Disability, Work and Inclusion in Ireland

ENGAGING AND SUPPORTING EMPLOYERS

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BETTER POLICIES FOR BETTER LIVES

Please cite this publication as:
OECD (2021), *Disability, Work and Inclusion in Ireland: Engaging and Supporting Employers*, OECD Publishing, Paris, *https://doi.org/10.1787/74b45baa-en*.

ISBN 978-92-64-54431-4 (print)
ISBN 978-92-64-36831-6 (pdf)
ISBN 978-92-64-87965-2 (HTML)
ISBN 978-92-64-91173-4 (epub)

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Foreword

Driven by ambitious and strong national policy strategies, much has changed for the better over recent years in the Irish system of benefits and services for persons with disabilities. Unfortunately, however, these improvements in policies have not yet produced the desired results. Ireland still has one of the largest disability employment gaps within the EU and the OECD. The employment rate of persons with disabilities in Ireland is about half the rate for persons without disabilities, with a widening gap in recent years.

Employer engagement is critically important to ensure that good policies yield good outcomes. The Irish Government has identified the provision of support for employers, to recruit and retain persons with disabilities and to facilitate return to work after the onset of a disability, as a key strategic priority in their efforts, as reflected in the Comprehensive Employment Strategy for Persons with Disabilities 2015-24. However, employer engagement, employer outreach and employer incentives remain inadequate in Ireland, holding back the necessary improvement in the employment rates of persons with disabilities.

This OECD report provides policy makers in Ireland with a diagnosis of key trends and untapped opportunities with regard to engaging employers in improving labour market outcomes for persons with disabilities. The report examines the impact of the COVID-19 pandemic on Ireland's economy and discusses potential repercussions on the labour market integration for persons with disabilities. It also highlights the critical role of employers in keeping persons with disabilities in quality employment and of public employment services in engaging employers in efforts to get persons with disabilities into work.

The preparation of the report involved a number of steps that contributed to shaping its conclusions:

- A series of meetings with key stakeholders and institutions on the situation and challenges in Ireland; notably with various government departments, main policy delivery institutions (such as Intreo and SOLAS), social partners, and regional authorities and actors, especially in Cork.
- A national virtual workshop with policy makers from different departments and institutions to receive feedback on the draft findings and policy conclusions.
- A series of meetings with a team at the National Disability Authority to test ideas and discuss the focus and the key elements of the project.
- A consultation meeting with the disability sector, organised by the National Disability Authority, with a focus on possible reforms affecting the lives of persons with disabilities.
- A peer-learning event with the Austrian Public Employment Service and Irish policy makers, as Austria and its employment service was identified as a relevant benchmark for Ireland to follow, when extending the role of its own employment service.
- A survey of employers, which was delivered with the help of Chambers Ireland and IBEC, to explore the views and needs of employers.

All participants in these events are warmly thanked for their invaluable insights and advice.

Acknowledgements

This report has been prepared jointly by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), led by Lamia Kamal-Chaoui, and the OECD Directorate for Employment, Labour and Social Affairs (ELS), led by Stefano Scarpetta. This work was conducted as part of the OECD's Local Economic and Employment Development (LEED) Programme and the Employment, Labour and Social Affairs Committee (ELSAC), with financial support from the Irish National Disability Authority.

The report was prepared by Stefan Thewissen, Cem Özgüzel and Tilde Marie Ussing, under the joint supervision of Christopher Prinz and Jonathan Barr, who also drafted sections of the report and co-ordinated the overall project. Dana Blumin provided statistical support, Anna Ikic and Sorrel Stewart provided support with the layout and setup of the report, and Miguel Peromingo prepared a document on good practises in other OECD countries shared with the National Disability Authority earlier in the project. Lucy Hulett and Liv Gudmundson prepared the report for publication.

Officials from the Irish National Disability Authority played an important role in the funding and co-ordination of this project, and provided constructive feedback on the development of the report. The OECD would like to thank in particular Aideen Hartney, Marion Wilkinson, Carly Cheevers and Rosalyn Tamming, who met with the team on a monthly basis. However, the opinions expressed and arguments employed in this report are those of the OECD secretariat and do not necessarily represent the official views of the National Disability Authority.

The OECD would also like to thank the numerous department officials across Ireland that participated in this project, including from the Department of Education and Skills; the Department of Enterprise, Trade and Employment; the Department of Further and Higher Education, Research, Innovation and Science; the Department of Public Expenditure and Reform; the Department of Social Protection; and the Department of the Taoiseach. In particular, we would like to extend our thanks to Jim Dalton (CSO), Roisin Doherty, Shauna Dunlop and Selen Guerin (SOLAS), Finbarr Lane (DES), Clare Dunne (DBEI), Paul Hill, Martina Jordan, Barry Kennedy, Siobhan Lawlor, Adrienne Collins, Emma Morrissey, Dermot Coates and Helen McDonald (DSP), and David Joyce (ICTU). Special thanks go to Emma Kerins (Chambers Ireland) and Kara McGann (IBEC) who have kindly helped us to distribute the employer survey in these difficult times of COVID-19. We also thank Bertrand Maître and Elish Kelly (ESRI) for their comments. The team is also grateful to the participants of the OECD/NDA focus group who provided input on a draft version of the report. Finally, the team thanks Simone Gassler, Susanne Dungl, Sigrid Drobits and Lucas Gruber from the Austrian Public Employment Service who shared key elements of the way in which they work with employers and persons with disabilities in a peer learning event organised as part of this project.

The painting on the front cover comes from *Ateliers Personimages*, a French non-profit association promoting artistic creation for persons with disabilities (www.personimages.org).

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Acronyms and abbreviations

AHEAD	Association for Higher Education Access and Disability	**IP**	Invalidity Pension
ALMP	Active labour market policy	**IPS**	Individual Placement and Support
CEP	*Conseil Évolution Professionnelle*	**IT**	Information Technology
CES	Comprehensive Employment Strategy for People with Disabilities	**KAM**	Key Account Manager
CRPD	Commission for the Rights of Persons with disabilities	**LAFOS**	Labour Force Service Centres in Finland
CSO	Central Statistics Office of Ireland	**LES**	Local Employment Service
DA	Disability Allowance	**MBDF**	Malta Business Disability Forum
DCA	Domiciliary Care Allowance	**NAV**	Labour and Welfare Service in Norway
DEASP	Department of Employment Affairs and Social Protection	**NCSE**	National Council for Special Education
DES	Department of Education and Skills (now Department of Education)	**NDA**	National Disability Authority
DSP	Department of Social Protection	**NEET**	Not in Education, Employment, or Training
EARN	Employer Assistance and Resource Network on Disability	**NGO**	Non-governmental organisation
EDI	Employer Disability Information Service	**NLN**	National Learning Network
ESENER	European Survey of Enterprises on New and Emerging Risks	**ODEP**	Office of Disability Employment Policy
ESF	European Social Fund	**OECD**	Organisation for Economic Co-operation and Development
ETB	Education and Training Boards	**OOD**	Opportunities for Ohioans with Disabilities
EU-LFS	European Union Labour Force Survey	**OSH**	Occupational Health and Safety
EU-SILC	European Union Statistics on Income and Living Conditions	**PCB**	Partial Capacity Benefit
EU	European Union	**PEER**	Providing Equal Employment Routes
EWCS	European Working Conditions Survey	**PES**	Public Employment Service
EWSS	Employment Wage Subsidy Scheme	**PEX**	Probability of Exit score
FET	Further Education and Training	**PIAAC**	Programme for the International Assessment of Adult Competencies
FETCI	Further Education and Training Colleges Ireland	**SHWW**	Safety Health and Welfare at work Act
GDP	Gross Domestic Product	**SME**	Small and Medium Enterprise
HPWI	High-Performance Working Initiative	**SOLAS**	Irish adult training funding authority
HPWP	High Performance Work Practices	**SPR**	Social Policy Research Associates
HR	Human Resource	**TTTI**	Testing, Tracking, Tracing and Isolating
IB	Illness Benefit	**UN**	United Nations
Ibec	Irish Business and Employer Confederation	**UNCRPD**	United Nations Convention on the Rights of Persons with Disabilities
ICT	Information and Communications Technology	**ULR**	Union Learning Representatives
ILO	International Labour Organization	**YESS**	Youth Employment Support Scheme
IMF	International Monetary Fund	**WAM**	The Willing Able Mentoring Programme

Executive summary

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.

1 Assessment and recommendations

The disability employment gap is exceptionally large in Ireland and there is a considerable risk that the COVID-19 crisis will further increase this gap. Ireland is aware of the need for action to increase employment participation and thus also the incomes of persons with disabilities. In the course of the implementation of the Comprehensive Employment Strategy, a number of new supports were introduced for both employers and employees but the take-up of all these programmes and measures is stubbornly low. Further reform will require leadership and a whole-of-government approach, and must include measures to spur and facilitate the engagement of employers on the one hand, and measures to further improve the skills and work incentives of persons with disabilities on the other.

1.1. COVID-19 has been a shock to the Irish labour market

Similar to other OECD countries, the COVID-19 crisis continues to have significant impacts on Ireland. The immediate impact has been much greater than during the first months of the Global Financial Crisis in 2008/09. The effects of the COVID-19 crisis are also unlikely to fade away rapidly, as the supply shock has quickly turned into a demand shock, and as economic activity in many sectors remains subdued. Latest data from the OECD suggest that it will take Ireland 4.5 years to get back to pre-pandemic employment levels, compared to 3.75 years for the OECD as a whole and only 2.5 years in many other small European economies such as Austria, Denmark and Sweden (OECD, 2021[1]).

At the beginning of the crisis during the first lockdown, the Irish economy experienced a significant drop in job vacancies of more than 56% (comparing vacancies in June 2020 to the previous year). Since this time, the gap has narrowed to 16% in December 2020. Unemployment was 7.2% in December 2020 but as high as 20.4% if one accounts for the COVID-19 Adjusted Measure of Unemployment, which considers recipients of the government's pandemic unemployment payment as unemployed.

1.2. The crisis is an opportunity to build back better for persons with disabilities

The Irish Government has introduced a number of policy responses aimed at containing damage and supporting workers and companies as well as at avoiding destruction of viable activities and competencies, thereby preparing the recovery. Nevertheless, the COVID-19 crisis could lead to deepening divides within labour markets at the national and local level across Ireland. As with other OECD countries, the low skilled population, low-wage workers, part-time workers, women, migrants and young people have been hit hardest by COVID-19-related job losses. Another key group is persons with disabilities, who were facing a number of barriers to the labour market even before the pandemic. The COVID-19 crisis presents several risks and opportunities for persons with disabilities in Ireland. On the one hand, the crisis could further exacerbate the barriers they face to fully participating in the labour market. On the other hand, the sudden shift to digital work provides a new avenue to promote overall labour market participation.

1.3. Ireland has a large disability employment gap

At about 30-36%, depending on the data source, employment rates of persons with disabilities in Ireland are very low and only half or even less than half the rate of persons without disabilities. The disability employment gap is much larger than in most other OECD countries and twice the OECD average. A main driver for this disappointing outcome is the large employment gap in Ireland for persons with a low level of educational achievement and the high share among persons with disabilities in Ireland who leave the education system with a low level of education.

Further comparative data suggest that the Irish labour market is generally not very inclusive. Other disadvantaged groups, such as older workers, mothers with young children, migrants or Travellers, also struggle to access the labour market – a labour market geared towards mainstream full-time employment and offering limited work time and work place flexibility. Persons with disabilities are those facing the largest employment disadvantage of all groups.

1.4. Many Irish receive a disability payment and many of them are able to work

A large share of people in Ireland – over 10% of the working-age population – receive a disability payment, especially Disability Allowance (for those with limited work record) or Invalidity Pension (for those with sufficient insurance years) but also a number of other disability-related payments. The share is much higher

than in most other OECD countries and, notably, a very high share of those benefit recipients – almost two-thirds of them – say they are able to work. This aligns with survey data suggesting that persons with disabilities struggle with finding a job, or a better job. The exceptionally high unemployment rate for persons with disabilities in Ireland, of almost 30% compared to about 10% for the rest of the population, prior to the pandemic and the resulting jobs crisis, mirrors their struggle to find employment.

Despite and because of the large number of people receiving disability payments, low income and a high risk of poverty are frequent realities for persons with disabilities in Ireland, affecting around one in four of them, again significantly more than the OECD average. Many persons with disabilities in Ireland live from social benefits which, unless for the very young, are not sufficient to prevent poverty. Finding employment and, ideally, progressing in the job is the only viable option to escape low income.

1.5. There is still too much focus in Ireland on disability and too little on ability

While having a paid job is so important, the analysis of policies and strategies and the consultations with key stakeholders suggest there is still a widespread viewpoint in Ireland that disability and work are not very compatible, and related to this a certain perception that:

- Persons with disabilities are better off on public support;
- Employers are better off not employing persons with disabilities; and
- Public institutions can afford not to engage with persons with disabilities.

Reality reflects this viewpoint in various policies and practices. Many employers claim to have never recruited persons with disabilities – an unexpected situation given the high prevalence of disability in the working-age population (around 15-20%). More than in many other OECD countries, people in Ireland still view disability through a medical lens, as is illustrated in a number of regulations. For instance, persons on Illness Benefit or Invalidity Pension need an exemption to participate in training. A regulation according to which allowed work for persons on Disability Allowance must be “rehabilitative” (as determined by a doctor) has been removed with recent reforms.

1.6. In the past 13 years, policy progress was considerable

Thirteen years ago, in 2008, just before the Global Financial Crisis, when the OECD published its last report on disability policy challenges in Ireland, we found a country with a very fragmented system of benefits and services, provided in a rather traditional, passive and reactive manner. Employment support, for instance, came still predominantly in the form of Community Employment in a sheltered environment, rarely leading to open employment. Early intervention was largely non-existent.

However, we also noticed that problems were well recognised and understood and many promising changes planned or underway. This included a plan back in 2008 to introduce customer-oriented active case management for all recipients of welfare payments, including disability payments, matched by the development of a Comprehensive Employment Strategy for persons with disabilities, focussed on enhanced service effectiveness. There was also increasing effort to connect the work of different departments through jointly agreed co-operation protocols.

What happened in the past 13 years, and where is Ireland now? Not all plans from 2008 were materialised: customer-oriented case management for people on disability payments was never implemented, and cross-departmental co-operation protocols remained ineffective for persons with disabilities. However, much has changed for the better. Intreo, implemented over the past decade, now delivers benefit payments and activation services together in a one-stop-shop and is in a stronger position today to serve jobseekers with health conditions or disability. Active engagement with both jobseekers and employers has seen a

considerable push, even if this came to a pause during the pandemic. The Make-Work-Pay report, which emphasised the need for early intervention, especially for young people moving onto Disability Allowance, led to several improvements in the incentives to work for persons with disabilities.

1.7. Employment outcomes have not changed in line with policy change

Have these changes and ambitions brought the aspired improvement in employment rates for persons with disabilities in Ireland? Unfortunately, they have not. From 2011 to 2016, the employment rate of persons with disabilities has increased, but less than for other population groups, and the employment gap has widened further. This suggests that the small improvement may have been a consequence of the stronger economy predominantly, while policy change may have had little impact so far. This is the somewhat disappointing starting point of this analysis.

With the looming labour market crisis resulting from the ongoing health crisis, there is a risk that the situation will deteriorate. There might be a perception that this is the wrong moment to improve the labour market situation of persons with disabilities and to close the large disability employment gap in Ireland, as companies are struggling to survive and not really recruiting. However, it is the moment to think of policy change because we know from the past that persons with disabilities are unlikely to benefit from an upswing to the same degree as other groups of the population.

1.8. The Comprehensive Employment Strategy is a strong policy framework

Ireland's policy is currently delivered through the second phase of the Comprehensive Employment Strategy (CES) for Persons with Disabilities 2015-24, which identified six strategic priorities for the government, addressing all key aspects of a functional system. First, the promotion of education, skills, competence and independence. Second, the provision of individualised bridges into the open labour market. Third, the need to make work pay and for a streamlined return to disability payments for those who have to leave employment. Fourth, the need for support to obtain, retain or regain employment for those who acquire a disability. Fifth, the provision of seamless and co-ordinated services to support pathways to sustainable work. Sixth, the provision of support for employers to recruit and retain persons with disabilities and to facilitate the return to work after the onset of a disability.

This report has a focus on the sixth priority of the CES, the engagement of and support for employers, arguably because of less policy change in this field compared to the other priorities of the CES. A lacking focus on employer needs and concerns is, by some stakeholders, seen as the missing link for the CES to achieve its goals and employment targets. That said, the aim to achieve an employment rate for persons with disabilities of 38% by 2024 – a target that was set before the current health crisis – seems rather unambitious though suddenly more plausible, given the looming labour market crisis. It is worth mentioning that an earlier Irish strategy, the National Disability Strategy 2004, has already set a much higher but never achieved quantitative target (with a targeted employment rate for persons with disabilities of 45% by 2016). Also from this point of view, recent targets appear less ambitious but also more realistic.

1.9. Employer engagement and employer support is a critical building block

Employer support and employer engagement is critically important for a successful disability policy for a number of reasons:

- First, to overcome the often-cited fears and uncertainties of employers around the employment of persons with disabilities. Employers must have a place where they can get advice easily and at no

cost, and governments must reach out to employers actively to provide information and dispel employer fears and worries.

- Secondly, to raise the awareness about government programmes, subsidies and supports which employers and their workers can access to facilitate the recruitment and retention of workers with disabilities. Ireland has a number of promising programmes in place, the biggest weakness of many of which is their very low take-up.
- Thirdly, to ensure that job loss associated with technological change does not affect persons with disabilities more than other groups of the population. Analysis in this report suggests job loss from technological change could affect persons with disabilities disproportionally. They are more likely to work in jobs with a significant risk of automation.
- Fourthly, to ensure that persons with disabilities can benefit from the spreading of teleworking to the same degree as other workers. Analysis in this report suggests that, across Ireland and the OECD as a whole, at least one in three jobs are amenable to remote working. Working from home and not having to commute to a workplace on a daily basis could provide new opportunities for all workers and for persons with disabilities in particular.
- Finally, to ensure that persons with disabilities can benefit from the next economic upswing. The Global Financial Crisis has further deteriorated the labour market position of persons with disabilities, leading to renewed efforts by the government to reach out to persons with disabilities. With the unexpected pandemic and the temporary shutdown of parts of the economy, these efforts have all come to an abrupt pause. Moving forward it will be critically important to prioritise persons with disabilities in labour market policies and programmes.

1.10. Employer survey confirms gaps in experience among employers in hiring persons with disabilities and in using supports available to them

The small employer survey carried out as part of this project is not representative for Ireland, because of a low number of respondents, but the findings are illustrative and confirm what is known from other surveys. About one in two employers say that they do not have a staff member with a disability, four in ten say they would consider hiring someone presenting with a disability, and three in ten say they have hired someone in the past two years. At the same time, only 10% are aware of Ireland's Reasonable Accommodation Fund while 70% say they have never received any advice from, for example, other companies, employer associations or organisations delivering disability services on how to integrate and retain people who identify as having a disability, but would like to know more about this type of support. All this suggests that disability and disability supports have not arrived in the employment mainstream.

1.11. Ireland needs a much stronger employer engagement structure

While employer engagement and outreach is a weak element in Ireland's policy landscape, the Department of Social Protection has taken steps in the right direction in the past few years through the implementation of an employer outreach unit. Its reach and resources, however, remained rather minimal. To fill this gap and pushed by the CES, the Employer Disability Information (EDI) service was introduced in 2016, as a peer-to-peer service through which employers can obtain the information they need in recruiting and retaining workers with disabilities. This was a timely step as the need for peer support is often expressed, including in the employer survey conducted as part of this project in which peer-to-peer support was found to be the most requested approach. However, the EDI remained small and without impact as it failed to reach small and medium sized businesses, and its funding ended after only a few years. A new contracted-out service was introduced in March 2021, under a new name (Employers for Change) but with a similar objective to provide an effective peer-to-peer service for employers. At this moment, it is too early to tell

where the journey will go. The success of the new service will depend predominantly on the amount of resources attached to it: with a current budget of EUR 150 000 per annum, its impact ought to be limited.

Successful employer engagement needs a well-embedded and well-accepted structure, i.e. a service that employers know and can access easily and at no cost. The non-existence of such a structure is a major weakness in the Irish system, and finding the right place for it will be critical. In many OECD countries, the Public Employment Service (PES) has a twofold role as a provider of services for jobseekers and employers (and in some countries even threefold because the PES is also responsible for the training of employees). While Ireland's PES struggles with its legacy as a service for hard-to-employ workers, it has changed remarkably in the past decade and has the potential to transform into a service for all jobseekers and all employers. The key issue is to resource an employer service appropriately, ideally ensuring every employer has a dedicated contact person to turn to in the nearest Intreo office.

If it was not for the PES to implement a strong employer function as an additional service, another effective structural solution must be sought within the public service. If employers have no place to go to receive advice and support, even better employer measures will remain ineffective. One possible alternative to the PES could be Enterprise Ireland with its network of local enterprise offices, which could take on additional tasks and functions. Another alternative could be the network of Regional Skills Fora, which were created as opportunity for employers and the education and training system to work together to meet the emerging skills needs of their regions but which could take on additional functions. Both alternative solutions, however, will be more costly as the local structure would have to expand. The PES with its network of local offices is the most logical candidate because it is also responsible for many of the programmes to support workers and employers seeking to recruit or retain workers with disabilities, thus allowing it to function as a one-stop-shop for employers and employees alike.

1.12. Activation has become the norm for people on jobseeker payments

The Irish PES is in a much better position today compared to a decade ago, to deliver good services to jobseekers; not the least because benefits and services are now delivered together. However, comparative data also show that the employment service is under-resourced and the system generally still payment driven rather than employment driven. Activation of jobseekers has become the norm, with jobseekers being triaged (through statistical profiling) in one of three groups, according to their support needs: The most employable 20% is referred to self-service; the least employable 20% and young jobseekers under age 25 have monthly visits with their caseworker; and the remaining group bimonthly.

The PES has various supports in place to help long-term, harder-to-place unemployed people, including through i) Job Path (a contracted programme usually lasting 52 weeks and funded by results), ii) a network of contracted Local Employment Service offices that can offer a range of special supports, and iii) a network of contracted EmployAbility offices for jobseekers with either identified or self-declared health problems or disabilities. Through these additional arms of the PES and a number of special programmes, such as the Department's Willing Able Mentoring programme (a wrap-around service for graduates with disabilities offering paid work experience), jobseekers with health problems or disability, and their potential employers, can access a range of highly promising supports. However, more could be done to ensure that the PES seeks to co-ordinate service delivery with other public authorities working in fields such as education, health, social, housing and child care, so to address the multiple challenges and barriers faced by those furthest from the labour market.

1.13. Lack of activation for those on disability payments explains low service take-up

Contrary to regular jobseekers, persons on disability payments have no obligation to see a caseworker. As soon as one receives a disability payment, formal activation stops. The introduction of a grant of up to EUR 1 000 for jobseekers engaging with the EmployAbility service in the 2021 budget increases the incentives for persons with disabilities to see a caseworker. Nonetheless, the decision to engage remains a personal and voluntary one, contrary to the situation for other jobseekers. A formal consultation of the authors of this report with the disability sector has clearly shown that persons with disabilities often report disappointing experiences when contacting Intreo and its service arms, including for example the lack of a dedicated case manager. This suggests that there is a need for clear guidelines on the way in which Intreo has to engage with persons on disability payments.

Research from other countries has demonstrated the effectiveness of activation and the drawbacks from voluntary engagement with employment services. However, there is no consensus in Ireland about the form participation requirements could take for persons on disability payments. For some among them, such requirements may indeed be inadequate, but the large majority of recipients of disability payments could (and would like to) work. There is a widespread misconception of activation as a policy instrument aimed at forcing people into work, rather than being a measure to keep benefit recipients engaged, and to work on identifying abilities and opportunities and on taking steps towards better employability and employment for all. The lack of any participation requirements for persons on disability payments in Ireland certainly contributes to the low take-up of programmes and services for this group.

1.14. Take-up of supports for employers is also very low

Take-up of programmes and services available for employers is equally low. There is a strong belief that employers are unaware of the supports available for them. Employer surveys, including the one conducted as part of this project, support this belief. However, there are broader issues, which awareness-raising campaigns alone – which are also necessary – cannot address and solve. Employers and small and medium-sized enterprises in particular tend to avoid engagement with government agencies, fearing bureaucracy and paperwork. When looking for new recruits, employers will look for the best-qualified or best suitable candidate. Also this was confirmed in the employer survey as part of this project: employers who have recruited a person presenting with a disability have in almost all cases done so because the applicant was the best candidate. There is a need to ensure that persons with disabilities are not excluded from the recruitment process – a frequently raised experience by such workers – but the key success factor for an eventual recruitment are the skills of the job applicants.

