and support for employers are critically important for the improvement of the labour market situation for persons with disabilities in Ireland. Effective strategies for employer engagement are critical, to overcome disability-related misperceptions and discrimination and to raise awareness about available support programmes and subsidies. Yet, Ireland has an underdeveloped employer engagement structure with respect to information and support for the employment of persons with disabilities. Based on these findings, the following OECD recommendations emerge from this report:

# Getting persons with disabilities into the labour market

* **Take steps to expand Public Employment Services (PES) for persons with disabilities:** The Irish Government should make mainstream services by the PES more accessible for persons with disabilities, including by earmarking resources and caseworkers to non-unemployment benefit recipients to ensure consistent outreach and guidance, and targeted profiling and registration of persons with disabilities in the Irish Live Register. In parallel, effective supported employment programmes such as Individual Placement & Support for persons with mental health conditions should be scaled up and rolled out throughout the country and the sustainability of such programmes ensured through long-term planning and funding.
* **Strengthen the employer engagement structure:** Building on the existing PES system, the Irish Government could create a well-embedded employer service that employers know and can access easily at no cost, as an additional arm of the PES. The new service must be sufficiently resourced, with specialised caseworkers, and should provide comprehensive support for employers seeking to hire persons with disabilities throughout the recruitment process and during employment to retain and support career progression for persons with disabilities.
* **Improve incentives for employers and employees:** The Irish Wage Subsidy Scheme could be made more flexible to reach a broader group of persons with disabilities, while reassessing eligibility regularly to reduce the subsidy, if appropriate, and avoid misuse. Work incentives will also have to be addressed through better promotion of existing regulations (e.g. the income disregard for recipients of Disability Allowance and Back-to-Work Allowance) and the introduction of permanent in-work payments to encourage people to use their remaining work capacity.
* **Ensure early engagement and intervention:** Early engagement could be strengthened by: i) introducing a higher age limit for the granting of permanent disability benefits; and ii) a reform of Partial Capacity Benefit to make it mandatory for those fulfilling the entitlement criteria and available to more persons with sickness or disability, and by turning it into an in-work payment. In addition, the introduction of participation requirements to non-unemployment recipients, in line with a person’s capacity, including recipients of Disability Allowance, could help to improve take-up of support programmes and ensure earlier engagement with persons who enter the disability system.

# Keeping persons with disabilities in sustainable employment

* **Engage employers to adapt and accommodate work activity:** To make work accommodation widely available for all workers, including those with disabilities, a statutory entitlement to working-time flexibility, working-hour reduction and working from home could be introduced. Such a measure, which would apply to everyone, will reduce employment barriers for persons with disabilities. Information and guidance should be made available to employers on how to put reasonable accommodation into practice for workers with disabilities, with focus on different and customised types of accommodation which are often not very costly, including the provision of assistive technology, the adaptation of job requirements, and if needed the provision of personal assistance. Promotion of disability awareness training can help for more inclusive corporate cultures.
* **Develop a comprehensive policy agenda to make the adult learning system more inclusive:** The Irish Government should improve the universality of the Irish adult learning system to encourage adult learning among all adults, regardless of disability, age or level of education. The government should reach out and provide career guidance to potential harder-to-reach learners; provide high-quality and relevant adult learning programmes for persons with disabilities; help employers invest in their capacity to improve the skills of all of their workforce; and consider implementing education and training leave with financial compensation for employees and employers. Greater universality of adult learning will be critical to harvest the digital opportunities of the future labour market.
* **Increase employer incentives to prevent sickness and disability and promote return-to-work:** In the on-going discussion on the introduction of statutory sick pay, the Irish Government should aim for an encompassing system that covers all health conditions and all types of employment, to realise the largest gains for workers and the Irish population at large. Ireland should also consider implementing a vocational rehabilitation pathway, with shared responsibilities with the employers. Vocational rehabilitation helps to restore and develop skills and capabilities of employed persons with disabilities, so that they can continue to participate in the general workforce.