1.15. Adequate skills make persons with disabilities competitive in the labour market

In the skills space, two aspects matter: initial skills formation and further education and training in adulthood. The high share of persons with disabilities leaving the education system prematurely is a huge challenge, which no adult learning system can easily correct. While initial skills formation goes beyond the scope of this report, it is critically important for labour market outcomes later in life. It appears that inclusive education, introduced in Ireland later than in many other OECD countries, has yet to translate into inclusive learning outcomes and inclusive transitions into the labour market. Related to the latter, apprenticeships, which can provide an effective bridge to employment, are used less in Ireland than in other OECD countries and used very little by persons with lasting health problems or disabilities.

The adult learning system in Ireland is in a good position in principle with SOLAS as a state agency and national funding authority for skills programmes and the above-mentioned network of Regional Skills Fora, which are well embedded in the regional labour market. Participation in adult learning nevertheless remains a challenge. SOLAS data suggest that learners with (self-declared) disability are under-represented among all learners and tend to take low-level courses more frequently and that many of them are outside the labour market and relatively few of them employed. Data from population surveys suggest that workers with disabilities are much less likely than their peers without disabilities to participate in both on-the-job training and formal training paid by the employer.

1.16. Employment and adult training services fail to reach persons with disabilities

Programmes delivered by the PES and by training providers therefore struggle with the same challenge or limitation: participants with disabilities are highly under-represented. More efforts are necessary to ensure a higher representation of persons with disabilities on mainstream programmes for the entire population. The current mainstreaming approach in Ireland is one of allowing everyone to access mainstream support but the concept of mainstreaming goes much further than this. Training providers and the PES must reach out to disadvantaged groups, including persons with disabilities, to ensure their equal representation on successful programmes. This is especially important without any form of participation requirements for persons on disability payments. Better inclusion of persons with disabilities is often a matter of inclusion in mainstream support, not one of developing more and more specialised support.

1.17. Effective supported employment programmes should be scaled up

Nevertheless, successful special programmes for persons with disabilities must be in focus also, such as supported employment interventions, which place jobseekers with disabilities in a job in the open labour market and provide ongoing support to the worker and the employer to sustain the work relationship. The national scale up, since 2018, of Individual Placement & Support (IPS) for persons with mental health conditions is, therefore, most welcome. A number of issues are at stake during this roll-out. First, successful programmes are capped and therefore do not reach many; programme evaluation should demonstrate the cost-effectiveness to stimulate further investment in IPS. Secondly, while IPS has shown repeatedly to facilitate transitions into employment, it will also be important to sustain these jobs and facilitate mobility and career progression. Thirdly, with the trials outsourced to employment providers but funded by the Department of Health, not the PES, IPS demonstrates the critical importance of strong co-operation across government departments and agencies. At the same time, the current funding situation also – yet again – reflects the medical focus on disability taken in Ireland. Funding shared between departments would probably be the best way to stimulate co-operation between the health and the employment sector.

1.18. Good people management practices are disability inclusive

Disability management for many companies has become part and parcel of a wider diversity strategy. This can be problematic where disability finds itself at the very bottom of all diversity issues. Adopting a Universal Design approach is thus key to creating an inclusive work environment. By adopting a Universal Design approach, employers are ensuring their products, services, communications, public services and the built environment are universally designed and easy to access, understand and use for everyone.

Good people management is equally important. Jobs of high quality and high-performance work practices have the largest impact on making labour markets inclusive and, thus, also disability inclusive. Such

management practices are less widespread in Ireland than on average in OECD countries and much less widespread than in the Nordic countries, the vanguard countries for good people management. Good human resource and workplace policy that supports the development and spreading of high-performance work and management practices is good disability policy.

A related issue is the scarcity in Ireland of high-quality part-time employment, which could offer jobs and pathways for people who are not able to work full-time. Good part-time jobs could also be a building block in improving job retention for workers acquiring a disability. It is often not very costly to accommodate workplaces and work routines to allow people to continue working with a disability, and employers also have an obligation to provide reasonable accommodation that is not a disproportionate cost. In particular, the use of assistive technology is in most cases an inexpensive way to facilitate job retention and job hiring alike. Even if costs for employers may arise, Ireland has a well-resourced Reasonable Accommodation Fund, which can cover a significant share of the cost of work accommodation. Like with other public programmes, however, the awareness and use of this fund by employers is disappointing.

1.19. Employers have only weak incentives to prevent sickness and disability

In this context, another element of the Irish policy environment comes to fruition. Irish employers have lower responsibilities and financial incentives than in many other OECD countries to ensure good working conditions and prevent sickness and disability of their workers. The costs of ill health are socialised almost entirely. Ireland is one of the very few OECD countries without statutory sick pay, for example, implying that many workers rely on a rather low Illness Benefit when falling ill. Data on the share of workers covered by voluntary sick pay are not available but the limited information that is available suggests it is only a minority of workers. Ireland is also among the minority of countries in which the cost of workplace accidents and occupational diseases are fully socialised. Such setup makes it unattractive and almost unnecessary for employers to invest in workplace health and safety.

The introduction of statutory sick pay planned for 2022 will be an important albeit small step in the right direction. Most importantly, sick-pay regulations should be complemented by return-to-work support and corresponding obligations for both employers and employees. Additional steps to internalise the cost of work-caused injuries and diseases would also be welcome. This may seem unpopular with employers but will eventually benefit employers investing in health promotion and applying good management practices.

1.20. Work incentives for persons with disabilities have improved but not enough

While this report focuses on priority six of the CES, employer supports and engagement, the impact of other relevant building blocks of the Irish disability policy system are equally important. Despite recent reforms, for example, work disincentives remain a critical barrier for persons with disabilities. Larger earnings disregards for Disability Allowance (DA) recipients and Medical Card holders can alleviate the situation but cannot do away with the structural barrier. Linking health care access with benefit entitlement is a structural mistake from both an equity and a work incentives perspective. A much more fundamental and equitable solution – and one that goes way beyond the scope of this report – would be to ensure access to universal health care which would allow the government to abolish the Medical Card.

1.21. Early engagement and early intervention is still not the norm

Despite reform, DA numbers keep increasing. Ireland should revive and implement quickly its early engagement plans for those under age 22 who transition directly from education into DA, paused during the pandemic. Evidence suggests that every second DA recipient is interested in working. Foregoing their

interest and work ability is a costly mistake. Other OECD countries are not granting disability benefits before having exhausted all possibilities of vocational rehabilitation, and some (such as Denmark) go as far as not granting any long-term disability benefit before age 40, thus putting massive pressure on the public authorities to improve employability and find employment for young adults with disabilities. Ireland should also consider implementing a clear vocational rehabilitation pathway, with shared responsibilities for the employer. 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.

The lack of early engagement also largely explains both the low uptake and the low employment impact of Partial Capacity Benefit (PCB), introduced about a decade ago. Recipients of Illness Benefit or Invalidity Pension eligible to apply for PCB will often have been away from their job or the labour market altogether for a long time. The system does not appear to have the capacity to expand services for PCB clients, and the voluntary nature of PCB, the entitlement conditions and the associated loss or reduction in secondary benefits are not conducive to a higher take-up. A combination of measures could help to improve the effectiveness of PCB, including making it mandatory for those fulfilling the entitlement criteria, bringing it forward in time, improving the employment support coming with it, and turning part of PCB into an in-work payment, similar to partial disability benefits in the Netherlands.

1.22. Disability reform requires leadership and a whole-of-government approach

Disability reform is a challenging task for a government as any change is perceived to create losers, and winning the support of the disability sector may seem difficult. Leadership across a number of different departments to work together to address structural issues is therefore critical. In practice, structural reform includes two interlinked challenges: agreeing on a better system and transitioning to the new system. Grandfathering current recipients and applying new regulations to new applicants only can ease the transition even though such an approach also creates inequalities. Some types of reforms, however, such as measures affecting employer incentives, will have to be more abrupt.

Disability reform requires a whole-of-government approach, as the potential savings resulting from any change under the responsibility of one department may accrue in another department and vice versa. Disability reform also requires political leadership. The ratification in 2018 of the UN Convention on the Rights of Persons with Disabilities may help to drive the appetite for change. Ultimately, higher employment participation is much better for persons with disabilities and for the economy.

2 Challenges and opportunities in a changing world of work

This chapter examines the impact of the COVID-19 pandemic on Ireland's economy and discusses potential repercussions on the labour market integration of persons with disabilities. It starts with an overview of the recent economic and labour market trends in Ireland during the COVID-19 crisis. It then provides a snapshot of the state of persons with disabilities in the labour market prior to the COVID-19 pandemic. Finally, the chapter highlights the potential challenges and opportunities posed by automation, job polarisation and remote working for persons with disabilities.

In Brief

The COVID-19 crisis could worsen the labour market participation of persons with disabilities which was already weak before the pandemic.

- **The COVID-19 pandemic is causing a substantial labour market shock in Ireland**. The Irish economy experienced a significant drop in job vacancies of more than 56% during the first lockdown in spring 2020. The gap has narrowed to 16% by December 2020. Unemployment was 7.2% in December 2020 but 20.4% if one accounts for the COVID-19 Adjusted Measure of Unemployment, which considers recipients of the government's pandemic unemployment payment as unemployed. Unemployment is projected to remain elevated until 2024.
- **Labour market participation of persons with disabilities is stubbornly low in Ireland**. At about 30-36%, depending on the data source, employment rates of persons with disabilities in Ireland are half the rate of persons without disabilities. The disability employment gap is larger in Ireland than in most OECD countries and twice the OECD average. The main drivers for this disappointing outcome are the large employment gap among low-educated persons and the high share of low-educated persons with disabilities.
- **The COVID-19 crisis will accelerate some of the ongoing megatrends.** Already prior to the COVID-19 pandemic, the world saw significant economic, social and demographic shifts. Megatrends related to digitalisation, automation, globalisation and population ageing have been transforming the Irish labour market, reshaping the geography of jobs, the skills in demand, and the composition of local labour forces. The COVID-19 crisis is likely to accelerate digitalisation and automation. Automation poses a significant threat to the employment of persons with disabilities who face a substantially elevated risk of job loss.
- **Remote working is likely to present new employment opportunities to persons with disabilities.** Before the pandemic, remote working was one of the most requested but refused accommodation for persons with disabilities. As businesses integrate remote working into their work culture, remote working opportunities for workers with disabilities will increase. However, the possibility of remote work will not benefit everyone equally. In particular, low-educated workers, where persons with disabilities are overrepresented, are more often in occupations that are not amenable to remote work. Mainstreamed entitlement to remote work and skill investments are important for workers with disabilities to harness the opportunities presented through remote work.

2.1. Unpacking COVID-19's impact on the Irish labour market

COVID-19 has led to a labour market shock, putting unprecedented pressure on people, places, and firms. While people were forced to stay home under lockdowns, economic activity has been interrupted, leading to declining GDP and rising unemployment. Unemployment rose in many OECD countries as the pandemic spread throughout the world. Some countries have been harder hit than others.

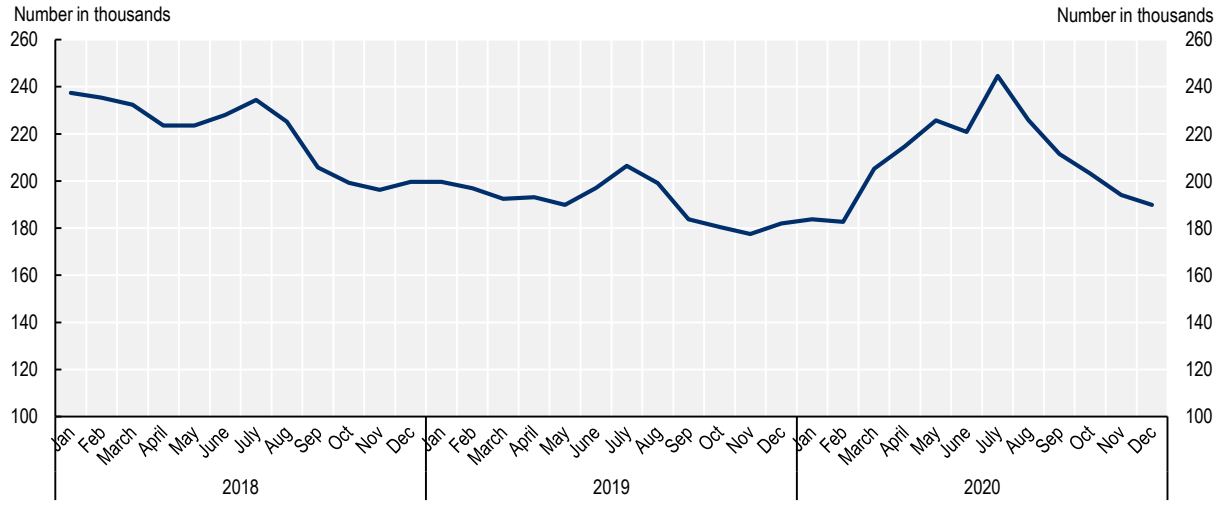
Ireland's gross domestic product is projected to shrink by 2.1% in 2020, well below 7.8% for overall Europe (European Commission, 2020[1]). Public health measures to contain the spread of COVID-19 resulted in the largest monthly increase in unemployment ever recorded in March 2020. By April 2020, more than

1 million people were in receipt of support interventions to the labour market, including those in receipt of the COVID-19 Pandemic Unemployment Payment[1] and the Employment Wage Subsidy Scheme.[2]

The COVID-19 pandemic is already having a severe impact on job creation in Ireland. In response to the crisis, the Irish Government facilitated access to Jobseekers Benefit or Jobseekers Allowance for those whose jobs have been affected by the pandemic. As of March 2020, the number of people on the Live Register increased to 205 000 people, increasing 12.3% compared to February 2020 (Figure 2.1). By July 2020, the number had peaked at 244 000 people, or 18% above the numbers compared to July 2019.

Figure 2.1. There was a large increase in Live Register claimants between March and August 2020

Live register seasonally adjusted by month from January 2018 to December 2020



Note: Data show the number of persons on the Live Register.
Source: Central Statistics Office Ireland (accessed January 2021).

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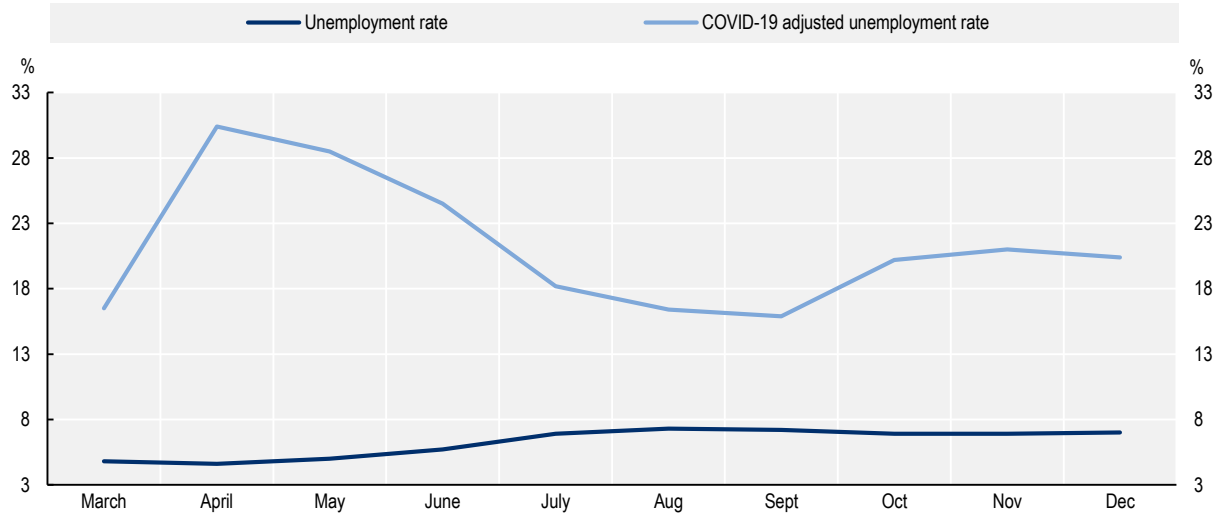
In addition, the Irish Government introduced various income support schemes in response to the shock in the labour market. These schemes were initially set up as short-term emergency supports, which were extended as the crisis continued. The existence of multiple schemes and the overlap in the number of people who were registered on either the Live Register or the COVID-19 income support schemes made it very hard to measure the number of people in the labour market.

The overall headline unemployment numbers, which are based on the Live Register, do not reveal the full extent of the labour market shock of COVID-19. As a solution, the Central Statistics Office of Ireland (CSO) started releasing a COVID-19 adjusted unemployment measure, including the Pandemic Unemployment Payment claimants as unemployed. This new measure provides an additional lens to the overall unemployment situation. For instance, while the standard measure of unemployment was 7.2% in December 2020, the COVID-19 Adjusted Measure of Unemployment could indicate a rate as high as 20.4% for the same month (Figure 2.2).

Figure 2.2. The COVID-19 adjusted unemployment rates reveal the depth of the crisis

Standard and COVID-19 adjusted unemployment rates by month between March and December 2020



Note: The unemployment rate includes those classified as unemployed following ILO definition. COVID-19 adjusted unemployment rate considers recipients of the Pandemic Unemployment Payment as unemployed.
Source: Central Statistics Office Ireland (accessed January 2021).

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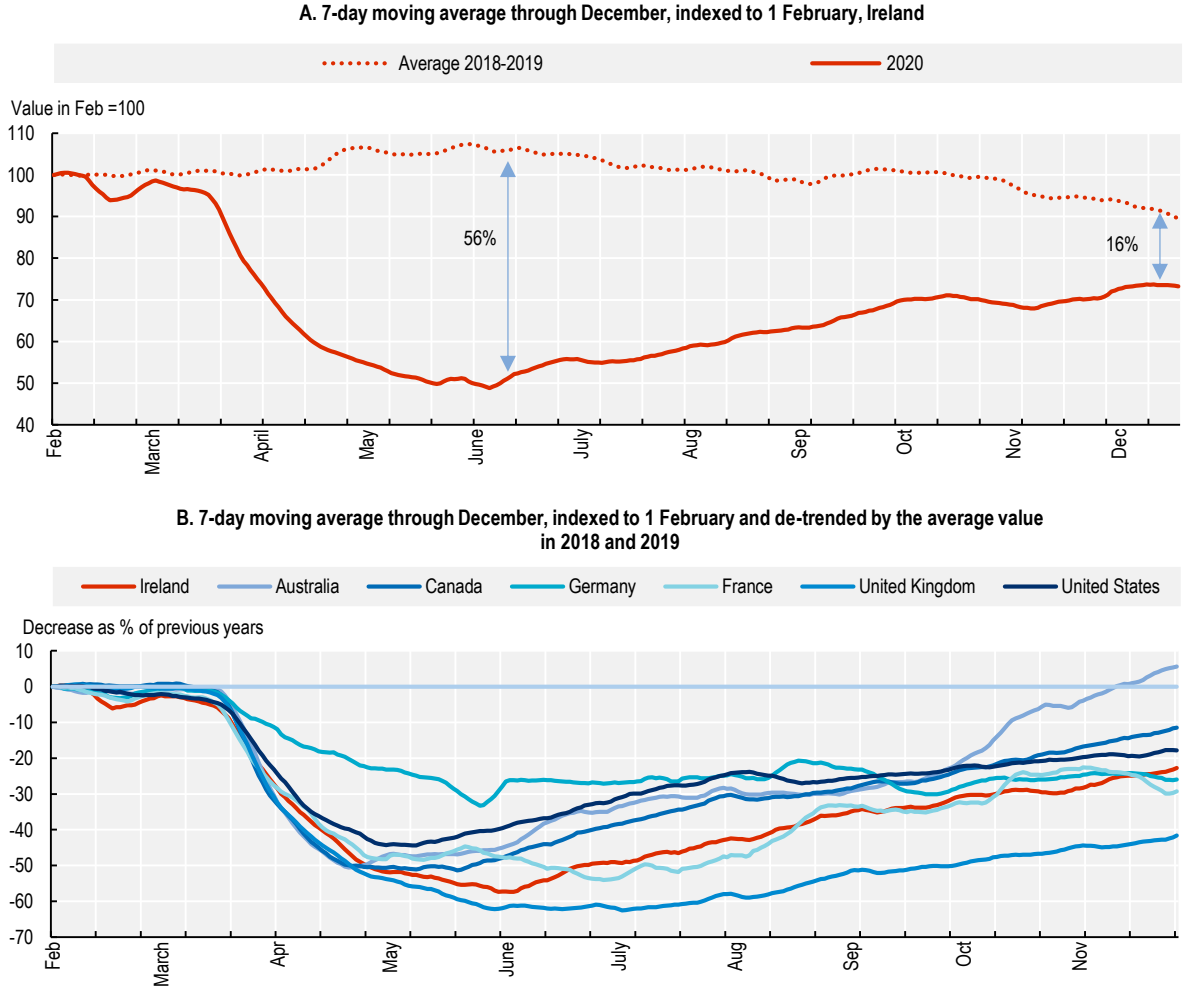
As the crisis intensified, Irish firms have significantly reduced their hiring efforts. Recent evidence based on data from Indeed.com, the largest online job site in the world, shows that the labour markets experienced a significant contraction when the pandemic first hit. Compared to the average number of vacancies posted online throughout 2018-19, the Irish economy has seen a drop in available vacant jobs of more than 56% by June 2020 (Figure 2.3, Panel A). After peaking in the summer of 2020, Ireland narrowed most of the gap to 16% as of December 2020.

The headline figures mask the unequal impacts of the crisis on different types of jobs. During this period, job ads for positions in the medical, information, social services and nursing grew (Kennedy, 2020[2]). On the other hand, jobs in sectors heavily affected by lockdowns and social distancing measures, such as hospitality, tourism, beauty and wellness or face-to-face consumer services, experienced significant declines.

The Irish economy experienced one of the largest drops in overall vacancies in the first half of 2020 and yet one of the faster recoveries relative to comparable countries in the second half of the year (Figure 2.3, Panel B). By June 2020, while all countries saw lower vacancy numbers, Ireland experienced a markedly steeper decline than other countries, performing only better than the United Kingdom. Despite the large drop in the first half of 2020, Ireland caught up with these countries in the second half of the year and narrowed the gap.

Figure 2.3. The number of jobs available in Ireland fell dramatically and recovered only gradually

Job postings in Ireland and selected OECD countries throughout the crisis



Note: Data show the number of posting normalised by the number in February. In Panel A the dotted line plots the average values for years 2018 and 2019, while the smooth line plots the values for 2020. Panel B plots the average values for 2020 de-trended by the average value in 2018 and 2019.
Source: Indeed.com.

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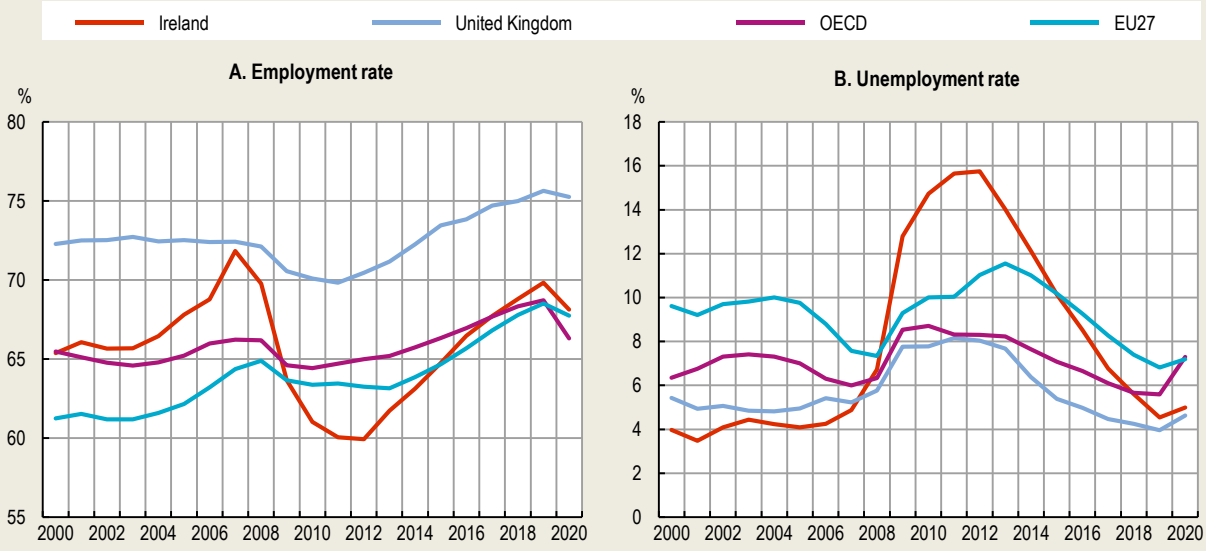
Box 2.1. The long road to recovery: Lessons from the 2008 Global Financial Crisis

Prior to COVID-19 Irish labour market was recording a stable recovery from the financial crisis

Until the 2009 financial crisis, Ireland enjoyed unemployment rates lower than the rest of the EU27 or OECD countries (Figure 2.4). During the 2009 crisis, unemployment rose dramatically, peaking in 2012 at 15.8% before declining. The overall unemployment rate came back below the EU average in 2017, and the gap between the Irish unemployment rate and the EU average has narrowed every year since 2016, as Ireland's unemployment rate continued to decline faster than the EU average. The unemployment rate for 2019 was 4.6%, down from 5.9% in 2018 and the lowest recorded in Ireland since 2007.

Ireland's employment rate was above EU27 and OECD averages before the crisis and was experiencing steady growth thanks to continued economic growth, or the so-called Celtic Tiger years (1995-2007). The crisis hit Ireland much harder than other countries. After climaxing at 71.8% in 2007, it started its free-fall during the crisis to as low as 59.9% in 2012, well below the OECD or EU27 average of 65% and 63.3%, respectively. While the employment rate grew faster following the crisis, it has not recovered the total decrease and remained below the pre-crisis level in 2019 at 69.8%. Thus, there is significant untapped potential that could be used if more people were activated within the labour market.

Figure 2.4. Employment and unemployment before and after the Global Financial Crisis



Source: OECD dataset: *LFS by sex and age – indicators*, http://stats.oecd.org//Index.aspx?QueryId=54218 (accessed 12 July 2021).

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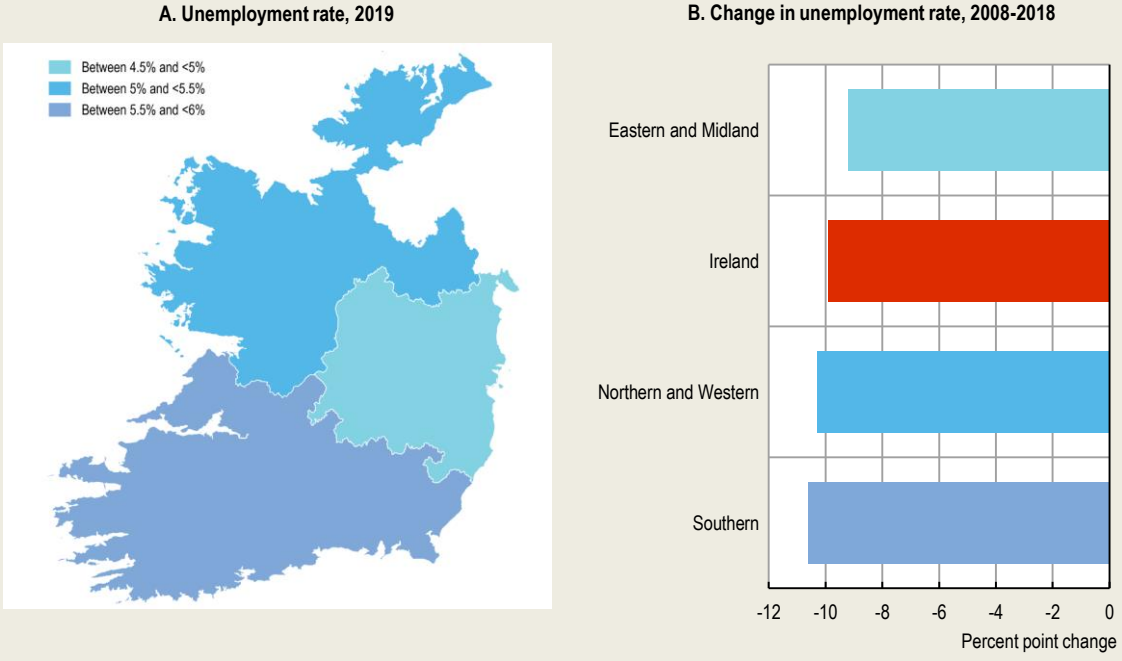
Experience from the past financial crisis indicates the impact of the crisis, and the recovery can be highly asymmetric within countries, highlighting the importance of a subnational perspective. National-level figures can mask significant disparities between regions. Before COVID-19 hit, Irish regions presented a balanced picture. Despite the significant divergence of the unemployment rates observed across Irish regions in the aftermath of the crisis, the gap narrowed as the economy grew (Figure 2.5). By 2019, the national level's low unemployment rates were also reflected across Irish regions where the unemployment rate varied less than 1 percentage point across regions, from a low of 4.8% in Eastern and Midland to a high of 5.7% in the Southern region. Following the 2008 crisis, all Irish regions had unemployment rates

lower in 2018 than in 2008, a pattern seen in only one-third of OECD countries. Regional gaps in unemployment also shrank over this period, thanks to relatively larger declines in the regions with the highest rates in 2008. For example, the unemployment rate decreased by over 10 percentage points in the Southern region, which had the highest unemployment rate in 2008. In all regions, the number of people employed grew between 2008 and 2018. Eastern and Midland were responsible for 60% of net employment growth over this period. In 2018, Eastern and Midland, which includes Dublin's capital, accounted for over 50% of all employment in Ireland and roughly 56% of all high-skill work.

Figure 2.5. Unemployment in Ireland in 2019 and changes across Irish regions in 2008-18



Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020[3]), "Regional Labour Markets", https://doi.org/10.1787/f7445d96-en, and OECD calculations on EU Labour Force Survey.

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2.1.1. The impact of COVID-19 may vary across regions

Past economic shocks have affected economies and societies profoundly but also asymmetrically across geographies. Despite the shock's symmetric origin and its global extent, the impact of COVID-19 across regions has been heterogeneous. In the global financial crisis of 2008, employment declined in almost all OECD regions, although the scale of these losses and the time it took employment levels (number of jobs) to rebound varied considerably across regions. The hardest-hit places lost 20% or more of their jobs at their respective lowest points, and in many regions, it took five years or more for employment to recover to the pre-crisis levels. Still, in 2018 nearly half of the OECD regions had unemployment rates higher than in 2008. While the COVID-19 shock is of a different scale and nature than any other shock in recent history, local resilience patterns to the last crisis suggest that the hardest-hit places will struggle to recover quickly.

Faced with the COVID-19, the resilience or vulnerability of countries and regions will depend on a wide range of factors related to health but also the economy. For instance, specialisation in sectors vulnerable to an economic shock, the share of jobs amenable to teleworking, and trade exposure may all impact local

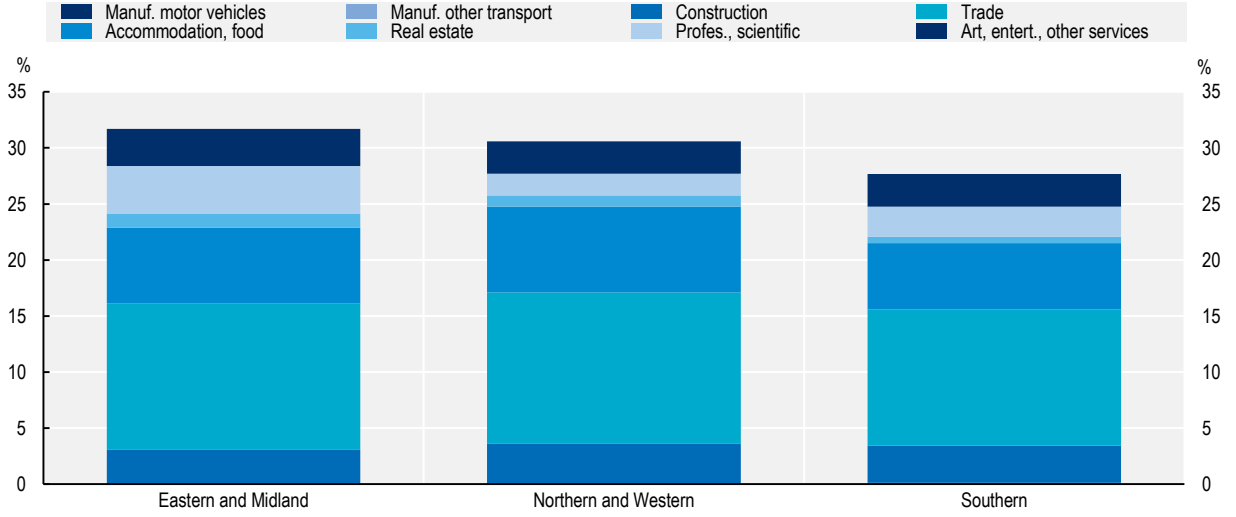
vulnerabilities. The impact and the intensity of the shock will also depend on the number of factors such as the pace and scale of roll-backs of short-time work or other schemes to promote job retention; the rigidity of employment protection legislation; employer expectations about how long COVID-19 will impact their activities; and the degree to which firms go out of business, reduce or re-organise activities permanently.

2.1.2. The structure of local labour markets make some places more vulnerable to job losses

Widespread social distancing measures to contain the spread of COVID-19 have required nationwide lockdowns and international travels bans, interrupting both local and international economic activities. While some people and sectors are able to continue their activities from home, lockdowns practically force many to stop working. In this context, not all sectors are equally able to transition to remote working and therefore mitigate the economic disruptions due to the lockdown. Consequently, some economies and regions where sectors most heavily affected by these crises represent an important share, naturally are affected more than others.

Figure 2.6. A limited number of sectors carry most of the risk of job loss in all Irish regions

Share of jobs at risk in Ireland in the COVID-crisis by sector of the economy and by region



Note: Share of jobs at risk based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or the latest available year. See OECD (2020[4]) for further information on the calculations.
Source: OECD calculations based on employment data from the OECD Regional Statistics (database), https://doi.org/10.1787/f7445d96-en.

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Targeted containment measures in regions and cities continue to be the reality until the virus is contained or herd immunity is reached. This will undoubtedly have important impacts on local employment beyond what can be deduced based on local economic structure, but where and when cannot be predicted at this stage. Consequently, some regions are likely to suffer more than others from containment measures, facing a steeper economic recession and larger shares of jobs at risk. According to the OECD estimates, sectors most at risk include manufacturing of transport equipment; construction; wholesale and retail trade; air transport, accommodation and food services; real estate services; professional service activities; and arts, entertainment and recreation (see Figure 2.6 for region- and sector-specific estimates and Box 2.2 for further information on the methods to estimate the share of jobs potentially at risk).

Box 2.2. Share of jobs in the sectors most at risk from COVID-19

The estimates of the share jobs at risk by region are based on the analysis undertaken in the OECD's COVID-19 policy note (OECD, 2020[4]). Given the lack of comparable and timely official subnational data, the approach followed in the note required making hypotheses on the sectors hardest hit by containment measures. OECD (2020[5]) provides a reference framework for identifying specific sectors considered at risk.

Using the standard ISIC-4 classification of economic activities, the sectors considered as most affected include manufacturing of transport equipment, construction, wholesale and retail trade, air transport, accommodation and food services, real estate services, professional service activities, and arts, entertainment and recreation. According to the above-mentioned OECD note, the decline in output in those activities was expected to range from 50% to 100%. For this analysis, the same expected decline rates are assumed, with the exception of manufacturing, for which the immediate expected decline has been halved (from 100% to 50%). The resulting classification assumes that transport manufacturing and "other personal activities" (e.g. hairdressers fall within this category) face a 50% output decline, similarly to construction and other professional services. Output in the other sectors as mentioned above is expected to face a 75% output decline."

Source: OECD (2020[4]), From pandemic to recovery: Local employment and economic development, https://doi.org/10.1787/879d2913-en; OECD (2020[5]), Evaluating the initial impact of COVID 19 containment measures on economic activity, https://www.oecd.org/coronavirus/policy-responses/evaluating-the%20initial-impact-of-COVID%2019%20containment-measures-on-economic-activity-b1f6b68b/.

Accommodation and food industries are the other lead drivers of the jobs losses in Irish regions. Tourism and services – including large retailers, coffee shops and restaurants, among other hospitality business – rely on face-to-face contact and have thus been devastated by the lockdown. Similarly, culture and creative industries will likely take a deep and prolonged hit and be the driver of the other main driver of the risk across all regions. The recovery for these sectors is likely to be slow as international tourism is anticipated to decrease by 60-80% in 2020 and is not expected to rebound quickly (OECD, 2020[6]).

2.1.3. Vulnerable groups are likely to bear the brunt of the crisis, with potential long-term scarring impacts on inclusion

COVID-19 could lead to deepening divides within labour markets at the national and local level. In many countries, the low skilled, low-wage workers, part-time workers, female workers, migrants and young people have been the most vulnerable to COVID-19-related job losses (Adams-Prassl et al., 2020[7]; Alstadsaeter et al., 2020[8]; Beland, Brodeur and Wright, 2020[9]; Belot et al., 2020[10]). The initial negative impact on employment was larger for women, minorities, the less educated, and the young, even after accounting for the industries and occupations they worked in (Lee, Park and Shin, 2021[11]).

Young people have again been hit hard relative to the rest of the population, similar to the global financial crisis (OECD, 2016[12]). This year's graduates, sometimes referred to as the "Class of Corona", are leaving schools and universities with often very poor chances of finding employment or work experience in the short term. Meanwhile, their older peers are already experiencing the second heavy economic crisis in their still-young careers.

Workers who lose their jobs during the COVID-19 crisis are also likely to suffer its consequences in the medium and long term. Workers who lose their jobs during an economic crisis are likely to suffer from the "scarring effects", which refers to the negative long-term effect that unemployment has on future labour market possibilities in itself. Evidence from earlier recessions shows that workers who lose employment

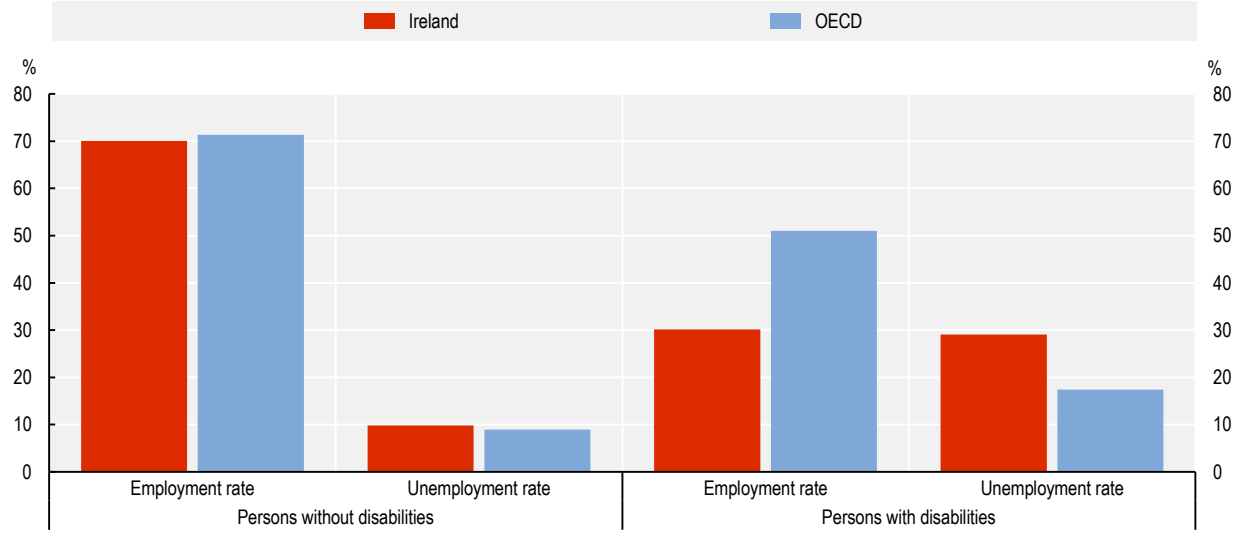
during a recession experience suffer from negative labour market experiences in the future (e.g. shorter contracts, lower hourly wages and so on), compared to an otherwise identical individual who has not been unemployed (Davis and Von Wachter, 2011[13]) Job losses during the COVID-19 crisis could also lead to weaker labour force participation in the long term. Workers who lose their jobs during a crisis such as the current one will face long-term unemployment and are also more likely to leave the labour market and become inactive (Yagan, 2019[14]).

2.2. Promoting employment opportunities for persons with disabilities will be an essential crisis response

The COVID-19 crisis presents several risks but also a few opportunities for persons with disabilities in Ireland. In the short term, the crisis could further exacerbate the barriers they face to fully participating in the labour market. In contrast, the shift to remote work provides a new avenue to promote overall participation in the medium term.

Figure 2.7. Persons with disabilities in Ireland are significantly less likely to participate in the labour market

Employment and unemployment rates of persons with and without disabilities in Ireland, 2018



Note: Indicators refer to the labour market integration of the working-age population (ages 15-65) in Ireland and 26 European countries that are also members of the OECD.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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Prior to the pandemic, persons with disabilities had significant gaps in employment and unemployment. Ireland faces a large gap when comparing employment outcomes of persons with disabilities to the EU-OECD average (Figure 2.7). For instance, one out of every two working-age disabled people were employed in 2017 across the EU-OECD, whereas it was one of three in Ireland. The gap is also reflected in the unemployment rate. As of 2017, while 51% of the disabled working-age population participating in the labour market in 2017 across EU-OECD, this rate is only 30.1% in Ireland. Thus, there is significant untapped potential if more disabled people were active in the labour market.

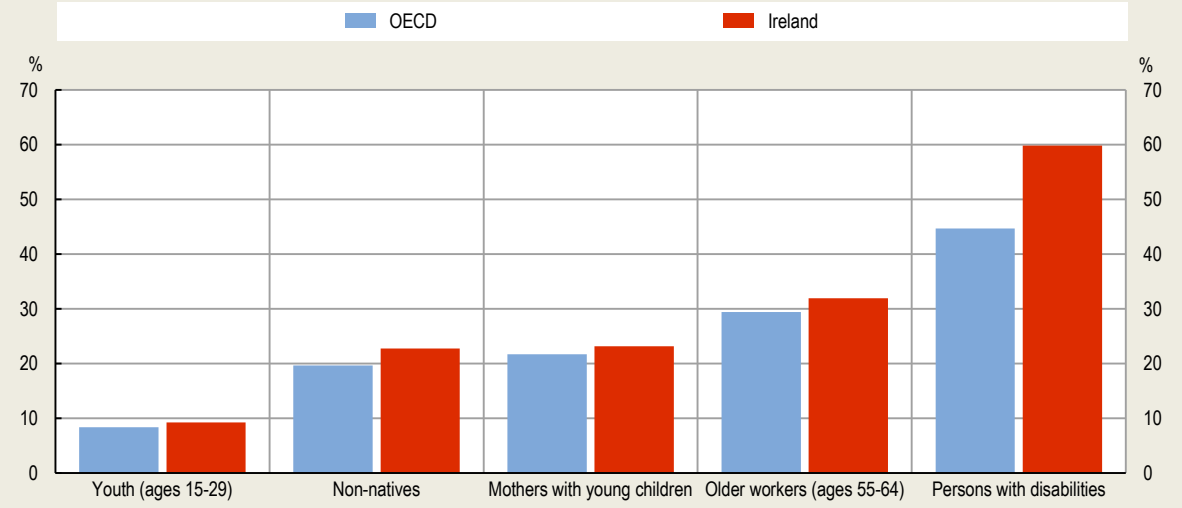
Box.2.3. Employment gaps for disadvantaged groups in Ireland

An inclusive labour market provides access and equal opportunities to all groups. Yet, five groups of workers particularly often face a labour market disadvantage across OECD countries and in Ireland. Each of these five groups' employment rates is lower than the rate for prime-age men in almost every country of the OECD, including Ireland (Figure 2.8). On average, the employment gap in Ireland (i.e. the difference between the employment rate of prime-age men and that of the group, as a percent of the employment rate of prime-age men) is 8.4% for youth not in education and training, 22.8% for migrants, 23.2% for mothers with young children, 31.9% for workers aged 55-64 and 59.8% for persons with disabilities.

The employment gaps in Ireland are larger than the OECD average for all five groups. The largest difference is observed for persons with disabilities, highlighting the stark disadvantage they face in labour market participation in Ireland.

Figure 2.8. The employment gap for persons with disabilities is one of the highest in OECD

Employment gaps relative to prime-age men, 2016



Note: The employment gap is defined as the difference between the employment rate of prime-age men (aged 25-54 years) and that of the group, expressed as a percentage of the employment rate of prime-age men. "Youth" refers to individuals aged 15-29, excluding those in full-time education or training. "Mothers with young children" refers to working-age mothers with at least one child aged 0-14 years. "Non-natives" refers to all foreign-born people with no regards to nationality.
Source: OECD (2018[15]), *Good Jobs for All in a Changing World of Work: The OECD Jobs Strategy*, https://doi.org/10.1787/9789264308817-en.

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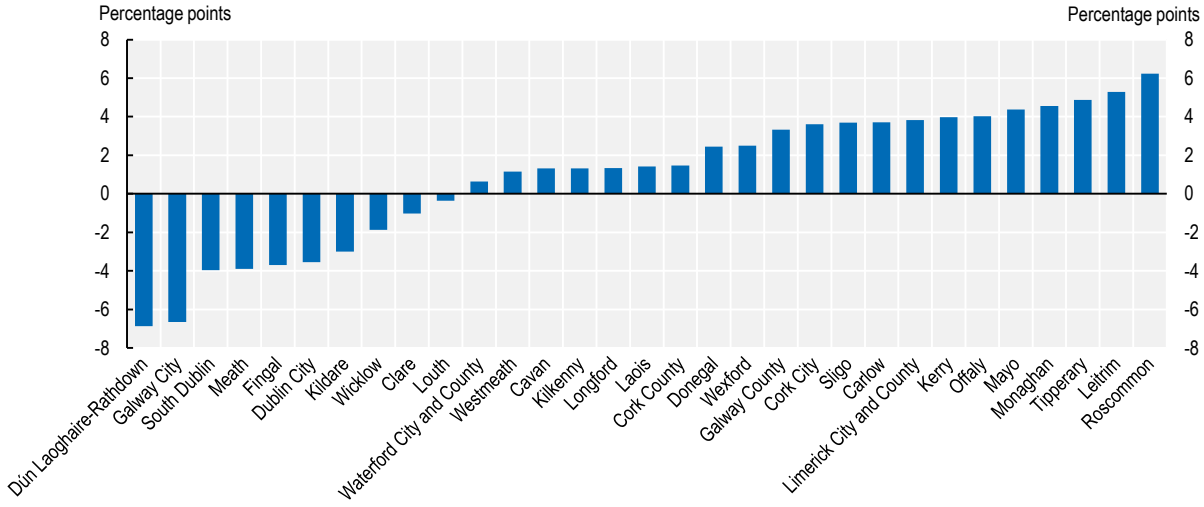
2.2.1. Local factors influence the labour force participation gap

Persons with disabilities face a labour force participation gap across all regions in Ireland. Nevertheless, this gap varies significantly within the country, indicating that certain local factors influence the participation rate. Figure 2.9 plots the differences for each county or city. Each bar corresponds to a locality and indicates the gap in labour force participation between persons with disabilities and the overall population

living in the same area, relative to the overall gap in Ireland (i.e. national average = 0).[3] For example, in Dún Laoghaire-Rathdown, the labour force participation gap is 6.9 percentage points smaller than the gap in Ireland, suggesting that some local factors facilitate the participation of persons with disabilities in the local labour force. At the other extreme, in Roscommon, the gap is 6.2 percentage points larger than the national average, indicating an even larger labour force participation gap than at the country level.

Figure 2.9. The labour force participation gap of persons with disabilities varies across Irish regions

Labour force participation gap between the overall population and persons with disabilities in a city relative to the national average, 2016



Note: The figure plots the labour force participation gap between the overall population and persons with disabilities in a county or city, relative to Ireland's average. Values above zero indicate that the labour force participation gap between the local population and the persons with disabilities are higher than the national average.
Source: OECD calculations based on the Irish Census 2016, https://www.cso.ie/en/census/.

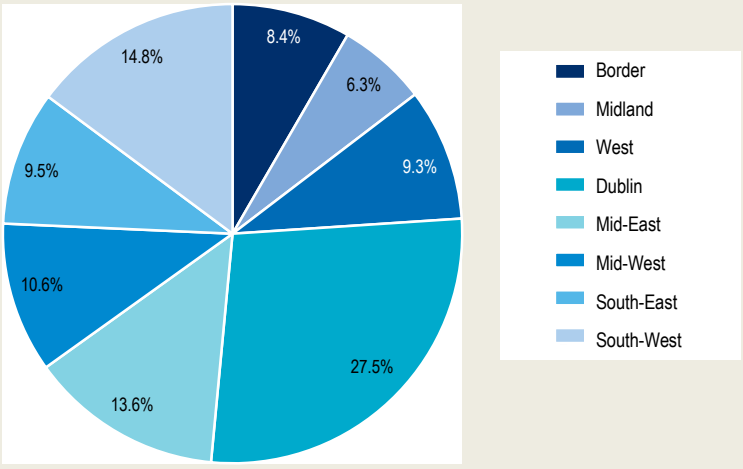
StatLink https://stat.link/bmhrlg

Box 2.4. Where do persons with disabilities live *across* Ireland?

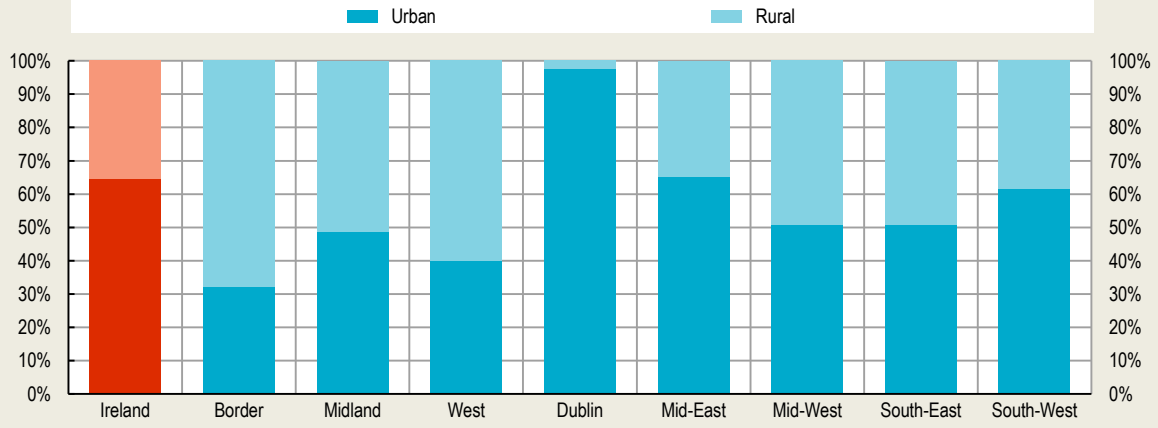
In 2016, around 13.5% of the Irish population reported a disability. Across all Irish regions, between 12-14% of the local population reported a disability, indicating that the differences in the number of persons with disabilities reflected the distribution of population across Ireland (Figure 2.10). Within each region, the distribution of disabled between urban-rural also follows roughly the overall population's distribution. 35% of the disabled are located in rural areas, while 65% live in urban areas. Overall, these numbers indicated that persons with disabilities seem to be evenly distributed throughout the country.

Figure 2.10. Distribution across regions and urban and rural areas

A. Share of persons with disabilities by region, 2016



B. Share of persons with disabilities in urban and rural areas within regions, 2016



Note: Panel A presents the number of persons with disabilities as a share of the total population in the NUTS-3 regions, which correspond to Regional Authorities in Ireland. Panel B shows the distribution of persons with disabilities located in a region, between urban and rural areas.

Source: OECD calculations based on the Irish Census 2016, https://www.cso.ie/en/census/.

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Box 2.5. Defining disability in national and international population surveys

Population surveys identify persons with disabilities through a set of questions which the interviewed person answers subjectively. The formulation of the disability screening questions may differ across data sources which could lead to variations in the headline figures.

This OECD report principally relies on four sources of data for its labour market analysis: the Irish Census, the Irish Labour Force Survey, both prepared by the Central Statistics Office (CSO) of Ireland, the European Union Statistics on Income and Living Conditions (EU-SILC) collected by Eurostat and the European Working Conditions Survey collected by Eurofound. The data sources use different sets of questions to identify persons with disabilities. Despite the differences in measurement, the sources give headlines figures that are largely consistent with one another and complement each other.

Measuring disability in the Irish Census and the Irish Labour Force Survey

This chapter uses data collected as part of the Census in 2011 and 2016, and the Irish Labour Force Survey in 2019. Both surveys include questions related to disabilities. CSO defines a person as disabled if they responded "yes" to any of the seven categories on long-lasting conditions in question 16 of the survey (e.g. blindness, deafness, difficulty with basic physical activity, intellectual disability, difficulty with learning/remembering/concentrating, a psychological condition, other chronic conditions) or "yes" to any of the four categories on difficulties in question 17 (e.g. difficulties in dressing/bathing, going outside of home alone, working at a job, participation in other activities).

Measuring disability in the EU-SILC and the EWCS

The EU-SILC and the EWCS include two separate questions to identify persons with disabilities. The first question is whether one has a long-standing health condition or illness. The second question is whether one reports limitations in activities because of health conditions. In EU-SILC, the two questions are asked to all respondents. In EWCS, the second question is only asked to those persons who answer "yes" to the first question. With EU-SILC, persons with disabilities can therefore be identified in two ways: (1) those who answer "yes" to both questions, or (2) those who answer "yes" to the second question. Only the first approach is possible with the EWCS given that the second question is only asked to a subset of respondents. This report defines persons with disabilities following the first approach, e.g. taking those who have a long-standing health condition or illness that limits activities, to allow for a consistent analysis between EU-SILC and EWCS. Analysis with EU-SILC shows that the difference between the two approaches is small. Prevalence of disability and employment rates for persons with disabilities are about two to 4 percentage points lower for the first approach compared to the second for both Ireland and for the OECD average.

Differences in the measurement of persons with disabilities

Each data source uses different screening questions to identify persons with disabilities. The difference in these questions affects the definition of persons with disabilities. Irish Census employs medical screening questions that include persons with disabilities who are not hampered in their lives and who may be perfectly able to work and have a job. In contrast, screening questions used by EU-SILC return a less employable population. As a consequence, calculations based on these data sources can differ. For instance, according to the Irish Census the employment rate for persons with disabilities is 36%, while the rate from EU-SILC is only 30%.

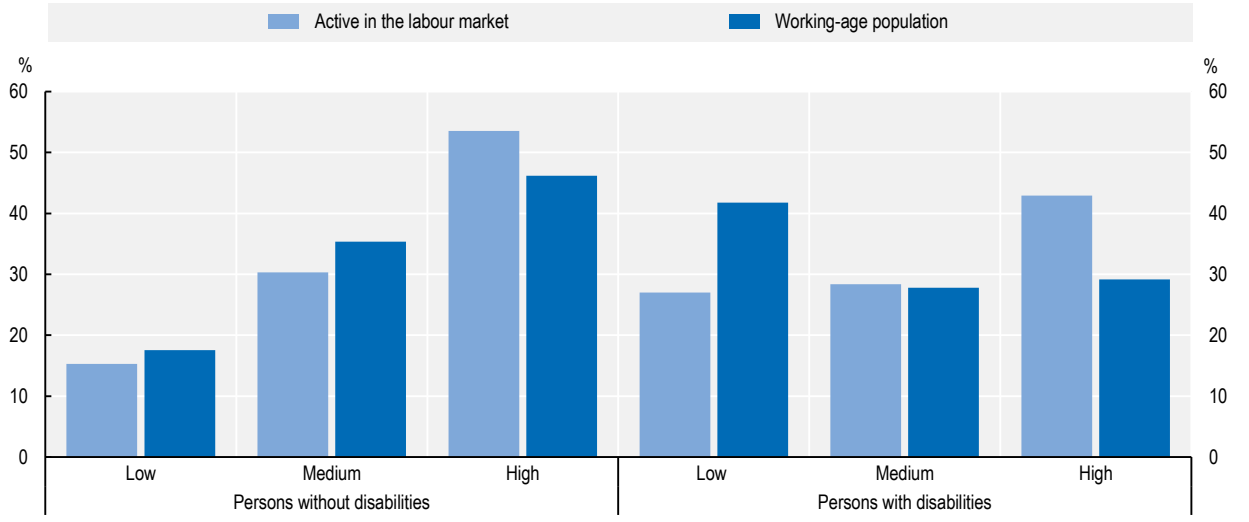
2.2.2. Persons with disabilities still too often have low levels of formal education, despite progress in the past 20 years

Human capital is a crucial element in understanding the labour force participation differences within societies. Individuals with higher years of formal education have a higher probability of participating in the labour market, earning higher wages, and working longer years. Similarly, evidence from various countries show better labour market outcomes for higher educated persons with disabilities (Baldwin and Johnson, 1994[16]; Kidd, Sloane and Ferko, 2000[17]; Charles, 2003[18]; Meyer and Mok, 2019[19]). The relationship between education levels and labour force participation rates of persons with disabilities do not indicate causality. For instance, persons with disabilities may drop out of formal education as they do not expect to participate in the labour market or have low labour market attachment. Alternatively, persons with lower levels of education are more likely to work in occupations with a higher risk of work-related disability than those with higher education levels (Cater and Smith, 1999[20]).

Persons with disabilities are much more often low educated than persons without disabilities. Four out of ten (or 41.8%) working-age individuals with disabilities are low-educated – a twice as high share compared to persons without disabilities (17.5%) (Figure 2.11). In contrast, the share of individuals with medium-levels of education among persons with disabilities is around 20.6%, which is lower than 28.2% observed for persons without disabilities. The real difference, however, is driven by the share of high-educated individuals. Among persons with disabilities, roughly one in three is highly educated, while for persons without disabilities it is one in two.

Figure 2.11. Low-educated Irish with disabilities rarely participate in the labour market

Share of individuals of working age or active in the labour market by level of education, 2018



Note: The figure presents the number of individuals by education levels within the working-age population (ages 15-65) and those who are active in the labour market separately for persons with disabilities and without disabilities. Individuals who are employed, self-employed or unemployed are considered as part of the active population.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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High-educated persons with disabilities participate much more often in the labour market than low-educated persons with disabilities. High-educated persons with disabilities represent half of the workers with disabilities in the labour market, although they only constitute 36.3% of persons with disabilities who

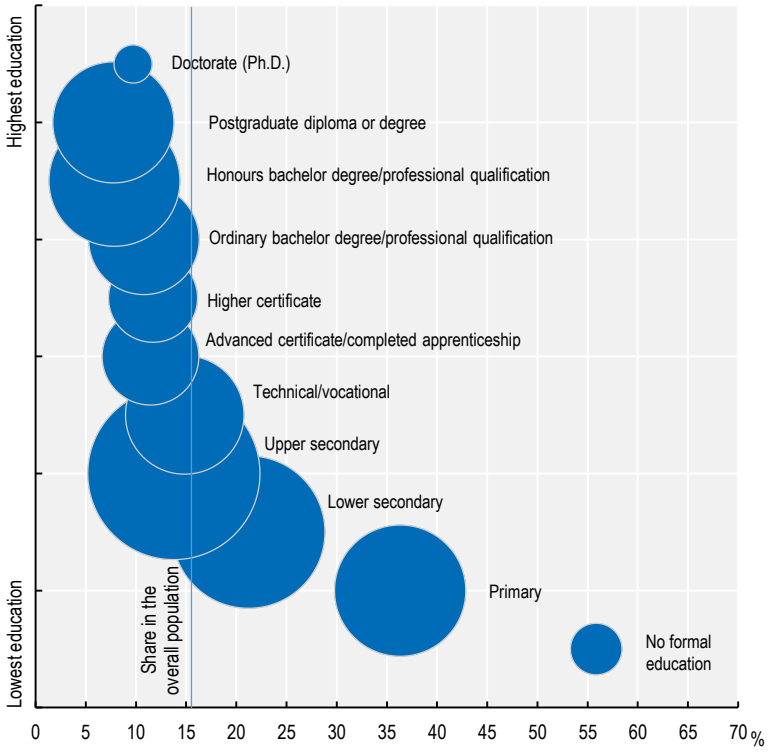
are of working-age. In contrast, low-educated persons with disabilities represent 27% of those who are active in the labour market, far below their share in the working-age population (41.8%).

While low-educated individuals participate less often than high-educated in the labour market across the entire working-age population, the labour force participation gap between education groups is much larger among persons with disabilities. This suggests that low-educated persons with disabilities face particular labour market barriers.

More detailed information from the 2016 Census confirms that persons with disabilities more often are low-educated and make their way less often high up on the education ladder. In Figure 2.12 each bubble corresponds to the share of persons with disabilities within the population by education level in 2016, where bubbles reflect the size of the education group. Given that persons with disabilities corresponded to 15.5% of the population aged 15 and above, any bubble that falls to the right side of the vertical line indicates a higher share of the persons with disabilities within the group. Persons with disabilities are overrepresented among those with no formal education, primary and lower secondary education. For instance, they constitute 56% of those with no formal education or 36% of those with primary schooling as their highest level of education. In contrast, they are underrepresented in higher educational degrees, especially in bachelor's degree and above.

Figure 2.12. Persons with disabilities in Ireland have much lower levels of formal education

Share of persons with disabilities as a share of the total group by the highest degree attained, 2016



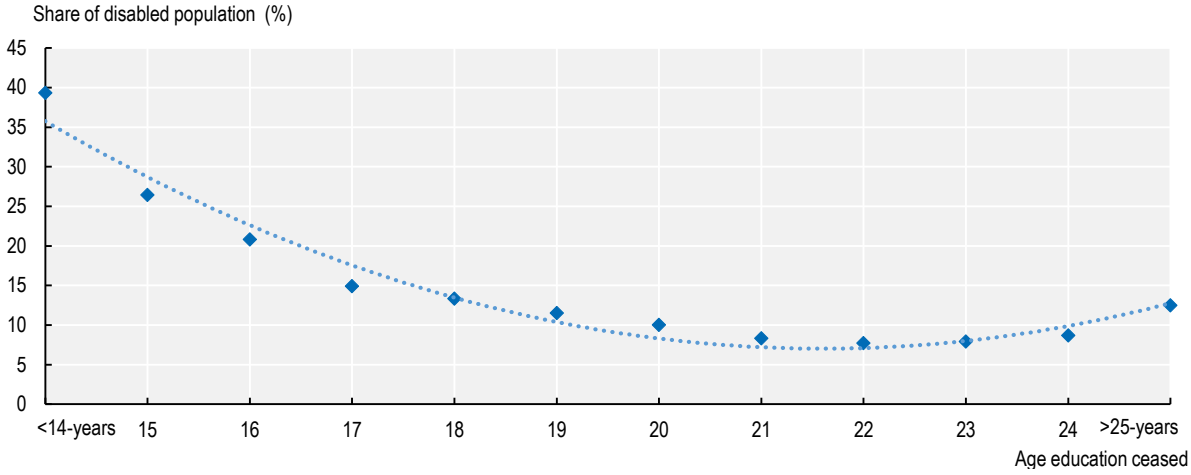
Note: Excludes those who are still in school and those for which data is not available. The bubble sizes are proportional to the share of the education group in the overall population.
Source: OECD calculations based on the Irish Census 2016, https://www.cso.ie/en/census/.

StatLink https://stat.link/pisj8n

High-school drop-out rates are an important driver of the low levels of education among persons with disabilities. Compared to the overall population, persons with disabilities have a higher likelihood to drop out of school, especially before the age of 17 (Figure 2.13). Two in five of those who drop out of school before the age of 14 have disabilities. About one in four of those who drop out of school at the age of 15 have disabilities. These elevated rates suggest that persons with disabilities face important education barriers.

Figure 2.13. People with disabilities are more likely to drop out of education at an early age

Share of people with disabilities and the age at which full-time education ceased, Ireland, 2016



Note: The figure plots the age at which full-time education ceased and the share of people with disabilities in that group. Age group <14 refers to all those who ended their education before the age of 15, while age >25 corresponds to all those who ceased their education at the age of 25 or later.
Source: OECD calculations based on the Irish Census 2016, https://www.cso.ie/en/census/.

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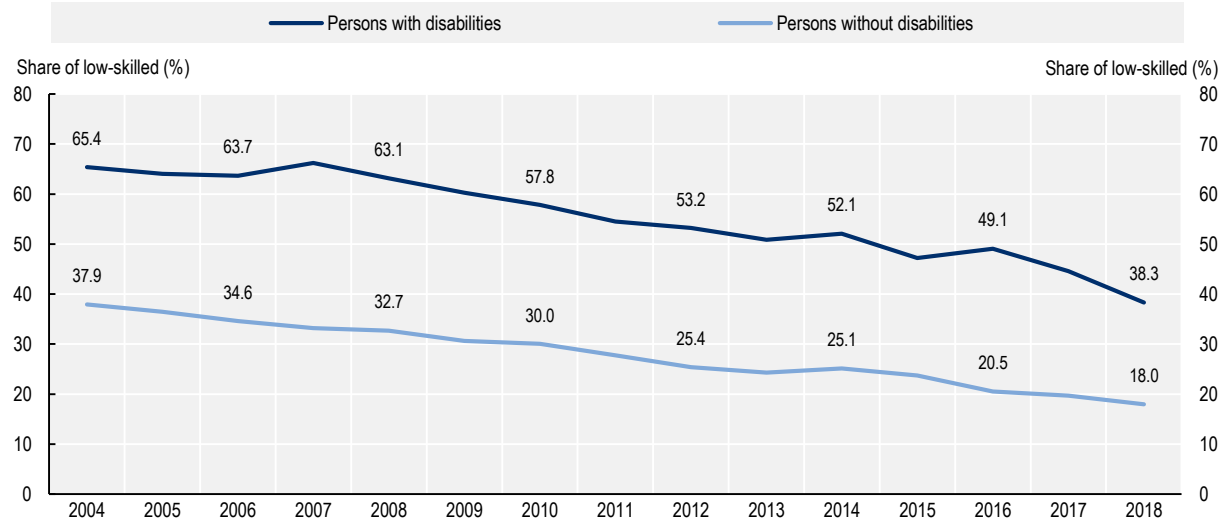
In the past 20 years, significant progress has been made to improve the overall education levels in Ireland. Between 2004 and 2018, the share of low-educated decreased from 65.4% to 38.3% (or 27 percentage points) among persons with disabilities, and from 37.8% to 18% (or 20 percentage points) for persons without disabilities (Figure 2.14). Despite the progress, the share of persons with disabilities with low levels of education in Ireland remains high compared to other European OECD countries, in particular when compared to their peers without disability (Figure 2.15). Across OECD countries, 31% of persons with disabilities have low levels of education, while the share is 38% in Ireland. Moreover, Ireland has the largest disability education gap across OECD countries. Irish persons with disabilities have a 20 percentage point higher chance of having a low education.

Figure 2.14. The share of low-educated persons with disabilities has decreased rapidly recently

Share of adults aged 15-69 with low level of education by disability status, Ireland, 2004-18



Note: Low education refers to below upper secondary education.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2004-18.

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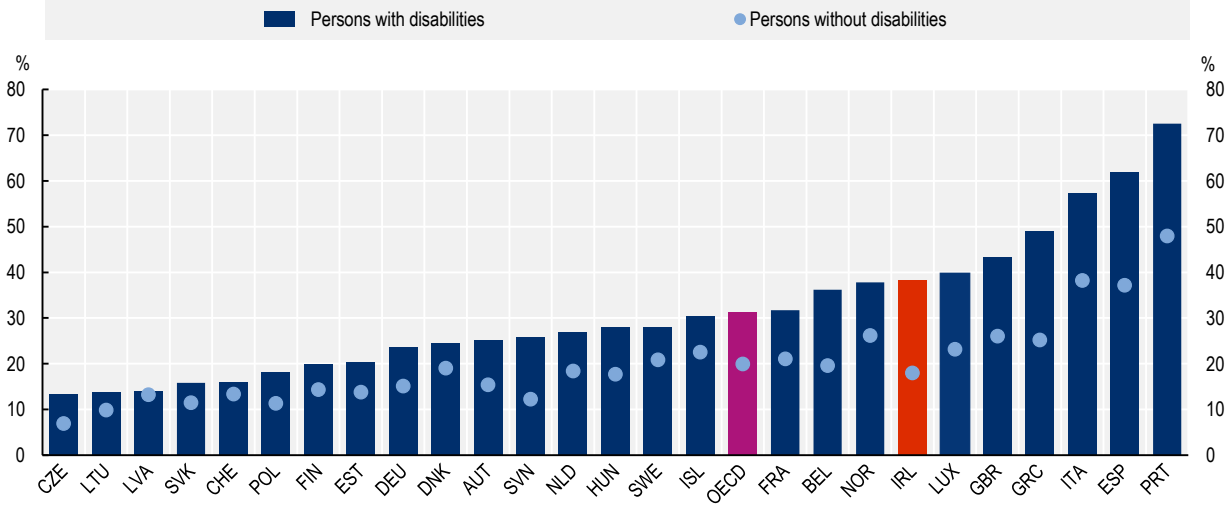
Figure 2.15. Nevertheless, the disability education gap is still very large in Ireland

Share of persons aged 15-69 with low level of education, by disability status, 2019



Note: Low education refers to Below upper secondary education. Data refer to 2018 for Iceland, Ireland and Italy and to 2016 for the United Kingdom. OECD is an unweighted average of the countries shown.
Source: EU Statistics on Income and Living Conditions (EU-SILC).

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2.2.3. Distribution across occupations or industries do not indicate any clear pattern

Workers with disabilities may be more concentrated in specific industries or occupations that may be better suited for their skills and capacities. If such patterns exist, the growth or decline of industries or occupations with a high share of persons with disabilities can explain their labour market participation shifts. Understanding such patterns would also allow policy makers to target policies to support their employment in certain industries or occupations.

The labour force participation gap of persons with disabilities in Ireland does not differ much across occupations or industries. Workers with disabilities are employed across all sectors and constitute, on average, 6.5% of workers in each industry. Similarly, they are employed in all types of occupations without any clear patterns. On average, workers with disabilities constitute 7.2% of all occupations. Their distribution does not indicate any concentration in occupations requiring specific task contents employing certain skills or capabilities. Thus, there is significant untapped potential if more disabled people were active in the labour market.

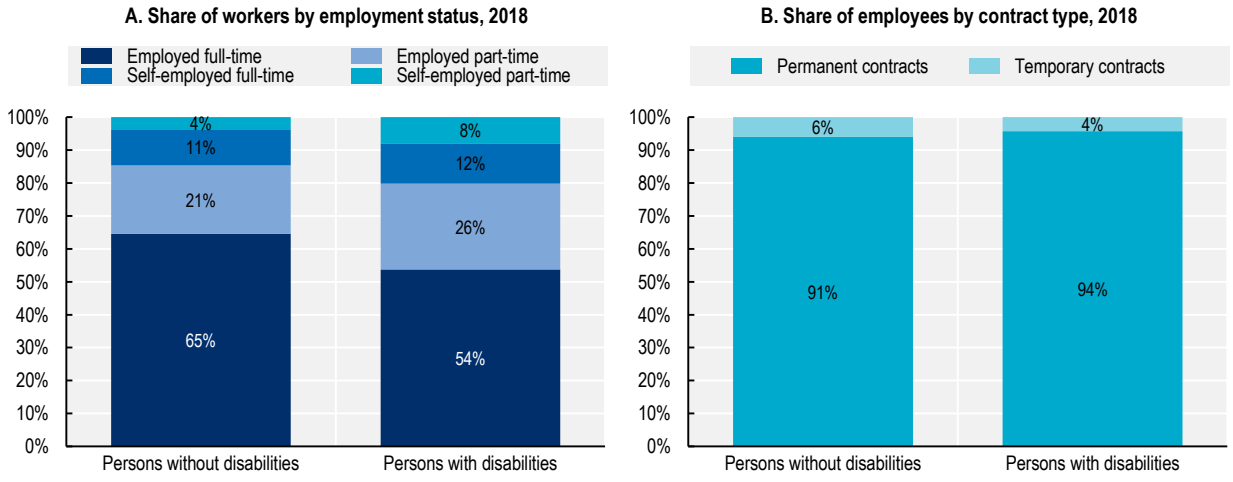
2.2.4. Persons with disabilities work less often full-time

Most Irish workers work as employees and full-time. In 2018, about 84% of workers were employees, with the rest working as self-employed. Among all workers, 75% worked full-time, when part-time work is defined as work of less than 30 hours per week in the main job.

Persons with disabilities in Ireland less often work full-time, both as employees or self-employed. While 76% of employees without disability work full-time (either as employed or self-employed), the share is only 66% for those with disabilities (Figure 2.16, Panel A). In contrast, 26% of workers with disabilities are employed part-time, which is larger than 21% observed for persons without disabilities. Similarly, the share of part-time self-employed is 8% which is twice the observed share for persons without disabilities. In terms of full-time self-employment, however, there are no differences between both groups.

Figure 2.16. Persons with disabilities in Ireland more often work part-time

Share of workers by employment status and contract type, by disability status, Ireland, 2018



Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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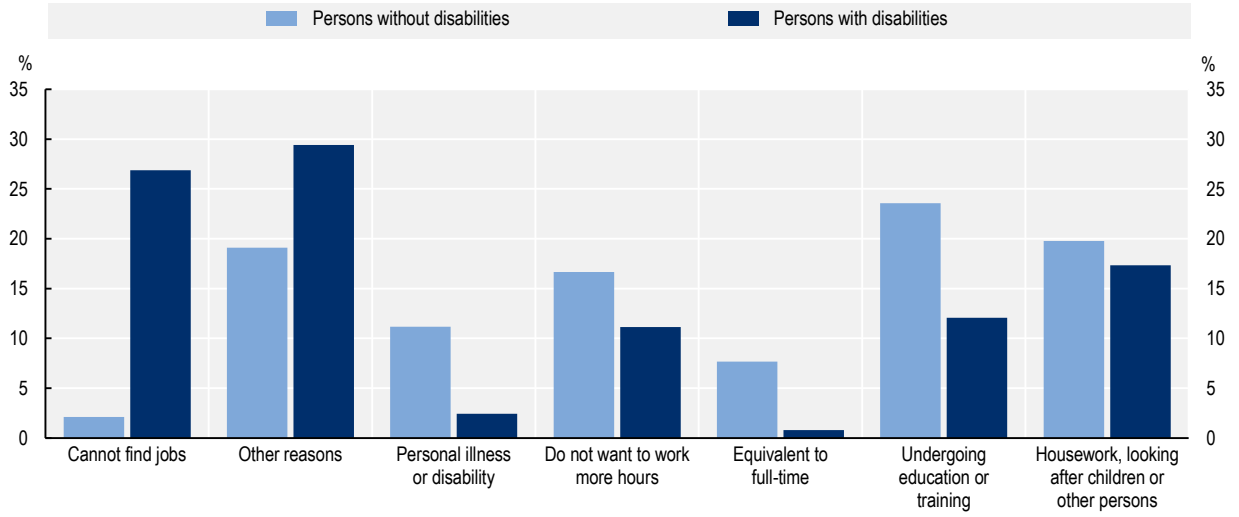
Part-time employment can be voluntary or involuntary. As discussed in Chapter 3, part-time work can accommodate persons who prefer to work fewer hours or who face constraints, including for persons with disabilities. It can also facilitate a better work-life balance. On the other hand, part-time employment may be involuntary if workers cannot work more hours in their present job or find a full-time job.

Part-time work is more prevalent among persons with disabilities, partially due to involuntary part-time employment. While it could be expected that persons with disabilities may be inclined to work part-time to accommodate their needs, this is not the main driver in Ireland's case. Among workers without disabilities, only 2% report working part-time although they want to work more, while it is 25% among persons with disabilities (Figure 2.17). The large gap between the two groups is an indication of an underlying issue preventing persons with disabilities from contributing to the labour market at their full potential. Experience from OECD countries indicates that involuntary part-time work increases during economic downturns (OECD, 2019[21]). Thus, it is not unreasonable to expect that the current economic crisis due to COVID-19 can increase involuntary part-time exacerbating conditions for persons with disabilities.

Figure 2.17. Persons with disabilities often experience involuntary part-time employment

Share of individuals working part-time and reason why they are not working more hours, Ireland, 2018



Note: Sample includes only individuals who work less than 30 hours and thus responded to the question. The answers are ranked according to the gap between two groups in the share of each answer.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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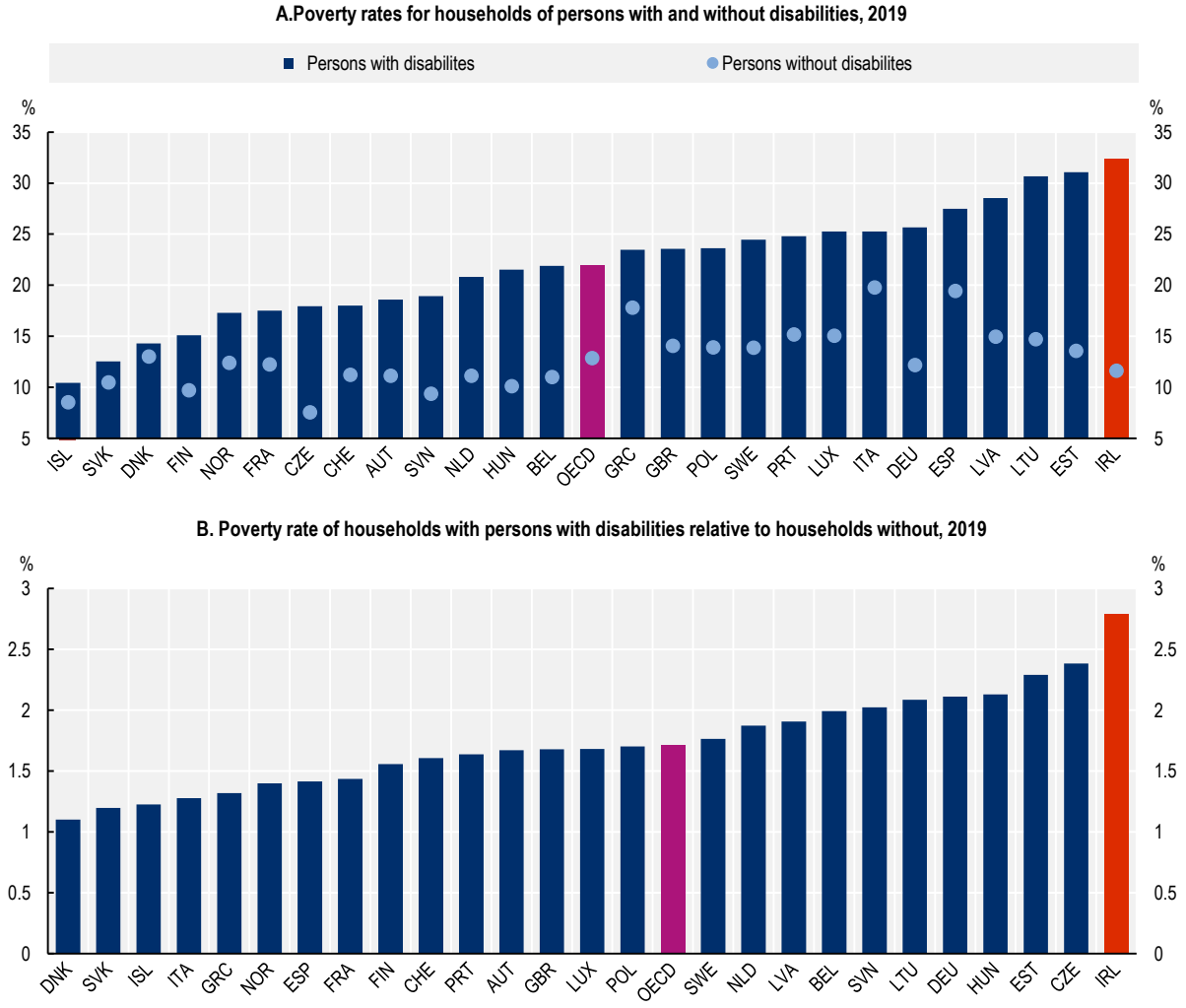
2.2.5. Workers with disabilities are just as likely to be on temporary contracts

Persons with disabilities have about as often a temporary contract than the rest of the labour market. In Ireland, 94% of workers with disabilities hold a permanent contract, while this rate is 91% for persons without disabilities (Figure 2.16, Panel B). Temporary contracts generally provide lower job security levels and social protection compared to workers with permanent contracts. Workers on temporary contracts are generally disproportionally affected by economic downturns. Early evidence from OECD countries indicates that workers on temporary contracts were among the first to lose their jobs throughout the COVID-19 pandemic (OECD, 2020[22]).

2.2.6. Persons with disabilities face a much higher risk of poverty

Persons with disabilities are more often at risk of poverty; in particular so in Ireland. Households with at least one adult with disabilities faced high risks of poverty, as shown by data from before the COVID-19 pandemic. On average across the 26 OECD European countries, one in five households (22%) with at least one adult with disabilities risked poverty (Figure 2.18, Panel A). Instead, in Ireland one in three households with an adult with disabilities (32.3%) is at risk of poverty.

Figure 2.18. Persons with disabilities face a significantly higher risk of poverty but the disability poverty gap is larger in Ireland than in any other OECD country



Note: Panel A shows the poverty rate for households with at least one adult person with disabilities and without an adult with disabilities. Panel B shows the probability of households with at least one adult person with disabilities facing poverty relative to the households without an adult with disabilities. A household is considered risking poverty if the equivalised disposable income is below 60% of the median of equivalised disposable income. Equivalised disposable income is calculated using total disposable household income multiplied by a within-household non-response inflation factor and divided by equivalised household size. Data refer to 2018 for Iceland, Ireland and the United Kingdom.
Source: EU Statistics on Income and Living Conditions (EU-SILC).

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Persons with disabilities in Ireland and other European countries are more likely to face poverty compared to persons without disabilities. Figure 2.18 (Panel B) shows that in all countries, households with an adult with disabilities have a higher probability of facing poverty compared to other households (i.e. relative probability is above 1). In European OECD countries, households with persons with disabilities are 70% (i.e. 1.7 times) more likely to face poverty compared to the rest of the households, on average. However, the gap is the highest in Ireland, where households with disabilities are 2.7 times more likely to face poverty than persons without disabilities. It is important to note that the high levels of poverty that persons with disabilities face in Ireland are not driven by the overall high poverty rates in the country. On the contrary, the poverty rate for persons without disabilities in Ireland is one of the lowest in OECD European countries.

2.3. Understanding how the megatrends affect Irish labour markets

Even prior to COVID-19, structural megatrends related to digitalisation, automation, globalisation and ageing have been transforming labour markets across the OECD countries, reshaping the number and types of jobs as well as the skills in demand. The COVID-19 pandemic seems to accelerate these trends. This acceleration will make the transitional period even more difficult for some people and places.

While these transitions are almost universal, they are not uniform across places. Some of these changes, such as population ageing, will affect almost all communities, although they will be more pronounced in some places than others. These transitions will continue to create and destroy jobs, but not necessarily in the same places or require the same skills. National aggregates can overlook these difficult transitions for communities and the people who live there, as the people who lose jobs may not be in the right location or have the right skills for the new jobs created.

2.3.1. The Future of Work: Automation and its impact on the Irish labour market and people with disabilities

Automation has been reshaping the jobs and skill needs across the OECD countries for the past decades. Technological changes, such as industrial robots, artificial intelligence, and ongoing digitalisation, are causing a significant overhaul of labour markets and jobs' geography. The introduction of technologies is replacing certain jobs entirely, changing the task content of many others and creating new jobs, thereby shifting the labour market's occupational composition and the type of demanded skills.

Almost half of the jobs across the OECD are expected to change as a result of automation. About 46% of jobs across the OECD are either at risk of being destroyed (high risk) or face significant change and require new skills for workers to remain in that job (Nedelkoska and Quintini, 2018[23]). Manufacturing and agriculture have the highest share of jobs at risk on average. Comparatively, only a few service sectors – e.g. postal and courier services, land transport and food services – face relatively high risks. In contrast, the lowest relative risks sectors are predominantly service sectors, including many knowledge-intensive services.

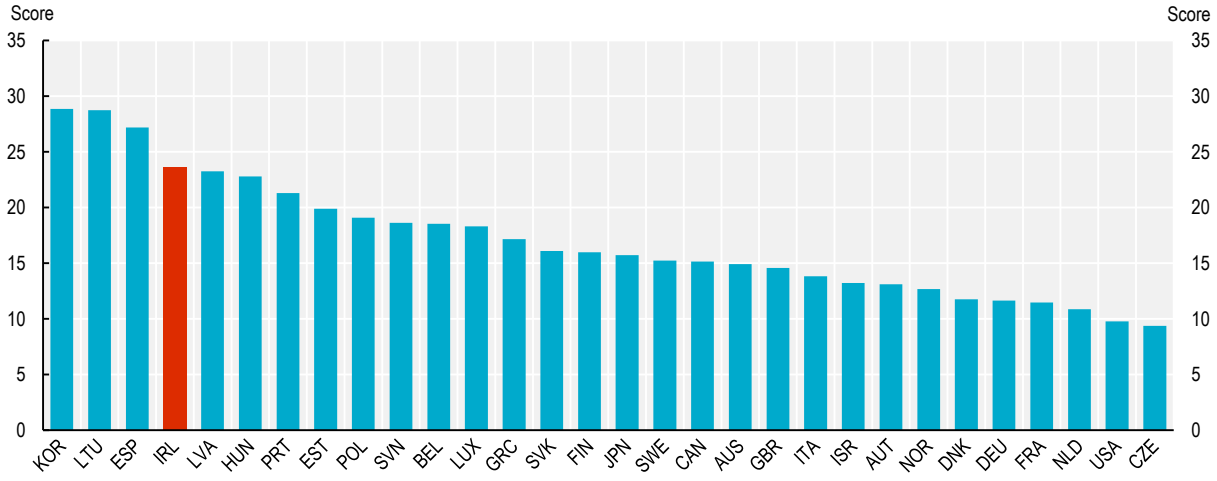
Automation might exacerbate existing socio-economic inequalities by disproportionally affecting lower and middle-educated workers (Acemoglu and Autor, 2011[24]). Generally, the risk of automation decreases as the skill level of jobs increases. The occupations at the highest risk tend to be those that do not require specific skills or training – food preparation assistants, assemblers, labourers, cleaners and helpers – followed by occupations that require at least some training and include interacting with machines (machine operators, drivers and mobile plant operators, skilled agricultural workers etc.) (Nedelkoska and Quintini, 2018[23]).

Automation causes structural change affecting the types of skills that are needed in the labour market. In the past decade, some countries have seen their economies transform more rapidly than others, implying a greater need to re-train workers. It is possible to capture the changes in the labour demand through the

Lilien index, which measures the extent to which employment in different sectors of the economy grows or shrinks at different speeds. The higher the Lilien index score, the more profound the economic structure transformation between 2005 and 2015. Figure 2.19 shows that Ireland is one of the countries that have experienced the biggest changes over the past decade, highlighting the relevance of the skill changes in the labour market driven by technological change.

Figure 2.19. The Irish labour market is going through significant structural change

Speed of change in employment in different sectors (Lilien index), 2005-15



Note: The Lilien Index captures structural change between 2005 and 2015. The Index is calculated as the weighted standard deviation of sectoral employment growth relative to aggregate employment growth in each country.
Source: OECD (2019[25]),*Getting Skills Right Future-Ready Adult Learning Systems,* https://doi.org/10.1787/9789264311756-en.

StatLink https://stat.link/hjq2on

The COVID-19 crisis is likely to accelerate digitalisation and automation, putting additional pressures on places with relatively high shares of jobs at risk. Due to social distancing and lockdown measures, firms and employees have embraced remote working and the digital tool. With the increasing use of digital services and new technologies, skill requirements for jobs also undergo significant change. Furthermore, a large body of evidence suggests that firms are more likely to invest in automation following economic downturns (Muro, Maxim and Whiton, 2020[26]).

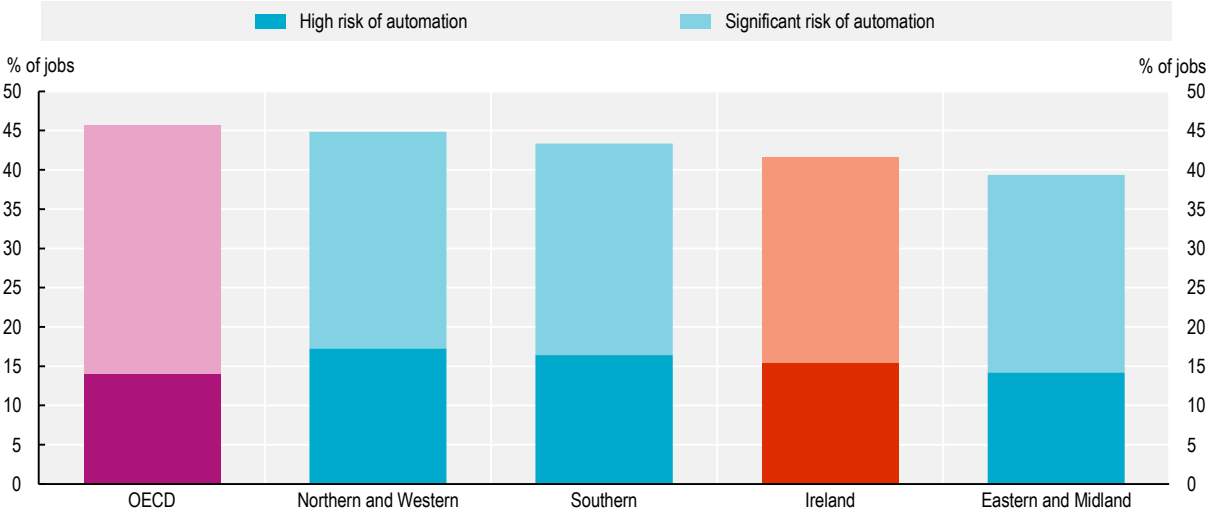
A smaller proportion of the Irish labour market is vulnerable to automation than the rest of the OECD. In Ireland, 42% of jobs are highly automatable (i.e. probability of automation of over 70%) or have a significant risk of being strongly affected by automation, compared to 46% across the OECD Figure 2.20. More precisely, 26% of the overall labour force faces a significant risk of automation and thus the risk of suppression which is well below the overall OECD average of 32. Furthermore, 14% of jobs face a high risk of automation right at the OECD average.

The current risk of job automation presents an uneven picture across Irish regions. Differences in regions' industrial structures determine the occupational composition that drives the differences in automation risk across regions. For example, sectors such as agriculture, construction, food and beverage services, manufacturing, or transport have a higher probability of losing jobs to automation. In the Northern and Western region and Southern region, more than 43% of jobs are likely to be automated or significantly transformed, which will change their skills requirements. In comparison, the Eastern and Midland region is relatively well shielded to the pending effects of automation and where 39% of jobs face the risk of

automation. Employees in Eastern and Midland regions face lower automation risks because many work in industries that involve fewer routine tasks such as ICT, entertainment, financial and business services.

Figure 2.20. Fewer jobs in Ireland are at high risk of automation compared to the OECD average

Risk of automation by region in Ireland, 2018



Note: Data for Ireland include all individuals for which occupational information is available, including those who are employed and unemployed. For those unemployed, the occupational information refers to their previous job.
Source: OECD calculations based on the European Labour Force Survey for Ireland. OECD calculations are based on the Survey of Adult Skills (PIAAC) (2012); Nedelkoska and Quintini (2018[23]), *Automation, skills use and training*, https://dx.doi.org/10.1787/2e2f4eea-en.

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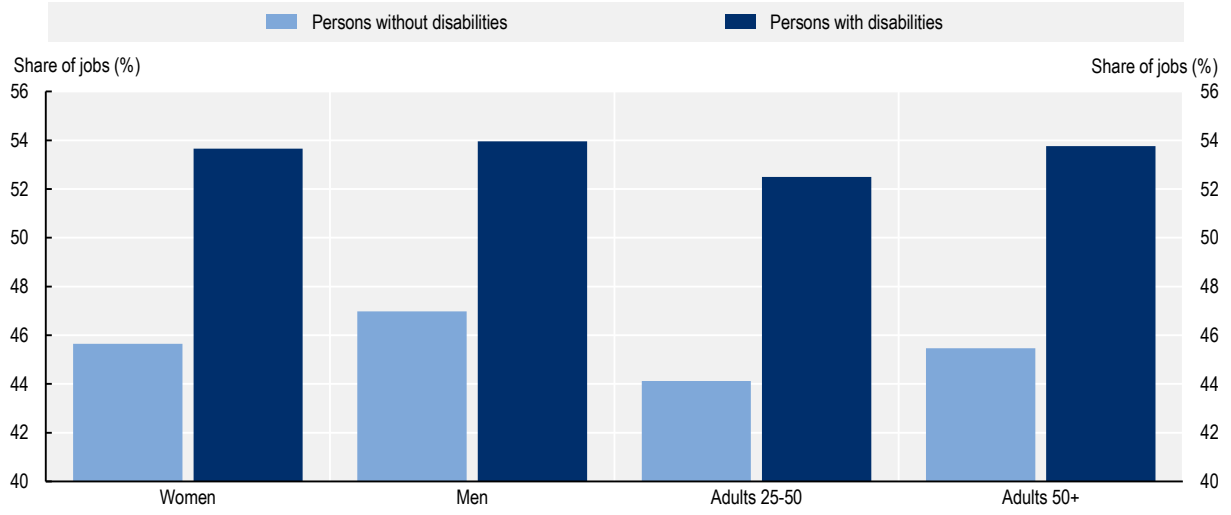
2.3.2. The population with disabilities is more exposed to automation risks, potentially leading to more significant socio-economic disparities

While automation will affect fewer jobs in Ireland than in most OECD countries, some groups will be affected more than others. Automation is likely to generate inequalities between population groups within Ireland, as different groups tend to occupy jobs at higher or lower risk of automation. Almost half of men (47%) face at least a significant risk of automation, making them the most vulnerable groups in terms of job losses (Figure 2.21) while it is the case of 46% of women. Women may be at less risk as this group tends to occupy less routine service jobs, in which fewer tasks may be replaced by technology.

Persons with disabilities face a significantly higher risk of automation. Across all demographic groups, persons with disabilities are affected more than their demographic counterparts. For instance, in the group aged between 25 and 50, while 52% of persons with disabilities face a risk of automation, compared to 44% for persons without disabilities. The difference is prevalent for both men and women.

Figure 2.21. People with disabilities tend to occupy jobs with tasks more likely to be automated

The average risk of automation by population group and by disability status, 2018



Note: The risk of automation includes both jobs that are at high risk and significant risk of automation.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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2.3.3. Job polarisation in Ireland

Even before the onset of the COVID-19 pandemic, OECD economies experienced dramatic shifts in their labour markets. Labour markets across the OECD have become increasingly polarised over the last decades. The decline in manufacturing employment has played an important role in job polarisation as countries and regions deindustrialised or shifted to less labour-intensive production, but polarisation pervades all sectors. Computers have replaced secretaries in offices, while advanced machinery and robots have replaced middle-skill factory workers (Willis, 2013[27]). As a consequence, the share of employment in middle-skill jobs such as clerical and production jobs has declined. In contrast, high-skilled jobs such as managers, professional and technicians, or low-skilled jobs such as elementary occupations, service workers or market sales workers have increased (OECD, 2017[28]).

Job polarisation is increasing inequalities within OECD countries. At least in European OECD countries, polarisation is predominantly linked to changing labour market opportunities for new labour market entrants, including declining opportunities for those without a tertiary degree than previous cohorts. Furthermore, in the past century, middle-skill jobs were considered sufficient to achieve a middle-class lifestyle and offered socio-economic mobility for future generations. As the share of middle-skill occupations declined, most of the affected workers were pushed towards low-skill jobs (Utar, 2018[29]). Consequently, middle-skill workers are now more likely to be in lower-income classes than middle-income classes (OECD, 2019[30]).

Past waves of technological change have contributed to job polarisation across almost all OECD regions, particularly in urban areas. A polarised labour market may make local economies less resilient to shocks such as COVID-19 and is linked with declining labour market opportunities for non-tertiary educated workers.

Box 2.6. Megatrends affecting labour markets: Job polarisation and jobs at risk of automation

Job polarisation

The analysis of job polarisation is based on the evolution of employment by occupation overtime at the subnational level. It follows on previous OECD analysis undertaken at the regional level in OECD (2018[31]). To classify occupations by skill levels, the following categories have been used:

- **High-skill occupations** include jobs classified under the ISCO-88 major groups 1, 2, and 3. That is, legislators, senior officials, and managers (group 1), professionals (group 2), and technicians and associate professionals (group 3);
- **Middle-skill occupations** include jobs classified under the ISCO-88 major groups 4, 6, 7, and 8. That is, clerks (group 4), skilled agricultural workers (group 6), craft and related trades workers (group 7), and plant and machine operators and assemblers (group 8);
- **Low-skill occupations** include jobs classified under the ISCO-88 major groups 5 and 9. That is, service workers and shop and market sales workers (group 5), and elementary occupations (group 9).

The change over time is calculated as the percentage point change in the share of jobs at each skill level.

Jobs at risk of automation

The share of jobs at risk of automation is computed by adapting the methodology to produce national-level estimates undertaken by Nedelkoska and Quintini (2018[23]). This approach uses individual-level data from the OECD Survey of Adult Skills (PIAAC), which provides information on each person's job and skillset's skills composition. For the subnational estimates provided in this report, data on regional employment by occupation is combined with the estimated probabilities of automation from Nedelkoska and Quintini (2018[23]). These subnational estimates assume that jobs within each job category have the same risk of automation across all regions of a country.

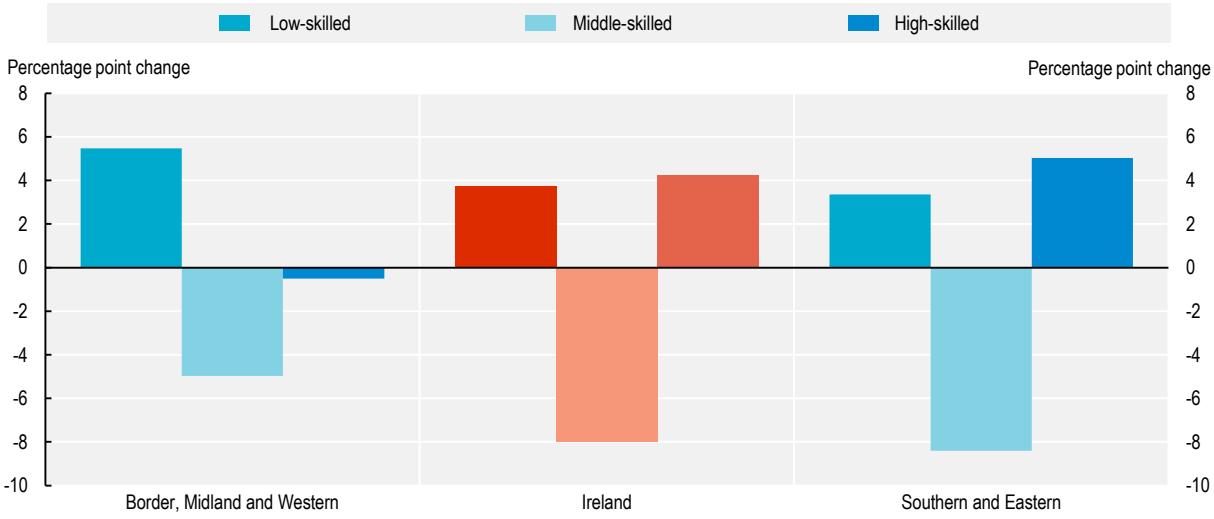
"High risk of automation" refers to the share of workers whose job faces a risk of automation of 70% or above. "Significant risk of change" reflects the share of workers whose job faces a risk of automation between 50% and 70%. Further information on the methodology can be found in OECD (2018[31]) and Nedelkoska and Quintini (2018[23]).

Source: OECD (2020[31]), Job Creation and Local Economic Development 2020: Rebuilding Better, https://doi.org/10.1787/b02b2f39-en; OECD (2018[32]) Job Creation and Local Economic Development 2018: Preparing for the Future of Work, https://doi.org/10.1787/9789264305342-en; Nedelkoska and Quintini (2018[23]), *Automation, skills use and training*, https://dx.doi.org/10.1787/2e2f4eea-en.

Following general OECD patterns, in Ireland, all regions saw the share of middle-skill jobs decrease between 2000 and 2018 (Figure 2.22). The share of middle-skill jobs decreased by more than 8 percentage points in Southern and Eastern, representing a net decrease of almost 30 000 middle-skill jobs. In Southern and Eastern, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs, while in Border, Midland and Western, the share low-skill jobs grew relatively more.

Figure 2.22. Job polarisation is considerable in Ireland but varies by regions

Relative change in jobs by skill level in Ireland and its NUTS-2 regions (Regional Assemblies), 2000-18



Note: High-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations). For purposes of comparison over time, this data is presented for the former NUTS2 regions of Ireland (which correspond to Regional Assemblies) before the new regional classification went into effect in 2016.
Source: OECD calculations based on the EU Labour Force Survey.

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2.3.4. Remote working as the new normal: An opportunity for workers with disabilities?

COVID-19 has brought about a large increase in remote working as a result of strict containment measures such as social distancing and stay-at-home policies. Many firms have responded by making the necessary technological, cultural and organisational shift to allow their workers to operate from home. Early evidence suggests that workers that can work remotely are significantly less likely to have their labour market outcomes affected, while workers working in proximity to co-workers are more affected (Beland, Brodeur and Wright, 2020[9]).

Not all workers are in occupations amenable to working remotely. There are significant differences in remote working potential between occupations due to their daily task content differences. For example, occupations requiring workers to be outdoors (e.g. food delivery person) or to use heavy equipment (e.g. a vehicle) are considered to have a low potential of remote working. In contrast, occupations requiring only a laptop and an internet connection (e.g. an accountant, finance specialist, etc.) will have a high potential to work remotely. There is a strong positive correlation between skill level of the occupation and the remote working potential. Occupations with the highest potential are managers, lawyers and IT workers, while farmers, construction workers and artisans have the lowest teleworking potential. On average, young people, the low-skilled and low-wage workers are more likely to hold jobs requiring a physical presence.

The share of jobs amenable to remote working varies greatly both between and within OECD countries. The share depends on the local economy's structure and the types of jobs that are locally available (see Box 2.7 for a detailed explanation). Large cities and capitals were generally more ready to seize the opportunities of digitalisation and embrace remote working. On the other hand, many rural areas still suffer

a gap of access to high-speed broadband, of lower share of jobs amenable to remote working, and lower workforce education.

Box 2.7. Assessing the share of jobs amenable to remote working

The share jobs' estimates amenable to remote working follow the analysis undertaken in the OECD (2020[33]; 2020[34]).

The assessment of regions' capacity to adapt to remote working is based on the diversity of tasks performed in different types of occupations and is structured in two steps. The first step requires classifying each occupation based on the tasks needed and according to the degree to which those tasks can be performed remotely. For example, occupations requiring workers to be outdoors (e.g. food delivery person) or to use heavy equipment (e.g. a vehicle) are considered to have a low potential of remote working. In contrast, occupations requiring only a laptop and an internet connection (e.g. an accountant, finance specialist, etc.) will have a high potential to work remotely. This classification is based on a recent study by Dingel and Neiman (2020[33]) which is built from the O*NET surveys conducted in the United States. These surveys include targeted questions that systematically assess the potential of remote working of occupations.

The second step relies on data from labour force surveys and consists of assessing the geographical distribution of different occupations and subsequently matching those occupations with the classification performed in the first step. Combining the two data sets allows assessing the number of workers who can perform their tasks from home to share the region's total employment.

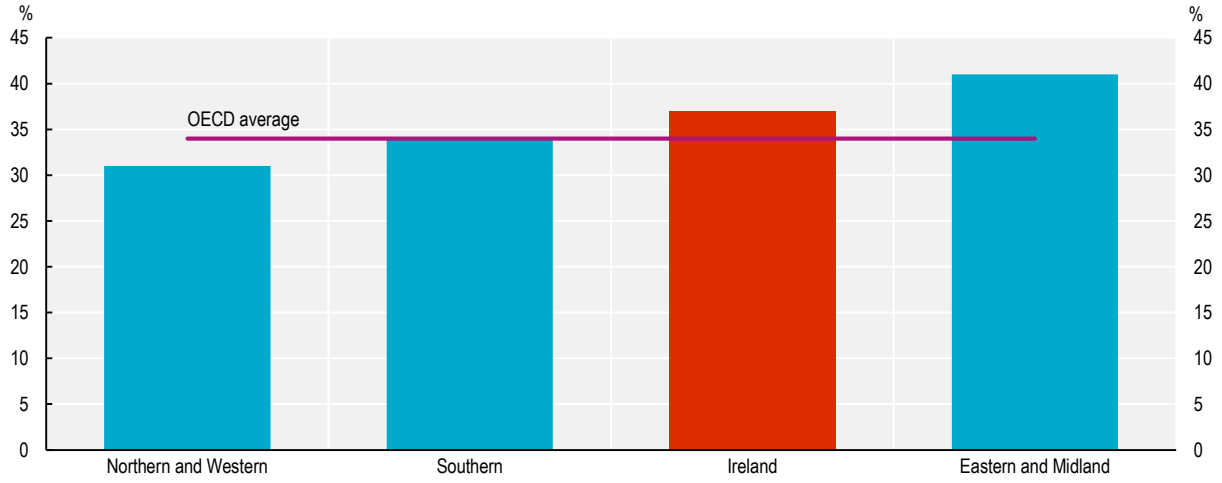
Source: OECD (2020[33]), Capacity for remote working can affect lockdown costs differently across places, https://doi.org/10.1787/0e85740e-en; OECD (2020[34]), OECD Regions and Cities at a Glance 2020 https://dx.doi.org/10.1787/959d5ba0-en.

Ireland has higher remote work possibilities than the OECD average. In Ireland, 37% of jobs can be done remotely, above the OECD average of 34% (Özgüzel, Veneri and Ahrend, 2020[36]). However, there are significant differences across regions. The share of jobs amenable to remote working varies roughly 10 percentage points across regions, from 31% in Northern and Western to almost 41% in Eastern and Midland (Figure 2.23). Potential remote working is also higher in more densely populated areas. On average, 43% of workers in cities can work from home, while this share is only 33% in rural areas. While similar city-rural gaps are not unique to Ireland, the gap is one of the highest among the European countries.

Remote working potential and education levels are positively correlated. Workers with higher education levels are more likely to work in knowledge-intensive occupations and do not require physical presence, which allows them to work remotely. Figure 2.24 illustrates the relationship between the share of workers within each group and the share of workers who can work remotely, separately for persons with disabilities and without. For both groups, the share of workers who can work remotely increases with education. For example, while 7% of low-skilled workers with disabilities can work remotely, this share increases to 34% for high-skilled workers.

Figure 2.23. The potential for remote working is higher in certain Irish regions

Share of jobs that are amenable to remote working (as a share of all jobs), 2018



Note: The share of jobs amenable to teleworking is based on the types of tasks performed in different occupations and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD average is based on regions located in 30 OECD countries with available data and exclude Chile, Colombia, Costa Rica, Israel, Japan, Korea, Mexico and New Zealand.
Source: EU-Labour Force Survey (2018), OECD (2020[37]), "Share of jobs amenable to remote working, 2018", https://doi.org/10.1787/0e493d79-en.

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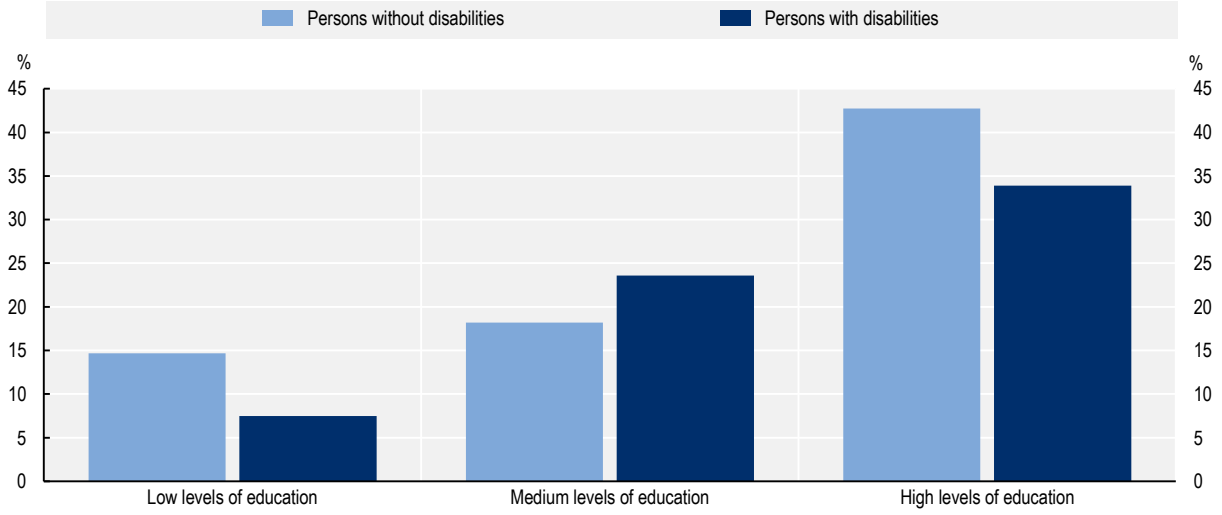
Figure 2.24. Persons with disabilities in Ireland are less often in jobs that allow for remote work but the gap depends on the level of education

Share of workers employed in occupations amenable to remote working by education levels, 2018



Note: Number of workers who can work remotely as a share of all workers within the education group, estimated separately for persons with disabilities and those without.
Source: EU Statistics on Income and Living Conditions (EU-SILC), 2018.

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Remote working can be an opportunity for workers with disabilities

Remote working will be part of the future of work, although predicting its share in the future remains speculative. Remote working has many advantages for workers and firms, which indicates that there are reasons to believe that it will be part of the future. Before the pandemic, remote working was the most requested but refused accommodation for persons with disabilities (Foster and Hirst, 2020[38]). As businesses integrate remote working into their work culture, it will make remote working part of the work culture providing more remote working opportunity for workers with disabilities. Moreover, working from home reduce obstacles associated with commuting, especially those concerning public transportation. Finally, it could provide the flexibility to adjust their work hours depending on their needs.

Remote working should be used to increase inclusiveness and should not be exploited to avoid taking necessary steps. Remote working should be used to ensure the best possible working conditions for each individual. It can be a tool to customise work, allowing employers to better focus on the strengths and abilities of people with disabilities rather than on their support needs. However, it should not be adopted as a strategy to cut costs or as an excuse to avoid implementing workplace adjustments, leading to a reduction in long-term physical and environmental planning for persons with disabilities. For remote work to be really inclusive and non-discriminatory, the default position should be for it to be available and voluntary to the extent possible. Where job tasks allow, people should be free to decide whether and how much they want to telework, as some may want to do less instead of more. Working remotely or from the office should be an option, a facilitator and not a condition for access to work or retention. If people with disabilities are forced to work from home, rather than being offered the choice, it will entail the risk of isolation, loneliness and social exclusion.

The possibility to remote work will not benefit everyone equally, especially those who are low-skilled. Workers with low formal education have less chance to work remotely due to the task content of their jobs. Given the large share of low skilled among persons with disabilities, many would not be able to seize the opportunity, at least in the short term. While training programs should be offered to upskill and prepare workers with disabilities to maximise the opportunities presented with remote work, other policies should be developed in parallel to provide support to those who cannot remote work.

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Notes

[1] COVID-19 Pandemic Unemployment Payment (PUP) is an income support scheme introduced by the Irish Government. This emergency payment corresponded to short-term support with the expected duration of 12 weeks after which people may return to work or may be considered for Jobseekers Benefit or Jobseekers Assistance. The the PUP became a longer term payment – started in April 2020 and only closed to new entrants in July 2021. Payment for those currently on the payment will reduce from September but some payments will continue until at least February 2022. https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/unemployed_people/COVID-19_pandemic_unemployment_payment.html

[2] Employment Wage Subsidy Scheme (EWSS) is a subsidy received by firms impacted by COVID-19, to allow them to continue to pay their employees during the COVID-19 crisis. It aimed to keep employees registered with their employers so that they could get back to work quickly after the pandemic. It was preceded by COVID-19 Temporary Wage Subsidy Scheme which ended on 31 August 2020, and Revenue Employer COVID-19 Refund Scheme which lasted until 24 March 2020.

[3] Persons with disabilities have higher employment rate in tight labour markets (Ross and Bateman, 2018[39]). Using the relative employment gap within the locality ensures that the spatial differences are not driven by labour market tightness.

3 Keeping persons with disabilities in employment and boosting their skills

This chapter puts forward a comprehensive retention strategy for the Irish Government to keep persons with disabilities in quality employment. The strategy has three pillars: (1) investing in skills; (2) widely available accommodation; and (3) prevention of health problems at the workplace and speedy return-to-work. This strategy helps persons with disabilities to stay and progress in the labour market and employers to have an experienced, engaged and healthy workforce. The chapter proposes actionable recommendations to the Irish Government for each of the three pillars, with a particular emphasis on improving incentives, responsibilities and supports for Irish employers.

In Brief

Keeping persons with disabilities in quality employment and boosting their skills is key to improving their labour market position and of major importance to employees and employers alike.

- Persons with disabilities in Ireland leave paid work much more often than persons without disabilities, which contributes substantially to their inferior labour market position. Persons with disabilities exit employment twice as often, even when accounting for their individual and job characteristics. More than four in five persons with disabilities have work experience. Retaining them in work would therefore greatly reduce the disability employment gap.
- Keeping persons with disabilities in quality employment is of major importance to employees and employers alike. For persons with disabilities, staying and progressing in the labour market provides work and income security, facilitates skill development and can help to improve health. For employers, employee retention and progression is important in order to make continued use of acquired knowledge and relationships of engaged staff, to reduce the need for recruiting and training new personnel, and to have access to a wide pool of experienced and skilled workers. Retention is an early intervention strategy when someone becomes ill or acquires a disability.
- This chapter puts forward a comprehensive retention strategy built on three pillars. All three pillars are also critically important to improve hiring of persons with disabilities (Chapter 4).
- First, Ireland should heavily invest in skills by improving continuous learning possibilities for persons with disabilities. Currently, Irish persons with disabilities too often have low education, limited digital access and literacy and low participation in adult learning and apprenticeships. Ireland can improve its adult learning system for persons with disabilities by: i) building a universally accessible and flexible adult learning system; ii) proactively reaching out to and guiding potential leaners; iii) making adult learning more relevant; iv) building capacity of employers to train for a changing world of work; and iv) tackling time and financial barriers.
- Second, Ireland should better accommodate individual constraints and preferences of workers. A substantial evidence base shows that reasonable accommodation – changes in the workplace and/or the work activity to enable a person to perform and advance on the job – reduces employment barriers for all workers, including for those who experience health problems. Availability of low-cost accommodation such as working time and work place flexibility should become the norm in Ireland. Furthermore, the government should guide employers better how to implement reasonable accommodation and promote awareness of the available supports.
- Third, Irish employers should be more responsible for preventing health problems in the workplace and promoting return-to-work for those on sick leave. Irish employers currently have little financial incentives to prevent sickness, work injuries and occupational diseases. In particular, Ireland is one of only a few OECD countries where employers are not obliged to continue to pay their staff on sick leave. The Irish Government should continue its plans to implement statutory sick pay. It should opt for a paid sick leave system that provides broad access, has substantive employer engagement, promotes return-to-work of recovered workers (including where necessary to a new jor or a job with a new employer) and allows for adaptability during pandemics.

3.1. Introduction

Irish persons with disabilities exit the labour market much more often than their peers without disabilities. Between 2010 and 2015, persons with disabilities of working age were twice as likely to leave employment, even when accounting for their individual and job characteristics. Moreover, more than four in five persons with disabilities have worked at some point in their lives (Watson, Lawless and Bertrand Maître, 2017[1]). Lowering premature employment exit would therefore substantially improve the labour market position of persons with disabilities in Ireland.

This chapter proposes a comprehensive retention strategy that promotes continuous labour market activity in quality employment with possibilities for career progression. Retention here is understood as keeping persons with disabilities, whether it is an acquired disability or otherwise, in employment. The strategy has three pillars: (1) investing in skills by continuous learning for healthy careers; (2) widely available accommodation of work activity to allow workers to perform and advance on the job; and (3) prevention of health problems at the workplace and seamless return-to-work. All three pillars are of critical importance also for the hiring of persons with disabilities (Chapter 4).

Both persons with disabilities and employers would benefit from more successful retention in quality employment. For persons with disabilities, staying and advancing in quality employment firstly provides work and a stable source of income. Second, being in work facilitates continuous learning and engagement in society. Third, staying in work comes with health benefits. Panel analysis shows that mental health tends to worsen considerably when individuals exit employment, whereas mental health generally improves for those who become employed (Llena-Nozal, 2009[2]). For employers, employee retention and progress is important firstly to have continuous access to on-the-job knowledge and relationships acquired by their staff over time. Staff that can progress will generally be more engaged and motivated (OECD, 2018[3]). Second, retention reduces the need to invest in the recruitment and training of new workers. Third, lower rates of labour market exit broaden the pool of experienced and skilled workers that employers can hire from. Thus, retention and prevention of employment exit is the most efficient early intervention strategy.

3.2. Skill investments for healthy careers

3.2.1. The case for continuous investment in skills for production and inclusion

Job-related skills are crucial for the performance of both firms and individuals in the labour market. An adequate skill set implies having both the level and the types of skills needed to perform the tasks that are demanded in the labour market. In a rapidly transforming world of work, this requires continuous skill investments (OECD, 2019[4]; 2019[5]; 2017[6]).

For employers, having a workforce equipped with the skills required for the jobs of today and those of tomorrow is vital. Employers benefit from a skilled workforce through increased productivity, higher employee retention rates, more engaged workers and enhanced relations between management and workers. Furthermore, having employees with the right skills is important for firm survival, development and innovation. A skilled workforce facilitates the implementation of new technologies and work practices, and skilled workers are more prepared to adapt to changes in the nature of work (OECD/ILO, 2017[7]; OECD, 2016[8]).

Individuals with the right skill set have better current and future employment possibilities. Skilled individuals are more often employed, earn higher wages, enjoy better working conditions and report on average greater job satisfaction. Skilled individuals also have better chances to progress in their careers and make the most of changes in the world of work. More broadly, having the right skill set facilitates social and economic inclusion (OECD/ILO, 2017[7]; OECD, 2019[4]; 2016[8]).

Job-related skill formation, i.e. acquiring skills that are likely to impact work performance and productivity, principally takes place in formal education and adult learning systems. This report only considers adult learning, broadly understood as all learning to upskill and reskill at all levels by adults who have left formal education, and does not look in great detail at the formal education system. Adult learning is sometimes referred to as lifelong learning. Adult learning comprises of i) formal adult training and education, which results in a formal qualification; ii) non-formal adult training and education, including structured on-the-job training, open and distance education, courses and private lessons, seminars and workshops; and iii) informal learning, including unstructured on-the-job learning, learning by doing or learning from colleagues. The analysis and recommendations in the report cover learning at all levels; not only basic skills training. In Ireland, the state agency SOLAS is responsible for formal adult training and education and funds many further education and training (FET) programmes (Box 3.1). This report does not cover formal education. While solid formal education is beyond the remit of this report, it is imperative for social inclusion and labour market performance. In particular, formal education lays the groundwork for skill formation, and affects the effectiveness of later skill investments (Heckman, Humphries and Veramendi, 2018[9]; Heckman, 2006[10]).[1] Forthcoming analysis by the ESRI looks at gaps in educational attainment by disability in greater detail (ESRI, 2021[11]).

Governments have an important role to play to promote job-related skills formation, firstly because of efficiency arguments. Both employers and individuals may underinvest in adult training and education due to a lack of information, capacity and incentives. Employers and individuals may not be well informed about the benefits, availability and quality of training, as well as which skills to invest in. Employers, in particular small and medium-sized enterprises, can have limited capacity to plan, fund and deliver training. More generally, employers may underinvest in skills out of concern for poaching, i.e. losing trained workers to other employers. Individuals on their end may face barriers to training participation, including a lack of time, financial resources, the possibility to learn on-the-job and employer support.

Secondly, governments can support individuals in their skill formation out of equity considerations. In a changing world of work, increasing everyone's engagement in adult learning is key to sustained labour market participation. Having insufficient skills can aggravate labour market inequalities that groups such as low-skilled workers, high-school dropouts and long-term unemployed are experiencing (OECD, 2019[5]).

The importance of skills is pressing in Ireland. Skill demands are high, given the knowledge-intensive focus of the Irish economy and its active strategy to attract foreign direct investment (OECD, 2020[12]). Ireland is, after Finland, the OECD country with critical shortages in the largest number of types of skills (23 out of 35), including in content skills (e.g. reading comprehension, writing), process skills (e.g. critical thinking and active learning), complex problem solving skills and social skills (e.g. co-ordination and negotiation) (OECD, 2017[6]). Survey results among 300 companies in February and March 2021 underscore these findings. Two in five firms express the need to upskill their staff. One in four emphasises that this need has become more pressing throughout the COVID-19 pandemic. Over half the companies indicated that their company struggled to fill a skills gap over the past 12 months (Dublin Chamber, 2021[13]).

Box 3.1. Adult learning in Ireland

The Irish system of formal adult learning, commonly referred to as further education and training (FET), provides a broad range of courses at different levels to learners from the age of 16. Since 2013, the state agency SOLAS is responsible for funding, planning and co-ordinating FET. SOLAS works in close collaboration with 16 regionally organised Education and Training Boards (ETBs) who deliver FET provision, as well as with a range of other support agencies. FET falls under the remit of the Department of Further and Higher Education, Research, Innovation and Science. SOLAS is also responsible for approving employers to train statutory apprentices. The FET system serves currently around 200 000 unique learners each year. This is not the only gateway into adult learning. For instance, individuals, including persons with disabilities, can directly access higher education courses.

The National Further Education and Training (FET) Strategy 2020-24 outlines the vision for future FET in Ireland. Priorities for the sector are set out across three strategic pillars, paraphrased here:

- Building skills to prepare and empower individuals in a rapidly evolving world of work. Actions include strengthening of vocational training and apprenticeships and better aligning with skill needs;
- Fostering inclusion by providing learning opportunities among all individuals. The 2020-24 FET strategy outlines plans for consistent and integrated learner support, rooting FET in the community, active targeting of priority cohorts and improving core literacy and numeracy provision;
- Creating pathways from school into FET, within FET from core to more advanced courses, and from FET into higher education and the labour market, with the ambition to facilitate learning throughout all stages of people's lives and careers.

The 2020-24 FET strategy explicitly lists persons with disabilities as one of the priority cohorts. The strategy's premise is to address the needs for persons with disabilities in terms of areas that could improve universal access to FET, by strengthening funding, seeking to ensure that reasonable accommodations are made by service providers and integrating a universal design for learning approaches. The strategy further proposes to embed mental health and well-being within professional development of FET staff. The strategy particularly commits to the importance of improving access to apprenticeships for persons with disabilities. The Irish Action Plan for Apprenticeship 2021-25 echoes this ambition by having inclusion as one of its key objectives.

The Department of Further and Higher Education, Research, Innovation and Science Statement of Strategy lists inclusion as one of its six strategic goals in its Statement of Strategy 2021-23. The goal includes the provision of learning supports and opportunities to all, recognising the needs of vulnerable and marginalised learners, and assistance in accessing and progressing through FET. ETBs are required to consider the needs of identified priority cohorts, including persons with disabilities, in their planning and delivery of FET provision and to provide details on existing and new initiatives to address barriers to FET.

There are indications that FET is delivering successful learner outcomes, although underpinning data systems are still maturing. A 2019 evaluation found that 62% of 2016 FET graduates were in substantial employment in the first year after graduation, compared to 47% of 2010 graduates. Almost 80% of apprentices qualified in 2014 were in employment two years after qualification, up from 53% in 2010. The 2018 National Tertiary Education Employer Survey indicated that satisfaction with FET graduates was on par with higher education graduates. More than 80% of employers were satisfied with technical knowledge, numeracy, written and verbal communication skills and ability to work in teams of FET graduates. Nevertheless, a 2017 evaluation indicated that learners from vulnerable groups, including

persons with disabilities, encountered serious challenges when seeking to engage with FET. The evaluation revealed deep-seated motivational, economic, organisational and informational barriers among these cohorts that prevent members from accessing and employing FET to its full benefit.

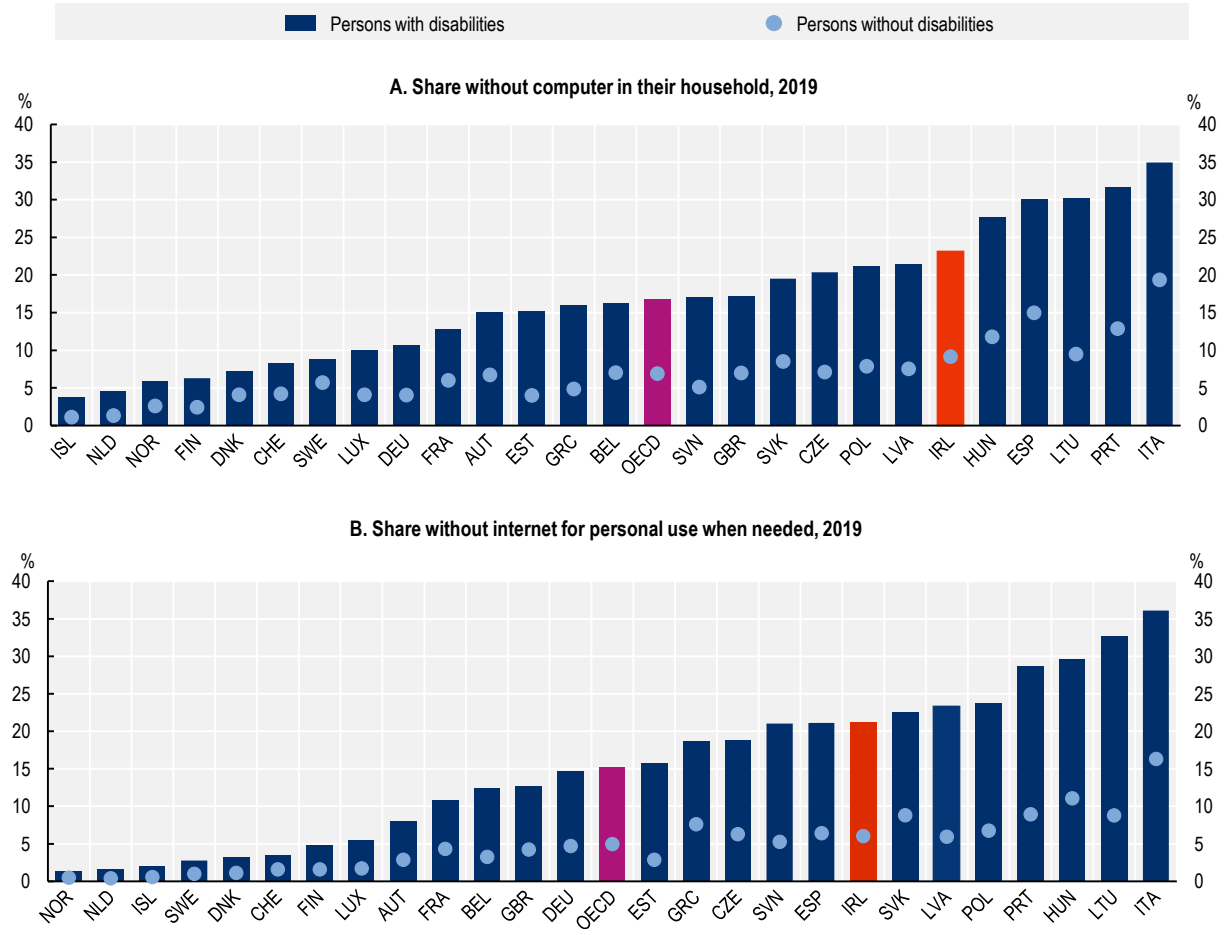
Source: DFHERIS (2021[14]), Statement of Strategy 2021-2023, https://www.gov.ie/en/organisation-information/3f066-statement-of-strategy-2021-2023/; DFHERIS (2021[15]), Action Plan for Apprenticeship 2021–2025, https://www.gov.ie/en/publication/0879f-action-plan-for-apprenticeship-2021-2025/; CSO (2019[16]), Equality and Discrimination Survey 2019, https://www.cso.ie/en/releasesandpublications/er/ed/equalityanddiscrimination2019/; Mooney and O'Rouke (2017[17]), Barriers to Further Education and Training with Particular Reference to Long Term Unemployed Persons and Other Vulnerable Individuals, https://www.solas.ie/f/70398/x/432b2fa3ba/barriers-to-fet-final-june-2017.pdf; SOLAS (2020[18]), Future FET: Transforming Learning The National Further Education and Training (FET) Strategy, https://www.solas.ie/f/70398/x/64d0718c9e/solas_fet_strategy_web.pdf.

3.2.2. Persons with disabilities too often lack adequate skills

Persons with disabilities have less access to basic digital tools, lower digital literacy and participate less frequently in adult learning and apprenticeships – in addition to often leaving the education system with a low level of initial education, as discussed in Chapter 2.

While information on IT skills by disability status is unavailable, evidence shows that Irish persons with disabilities regularly do not have the tools and experience to utilise basic digital and communication technology to navigate and solve problems in their everyday life and work. Technology-intensive, abstract and soft skills are becoming increasingly more important as a consequence of automation and globalisation (Thewissen and Rueda, 2019[19]; Thewissen, van Vliet and Wang, 2017[20]; OECD, 2017[6]). About three times as many persons with disabilities do not have a computer in their household or have access to internet for personal use when needed on average across OECD countries (Figure 3.1). About 6% cite affordability as the principal reason for not having access to these tools; three times the share of persons without disabilities. The situation is even worse in Ireland for persons with disabilities. A larger share does not have a computer or internet, the gap with their peers without disabilities is higher and around 10% lack access because of affordability reasons. Age and education cannot fully explain the digital gap. Accounting for these factors reduces the gap by about a third to around 7 percentage points across the OECD on average and 10 percentage points in Ireland.[2]

Figure 3.1. Irish with disabilities often lack access to basic digital tools



Note: Data cover the population aged 15-69. Data for Iceland, Ireland and Italy refer to 2018 and data for the United Kingdom to 2016. OECD is an unweighted average of the 26 European countries shown.
Source: EU Statistics on Income and Living Conditions (EU-SILC).

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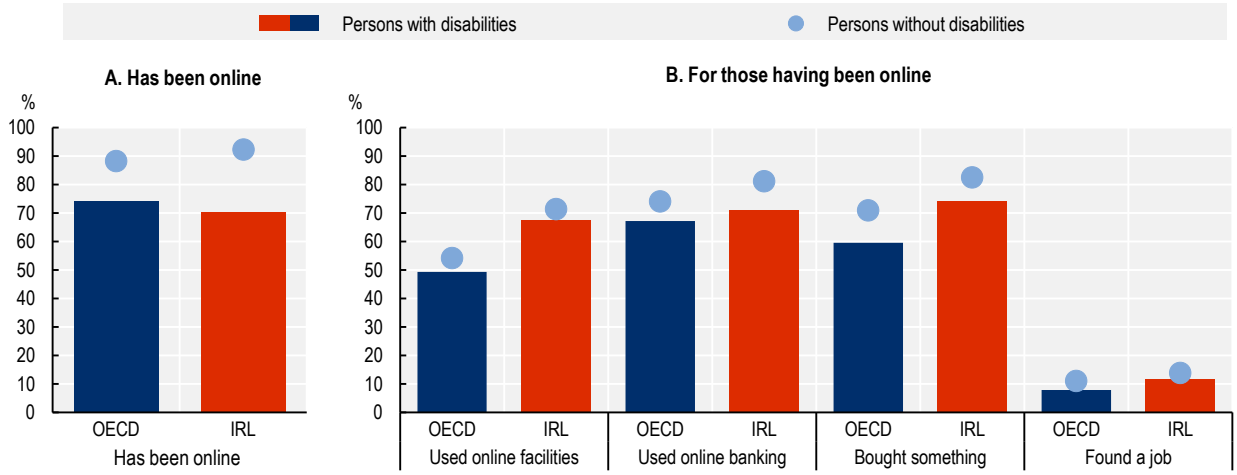
Even those who have access to basic digital tools are less digitally literate. Fewer persons with disabilities have been online – 70% compared to over 90% for persons without disabilities (Figure 3.2 Panel A) – and among those who have been online, fewer have used online facilities for public administration, banking, shopping or found a job online (Figure 3.2 Panel B). The disability digital literacy gap remains significant when adjusting for age and education pooled across countries – in the case of finding a job online when restricting the sample to the group of non-employed. There is no indication that these relationships are significantly different for Ireland.

Figure 3.2. Even persons with disabilities with access to internet have lower digital literacy



Note: Population aged 18-69. All indicators refer to behaviour in the last 12 months. OECD is an unweighted average of 23 European countries (all countries covered in the dataset except Greece, which has a low number of observations).
Source: European Quality of Life Survey (EQLS).

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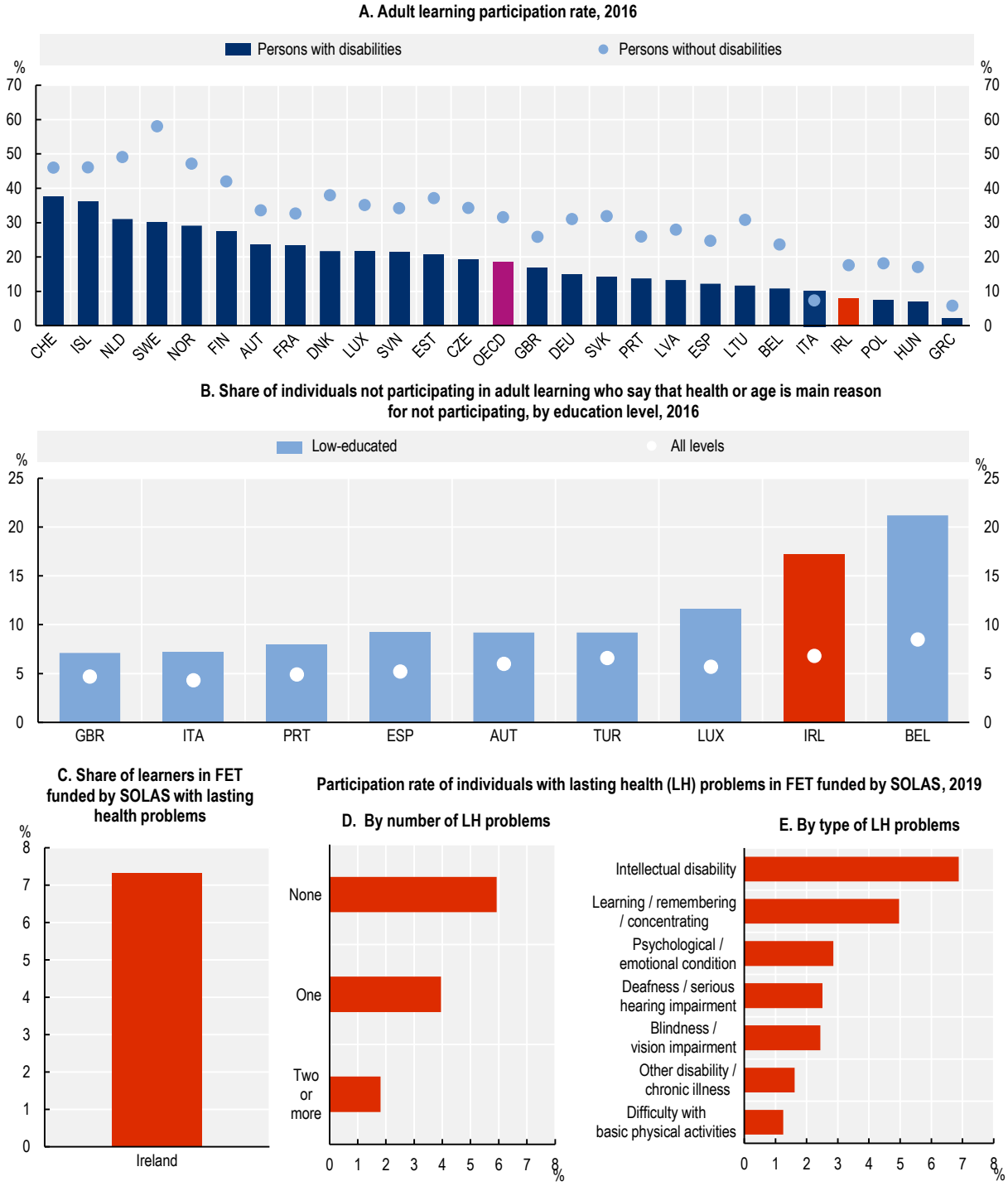
Moreover, Irish persons with disabilities rarely participate in adult learning. Participation engagement in general is low and persons with disabilities face a substantial adult learning participation gap. Only about one in 13 Irish with disabilities was engaged in adult learning, compared to one in five on average across OECD countries and one in three for instance in Switzerland, the Netherlands and Sweden (Figure 3.3, Panel A). Persons with disabilities face a participation gap of 10-15 percentage points in most OECD countries, including in Ireland. Age and education can only explain half of this gap.[3] Many low-educated Irish wanting to participate in education and training mention health or age as main reason for not participating (Figure 3.3, Panel B).[4]

Further education and training (FET) enrolment data from SOLAS for 2019 suggest that persons with disabilities in further education and training provision in Ireland may be underrepresented. The SOLAS data are collected from the registration form that all learners complete before starting any provision in further education and training. It is not compulsory to provide this information and it is a self-declaration. This group is broader than the group of persons with disabilities, as no question is asked whether the lasting health problem limits their daily activities.[5] On the other hand, it may be that learners do not disclose whether they have a lasting health problem, which would lead to underestimation of their participation. Keeping those data limitations in mind, 7% of all FET learners who enrolled in a programme funded by SOLAS had a lasting health problem in 2019 (13 098 in total) (Figure 3.3, Panel C). About 6% of the working age population with no lasting health problem enrolled in FET funded by SOLAS, compared to 4% of those with one lasting health problem and 2% of those with two or more lasting health problems (Figure 3.3, Panel D). Learning enrolment rates are low across all types of health problems. Those with an intellectual disability or difficulty with learning, remembering or concentrating participate somewhat more often than those with physical health problems (Figure 3.3, Panel E) (Dulee-Kinsolving and Guerin, 2020[21]; Dulee-Kinsolving and Guerin, 2020[22]).

Figure 3.3. Irish with disabilities face problems accessing adult learning



Note: Panel A: Population aged 15-69. Panel B: Population aged 25-64 wanting to participate in education and training but did not participate. No further distinction between health and age reasons can be made. Panels C-E: Learners enrolled in further education and training (FET) programmes funded by SOLAS. The dataset covers learners who state to have lasting health problems and is broader than persons with disabilities, as no question is asked whether the lasting health problem limits their daily activities. OECD is an unweighted average of the countries shown.

Source: Panel A: EU Statistics on Income and Living Conditions (EU-SILC) ad-hoc module. Panel B: Adult Education Survey (AES). Panels C-E: SOLAS FET enrolment data (Dulee-Kinsolving and Guerin, 2020[21]; Dulee-Kinsolving and Guerin, 2020[22]).

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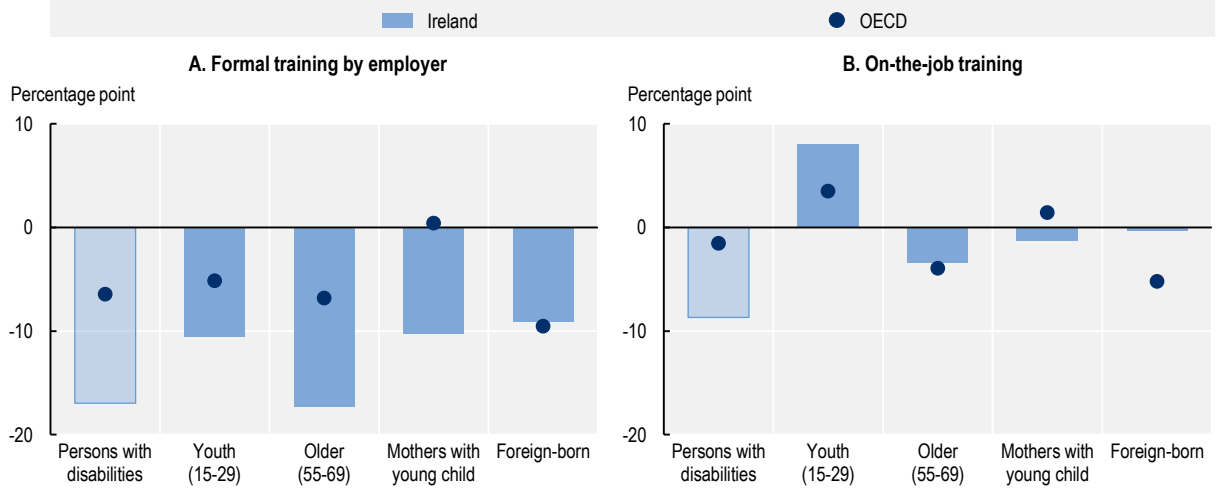
Adult learning participation rates are particularly low among non-employed Irish with disabilities, as further discussed in Chapter 4. The lower levels of education, skills and adult learning participation rates act as a major impediment to the labour force participation of persons with disabilities. Findings from surveys among employers and persons with disabilities in the United States corroborate the importance of education and skills for employment. The three most often barriers to employment for persons with disabilities listed by HR staff in the United States all relate to skills: a lack of qualified applicants (51%), lack of relevant experience (36%) and a lack of requisite skills and training (30%) (Erickson et al., 2014[23]). American jobseekers with disabilities in a large representative sample most often mentioned not having enough education or training as an employment barrier (41%). Only 39% were able to overcome this barrier (Sundar et al., 2018[24]).

The Irish adult learning system lacks inclusion even among employees.[6] Participation gaps for formal training provided for, or paid by, the employer are particularly large. In Ireland, employees with disabilities, youth, older employees, mothers with a young child and foreign-born take part substantially less often than prime-age males in formal training by the employer (Figure 3.4, Panel A). Gaps are larger in Ireland than on average across the OECD, except for foreign-born. Employees with disabilities are also substantially less involved in on-the-job training in Ireland (Figure 3.4, Panel B). Taking into account employee characteristics (education, age and gender), job characteristics (occupation, working part-time, type of contract) and firm characteristics (sector and firm size), Irish employees with disabilities participate around 15-17 percentage points less often in adult learning. This disability participation gap in Ireland is the highest among all OECD countries. Irish employees with disabilities seem to find themselves caught in a low-skills trap, where their weaker labour market position and lower initial skills level prevents them from developing further through education and training (OECD, 2019[25]).

Figure 3.4. Irish employees with disabilities are less involved in different types of adult learning

Participation gap relative to prime-age males, 2015



Note: Data cover employees aged 15-69. Mothers with young child have child aged 14 or younger. Gaps relative to prime-age (25-54) males. Formal training by employer: training paid for or provided by employer. OECD is an unweighted average of 21 European countries: Austria, Belgium, the Czech Republic, Denmark, Estonia, Germany, Finland, France, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.
Source: European Working Conditions Survey (EWCS), 2015.

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Compared to other OECD countries, apprenticeships are a less frequently used adult learning pathway in Ireland among the entire population and in particular among persons with disabilities (Figure 3.5). Apprenticeships combine both on and off-the-job training with the goal of better connecting youth to labour market opportunities.

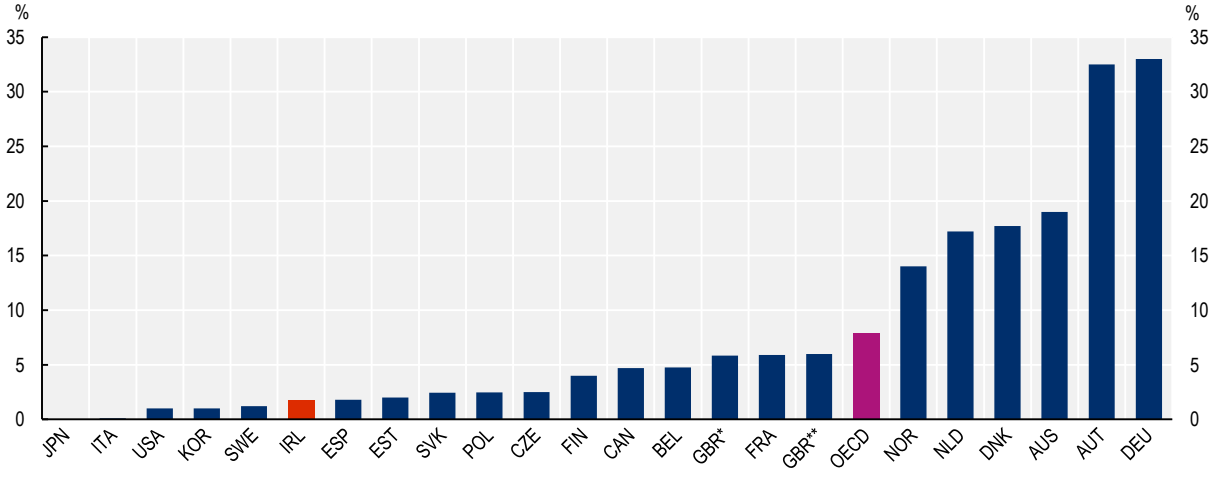
A diverse body of research indicates that completing an apprenticeship can improve overall labour market outcomes for young people. Young people with apprenticeship experience tend to have higher average rates of employment than the national average and higher wages (OECD, 2018[26]). They also tend to have below average repeated periods of unemployment than students who have graduated from a more school-based system. The successful completion of apprenticeship can ease the path into employment for young people, even if they do not find employment with the firm that provided the training place (Quintini and Manfredi, 2009[27]).

More broadly, the work-based training component of apprenticeships provides young people with the chance to develop job-ready "soft" or generic skills that are as relevant as technical vocational competences. Skills like problem solving, conflict management and entrepreneurship are more effectively developed in workplaces than in off-the-job situations like classrooms or simulated work environments (OECD, 2010[28]).

Despite these potential benefits, few Irish persons take on apprenticeships, and rates are lower still among youth with disabilities. Among the 16-25 year-old population, Ireland had about 2% of students enrolled in apprenticeships in 2012, which was substantially behind leading OECD countries, such as Germany (33%), Austria (33%), Australia (22%), and Denmark (18%). More recent figures for Ireland show the number of apprentices has risen from about 3 000 in 2012 to up to 17 000 in 2020. Furthermore, apprenticeships in Ireland are currently almost exclusively a training pathway for young men without disabilities. In 2020, persons with health problems represented 3% of the apprentice population, and only 5% of apprentices were women; up from 2% in 2018 (SOLAS, 2018[29]).

Figure 3.5. The use of apprenticeships varies substantially across countries

Current apprentices in programmes leading to upper-secondary or shorter post-secondary qualifications as a share of all students enrolled in education for such qualifications (ISCED 3 and ISCED 4), 16-25 year-olds, 2012



Note: Data for Belgium refer to Flanders, data for the United Kingdom with « * » refer to Northern Ireland and « ** » to England. The OECD is an unweighted average of the countries shown.
Source: OECD (2019[30]), *SME and Entrepreneurship Policy in Ireland,* https://doi.org/10.1787/e726f46d-en.

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3.2.3. Getting skills right: Towards inclusive adult learning

A comprehensive policy agenda is needed to invest in the skills of persons with disabilities in Ireland, built around the following five principles:

1. Build a universally accessible and flexible adult learning system
2. Reach out proactively to potential learners and provide clear guidance
3. Make adult learning relevant for employment
4. Build capacity of employers to train for a changing world of work
5. Tackle time and financial barriers

Employers have a key role to play throughout all five principles.

Build a universally accessible and flexible adult learning system

The formal education and adult learning sector needs to be configured to meet the needs of all. Formal education and adult learning should be based on a philosophy to be as universal as possible. Persons with additional needs should participate as much as possible in the same class or school as persons without additional needs. Such a strategy is effective to get the basic system right for everyone, including for persons with disabilities in the open labour market, it helps to prevent segregation and stigmatisation and it minimises the necessity for persons to disclose their additional needs. Moreover, a universally accessible and flexible adult learning system aligns with the obligations to leave no one behind and to drop any stigmatising labels assigned to learners, as defined under the United Nations Sustainable Development Goals and the United Nations Convention on the Rights of Persons with Disabilities.

A universally accessible system that meets the needs of all consists of a number of elements.

First, formal education and adult learning system should be built on *Universal Design* principles from the outset. The system should be designed in such a way that (almost) everyone can access, understand and benefit from it, irrespective of their needs or ability (Story, Mueller and Mace, 1998[31]). The Irish adult learning system is not yet built on a Universal Design approach, though Ireland has taken a frontrunner position in advancing towards such a system in adult learning. The Irish Government has underscored its ambition for a formal education and adult learning system based on Universal Design in its National Planning Framework for Project Ireland 2040 (Government of Ireland, 2018[32]). The independent non-profit organisation AHEAD that aims to create inclusive education and learning environments has published a conceptual framework of Universal Design for formal education and adult learning, commissioned by SOLAS (Quirke and McCarty, 2020[33]). AHEAD has recently published concrete guidelines for adult learning providers to implement Universal Design, which were written in consultation with stakeholders (AHEAD, 2021[34]). The NDA's *Centre for Excellence in Universal Design* was heavily involved in the design of these guidelines.

Second, *all adults should have access to adult learning*, as everyone is a potential learner. Facilitating access for unemployed and inactive persons deserves particular attention, given their low adult learning participation rates (see also Chapter 4). Enrolment in adult learning should not affect benefit entitlement. Adult learning systems should ensure clarity around the availability of benefits while enrolling in adult learning (Mooney and O'Rourke, 2017[17]). In Ireland, illness and disability benefit recipients face administrative hurdles to enrol in adult learning. Disability Allowance recipients have to inform social welfare. Their benefit is suspended; instead, they receive a FET training allowance of the same amount (see also Chapter 4). Since March 2021, PhD students can continue to claim Disability Allowance (the so-called "Catherine's law") when they are on a bursary or scholarship of up to EUR 20 000 per year for a maximum of four years. Illness Benefit and Invalidity Pension recipients have to apply for an exemption from the Department of Social Protection authorising them to do the FET course.

Third, a universally accessible system necessitates *active engagement and awareness of adult learning providers and teachers*. Providers and teachers should view it as their responsibility and be able to instruct as many learners in the classroom as possible and to help identify learners in need of further accommodation. For this, providers and teachers should have access to authoritative and accessible guidelines how to identify and support learners with disabilities. These guidelines should go beyond compliance requirements and promote best practices. Such guidance was until very recently lacking in Ireland, despite the existence of a significant body of legislation and case law (ETBI, 2018[35]). This helps to explain why an evaluation of the Irish adult learning system found that "[…] colleges are unable to offer support because many do not believe that it is part of their role to provide education and training to people with intellectual disabilities. Lack of knowledge and familiarity […] contributed significantly to this resistance" (WALK, 2015[36]). AHEAD has recently published concrete guidelines for adult learning providers to implement Universal Design (AHEAD, 2021[34]). Furthermore, knowledge on mental and physical health should be part of the teacher curriculum. The Irish 2020-24 FET Strategy acknowledges raising knowledge and awareness among trainers as a policy priority, but does not propose specific measures or measurable targets (SOLAS, 2020[18]). The Irish professional association for principals in adult learning (Further Education and Training Colleges Ireland, FETCI) agrees with the importance of inclusion, writing that "[p]lacing the diversity of students and their complex range of vulnerabilities in the mainstream of FET provision, rather than as a 'reasonable accommodation' after the fact, is of great importance to FETCI". Again, however, it does not propose specific measures to improve competences of teaching staff to promote inclusion (FETCI, 2021[37]).

Fourth, the *adult learning system should be held accountable for inclusion*, by organising clear budget lines to resource the provision of supports to learners with disabilities and by implementing institutional targets and incentives that discourage separation. Adult learning providers should be able to access dedicated budget for support. Moreover, the budget should promote inclusion, individualised and flexible learning provision with resources available on a timely basis. The *Irish Fund for Students with Disabilities* currently only provides extra funding for institutions to support learners with disabilities in full-time courses of at least one year in duration.[7] Part-time programmes such as the *Back to Education Initiative*, *Community Education* or adult literacy do not receive additional funding. Furthermore, the application process is administratively burdensome and schools only receive funding well into the academic year (ETBI, 2018[35]). These reasons help explain why only 13% of students covered by this Fund were adult learners (Higher Education Authority, 2017[38]). The strong efforts of SOLAS to track participation of persons with disabilities in further education and training help to hold the FET system accountable for inclusion.

Fifth, the adult learning system should *accommodate individualised learning pathways by means of widely available flexibility in content and provision*. Widely available accommodation reduces the need for learners to disclose their preferences and constraints, including health problems. Many learners, such as persons with disabilities, migrants and older persons can benefit from access to simplified language course material. Equally, many learners including those with disabilities and with family commitments would gain from possibilities for part-time enrolment and distance, blended and modular courses to shape their own learning path in their own time and place (Kis and Windisch, 2018[39]). Distance learning can be particularly helpful for learners for whom it is physically or mentally more demanding to come to a learning facility at a set hour. Blended courses that combine face-to-face and distance learning are particularly promising, as they still allow learners to benefit from direct contact with teachers and classmates to improve both technical knowledge and social skills (McGinty, 2018[40]). Modular learning provides flexibility by allowing individuals to work towards a full qualification over time by successively adding self-contained modules to their learning portfolio, in contrast to traditional learning programmes that require full completion to gain a qualification (OECD, 2019[25]). The Irish 2020-24 FET Strategy recognises the importance of moving towards a system with individualised learning pathways and widely available accommodation (SOLAS, 2020[18]). Promising examples to learn from come from the almost fully modular adult learning system of Flanders (Belgium) and Denmark. Blended course providers receive extra government funding in Flanders (Box 3.2).

Sixth, learners need to have access to *proactive and continuous support*. As many learners do not disclose constraints they may have, there would be merit in implementing a standardised process that screens all learners at point of entry to identify any additional needs. Dedicated and knowledgeable access officers should be responsible for accommodation at entry, for continuous one-stop shop assistance throughout the adult learning programme and for support towards work placement and sustainable employment upon completion (ETBI, 2018[35]). A promising example of screening comes from the Technological University Dublin (Box 3.2).

Box 3.2. Modular learning in Belgium and Denmark and profiling learners in Dublin

The adult learning system of Flanders (Belgium) is almost entirely modular: adult learning courses are structured as self-contained modules that successively add to a full qualification. The adult learning system provides a wide range of literacy, numeracy, ICT and social skills courses. Learners obtain a partial certificate after each module they attend, which can lead to a full qualification. Blended courses that combine face-to-face and at-distance learning receive extra government funding. The system provides particular support to low-skilled adults and persons with disabilities. These groups benefit from lower fees (between EUR 0-EUR 0.30 rather than EUR 1.50 per hour) and are entitled to extra learning support and adjusted learning materials (OECD, 2019[41]).

The Danish adult learning system provides high flexibility to its learners, allowing them to tailor their education and training programme based on their individual needs (Desjardins, 2017[42]). Learners can combine modules from different training providers and across multiple subjects. For example, learners aiming to attain a vocational qualification can select from a wide range of vocational training courses from Labour Market Training Centres (*Arbejdsmarkedsuddannelse*) but also enrol in courses provided by the general education system.

The Technological University Dublin (Ireland) has adopted an online tool, called *Do-It profiler*, which screens and profiles all students at the point of their induction on a volunteer basis. Students making use of the service receive immediate feedback on their learning styles with some suggestions about how best to study. About 10% of the screened students are profiled with a possible learning difficulty that may require additional support. These students are invited for a meeting with the institute's educational support service. Uptake of this invitation is high. The profiler helps to identify those in need of more support immediately at the beginning of their studies. Moreover, teachers can access learning style profile reports to tailor teaching approaches to the needs of the class group (ETBI, 2018[35]).

Reach out proactively to potential learners and provide clear guidance

An important reason why many groups facing a labour market disadvantage participate less often in training is that they find it more difficult to recognise their learning needs and enquire less often into training opportunities. On average, only 12% of adults with low skills looked for learning opportunities compared to 36% of adults with high skills, according to the 2016 Adult Education Survey (OECD, 2019[25]). Reaching out proactively to these groups using existing relationships can help them connect with adult learning.

Benefit recipients, including persons receiving disability benefits or unemployed persons with health problems, are in contact with public authorities. These public authorities can proactively reach out to promote adult learning and provide guidance. Ideally, reaching out and providing support would all be done by a one-stop shop, such as the public employment services (PES). The Dutch PES, for example, actively approaches disability benefit recipients to promote training as part of their re-integration, with promising results (Box 3.3). Ireland does not actively reach out to disability benefit recipients to promote learning facilities. Instead, benefit recipients willing to learn have to contact authorities themselves, which rarely happens. The Phase Two Action Plan 2019-21 of the Comprehensive Employment Strategy contains the

action to write an implementation and communication plan to improve early engagement with persons with disabilities by the Irish PES (as discussed in greater detail in Chapter 4).

Outreach through the workplace can be effective in engaging employees with low-skills, as the workplace is one of the key places were individuals identify their training needs and take part in training opportunities. Trade unions can provide a bridging function to help employees voice their training needs to their employers. The British *TUC Unionlearn* programme trains Union Learning Representatives (ULRs), who help workers identify training needs and arrange learning opportunities within their companies. Independent evaluations show promising results, including for persons with disabilities (Box 3.3). In the United Kingdom, as well as in for instance Norway, about one in four firms with at least ten employees involve staff representatives in setting joint training objectives and establishing criteria for the selection of participants and target groups according to Continuing Vocational Training Survey data for 2015. In Ireland, only about one in ten firms applies such practices. An interesting example is Skillnet, a business support agency of the Irish Government. The programme incentivises firms in the same sector or region to join forces to deliver adult learning, by combining government grants with training levies. It is governed by a tripartite board and provides training for jobseekers as well. It currently consists of 70 business networks, covering more than 18 000 employers. It provided training to about 70 000 people in 2020. However, in its Statement of Strategy 2021-25, it does not make any reference to inclusion (Skillnet, 2021[43]).

Interest groups from the disability sector can also facilitate a pathway to re-engage persons with education and adult learning. Interest groups have the added advantage of being aware of the diverse needs and circumstances of their cohorts. The Irish Government is actively engaging with persons with disabilities and their interest groups, as part of its Roadmap for Social Inclusion 2020-25 that actively targets persons with disabilities (Government of Ireland, 2020[44]). For instance, the Action Plan for Apprenticeship 2021-25 includes the key deliverable to include the voice of underrepresented cohorts in apprenticeship (DFHERIS, 2021[15]). Furthermore, multiple Irish disability interest groups help organise trainings, including WALK, the National Learning Network (NLN) and the National Autism Charity AslAm. WALK provides training in local community colleges, training centres and universities, and supports and organises training in the workplace. WALK reaches out to young disability benefit recipients in its *Providing Equal Employment Routes* (*PEER*) programme using its own network to stimulate and support them to access education and training, and obtain work experience (Box 3.3).

Many countries also use awareness campaigns to reach potential learners, although there is little evidence that such campaigns are successful. The German campaign *Nur Mut – Der nächste Schritt lohnt sich. Besser lesen und schreiben lernen*, aimed to engage adults with low-literacy skills by means of TV and radio advertisements and posters. The evaluation noted that it raised overall awareness of the importance of literacy, but was not effective in reaching the target group itself. The Portuguese *New Opportunities Initiative* campaign suffered from similar problems (OECD, 2019[25]). It seems unlikely that broad campaigns will work better to engage persons with disabilities, as they may face additional learning barriers and require more personalised support.

Professional career guidance facilitates effective learning and employment by identifying suitable new job opportunities and proposing relevant training in a constantly evolving labour market. Such services are particularly important for persons facing labour market disadvantage, as they are in more need for training, may be less aware of promising training avenues and may choose less demanding training as they are more risk-adverse or lack confidence (Klein, Iannelli and Smyth, 2016[45]). Nevertheless, low-educated and older individuals – two groups which include a large number of persons with disabilities – are much less likely than their counterparts to use career guidance (OECD, 2021[46]). Ireland can promote the inclusion of its career guidance services by making sure that career guidance is accessible to all. This includes the implementation of a user-friendly centralised career guidance portal built on Universal Design principles that provides personalised labour market intelligence (Indecon, 2019[47]). An interesting example comes from France, where the one-stop shop *Conseil en Evaluation Professionnel* offers free and personalised advice to anyone wishing to receive information and career guidance (Box 3.3).

Box 3.3. Reaching out to potential learners: the Netherlands, the United Kingdom, Ireland and France

In the Netherlands, the *No Limits at Work* research agenda by the Department of Social Affairs and the PES aims to expand the knowledge base on effective training for bringing disability benefit recipients back to work. The PES offers 11% of its trainings to disability benefit recipients, although this still only covers 1% of the total benefit population. The labour market effects of training are promising. About 60% who received training found a job – almost twice as high as those who did not receive training and 50% higher than those who only followed a re-integration process. About half still have their job five years later (UWV, 2020[48]; UWV, 2020[49]).

Unionlearn in the United Kingdom supports workers in acquiring skills and qualifications to improve their employability. The programme actively considers overcoming disability-related barriers to learning. One of its key activities is the training of Union Learning Representatives (ULRs), who help workers identify their training needs and arrange learning opportunities within their companies. Since its inception in 2006, *Unionlearn* has trained more than 40 000 ULRs. It provides learning opportunities to about 250 000 workers per year, including relatively high numbers of workers with no or low qualification levels according to independent evaluations. In 2016, 14% of union learners disclosed to have disabilities, in line with the share of the working age population with a disability. Employers report positive effects on productivity and employee commitment (Stuart et al., 2016[50]).

The Providing Equal Employment Routes (PEER) Programme by the Irish disability interest charity WALK reaches out to young persons aged 16-24 on disability benefits, in an attempt to stimulate and support them to access education and training, and obtain work experience. The programme focuses on skill development to develop independence, make career choices, and prepare for, find and stay in paid employment. The programme engages with employers by finding positions, providing training support and raising overall awareness of businesses on employment law related to illness, disability and well-being and training support through open events. An evaluation of the 2013-15 *PEER* programme in Louth showed that 70% of the participants had undergone a training, education or employment experience. More than half of the participants managed to enter (non-segregated) training, education or employment. Participants noted progression in their employability, self-assessed through a tool asking about skills and motivation. The project won multiple awards (Velthuis, 2015[51]).

The French *Conseil en Évolution Professionnelle* (CEP) offers free and personalised advice to everyone who would like to receive career information, advice and guidance. The CEP is managed by the public employment services in collaboration with association for the employment of managers, persons with disabilities (*Cap emploi*) and youth. Users can find their professional development advisor on an accessible website, which guides the user to a specialised CEP organisation tailored to their personal situation (e.g. employment status, age, or disability). In a first step, the client is invited for a one-to-one interview for a personalised assessment of skills and experience. Next, the CEP adviser and client develop together a professional plan, including any recommended training. The CEP adviser continues to provide support to the client when executing the professional plan (OECD, 2021[46]). First evaluations indicate the importance of better equipping CEP advisers with knowledge on health issues, in order to help identify clients in need of further accommodation (Rougier and LeGrand-Jung, 2016[52]).

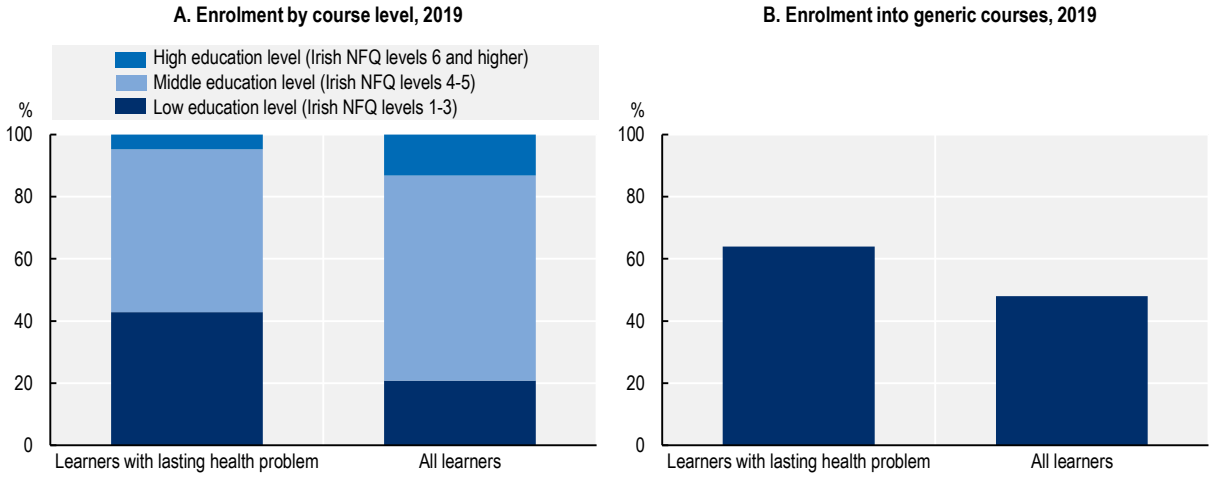
Make adult learning relevant for employment

European survey evidence shows that a lack of motivation is the principal reason for persons not to engage in adult learning. About three-quarters of adults not participating in training were not interested to participate, with even slightly higher rates for low-educated adults, on average across OECD countries as

well as in Ireland according to Adult Education Survey data for 2016. Persons with disabilities may face additional motivational barriers, such as a lack of self-esteem and confidence about one's ability to acquire skills, which is compounded by more often being far removed from the labour market (McGinty, 2018[40]).

A first step to reduce motivational barriers is to provide a generous offer of high-quality learning possibilities to improve basic skills. Improving basic skills is all the more important for persons with disabilities who often enter the labour market with an educational disadvantage. Irish adult learners with lasting health problems more often enrol in lower level and generic courses, such as employability skills and language courses (Figure 3.6).

Figure 3.6. Irish learners with health problems more often enrol in lower level and more generic further education and courses funded by SOLAS



Note: Learners enrolled in further education and training courses funded by SOLAS. The dataset covers learners who have a lasting health problem. This group is broader than persons with disabilities, as no question is asked whether the lasting health problem limits their daily activities. Panel A: Course education levels refer to the Irish National Framework of Qualifications (NFQ). Broadly speaking, Levels 1-3 refer to ISCED 0-2 (below upper secondary education), 4-5 to ISCED 3 (upper secondary education) and 6 and above to ISCED 4 and above (above upper secondary education).
Source: SOLAS FET enrolment data Dulee-Kinsolving and Guerin (2020[21]), FET in Numbers 2019: Learners with Disabilities, Dulee-Kinsolving and Guerin (2020[22]), This is FET: Facts and Figures 2019, https://www.solas.ie/f/70398/x/1ba83e5971/15429_solas_facts_report_2019_web.pdf.

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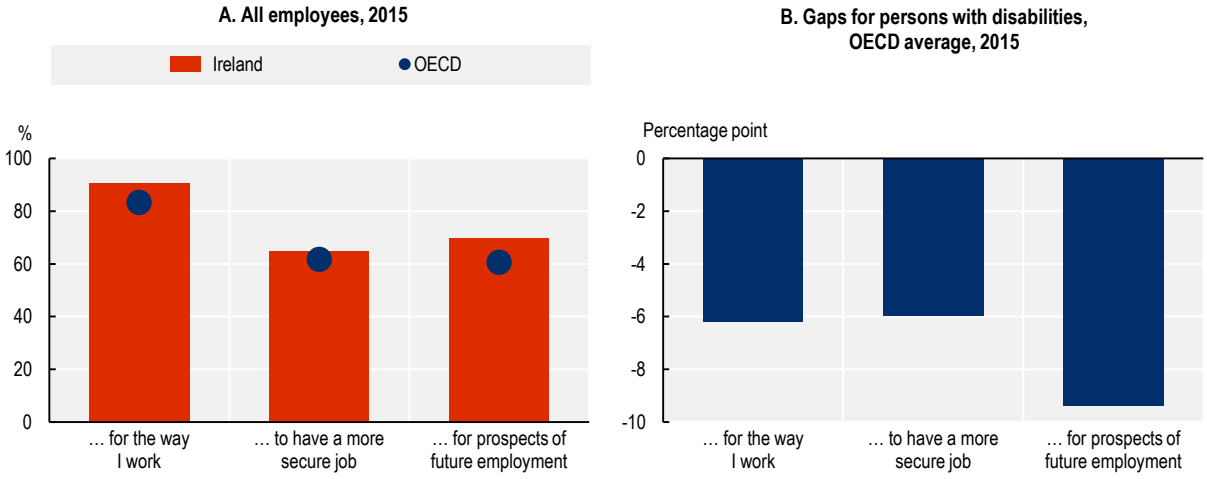
Second, adult learning provision should be practical and problem-oriented. Currently, large parts of adult learning still take place in a classroom setting with school-type learning styles. This approach is especially problematic for persons with disabilities, as many of them have experienced challenges in education and may find it difficult to return to such a setting (OECD, 2019[25]). Moreover, classroom-type learning is less effective for acquiring soft skills (Musset, 2018[53]). One possibility is to promote embedding of adult learning in the workplace for persons already employed, such as the *SkillsPlus* programme in Norway (Box 3.4). A second possibility is to make learning in schools and training facilities more practical. This is all the more important now during COVID-19 when fewer firms provide work-based learning opportunities. Governments can provide guidance and teaching resources to support the adaptation of curricula, train teachers to equip them with practical learning skills and promote the engagement of social partners in the redesign and implementation of adjusted school-based programmes. Countries such as Denmark and Norway already provide alternative school-based vocational training and education (OECD, 2021[54]).

A third step is to ensure that learning opportunities equip workers with the skills needed for the labour market. While the share of employees in Ireland thinking that training helped them to achieve positive employment outcomes is above OECD average, still only about two in three think that training helped to have a more secure job or better prospects of future employment (Figure 3.7, Panel A). Employees with disabilities are on average across OECD countries much less optimistic about the effectiveness of training participation, even when taking into account their labour market position (Figure 3.7, Panel B). The low number of observations does not allow for a breakdown by country, but there is no indication that trends are significantly different for Ireland. Innovation is needed to make adult learning more interesting and relevant for employment for persons with disabilities.

Figure 3.7. Persons with disabilities are less optimistic about adult learning outcomes

The training helped…



Note: Data cover employees aged 15-69. Panel B: Gaps for employees with disabilities, controlling for firm characteristics (sector and firm size), job characteristics (occupation, part-time and permanent contract) and worker characteristics (education, age and gender). OECD is an unweighted average of 21 European countries: Austria, Belgium, the Czech Republic, Denmark, Estonia, Germany, Finland, France, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.
Source: European Working Conditions Survey (EWCS), 2015.

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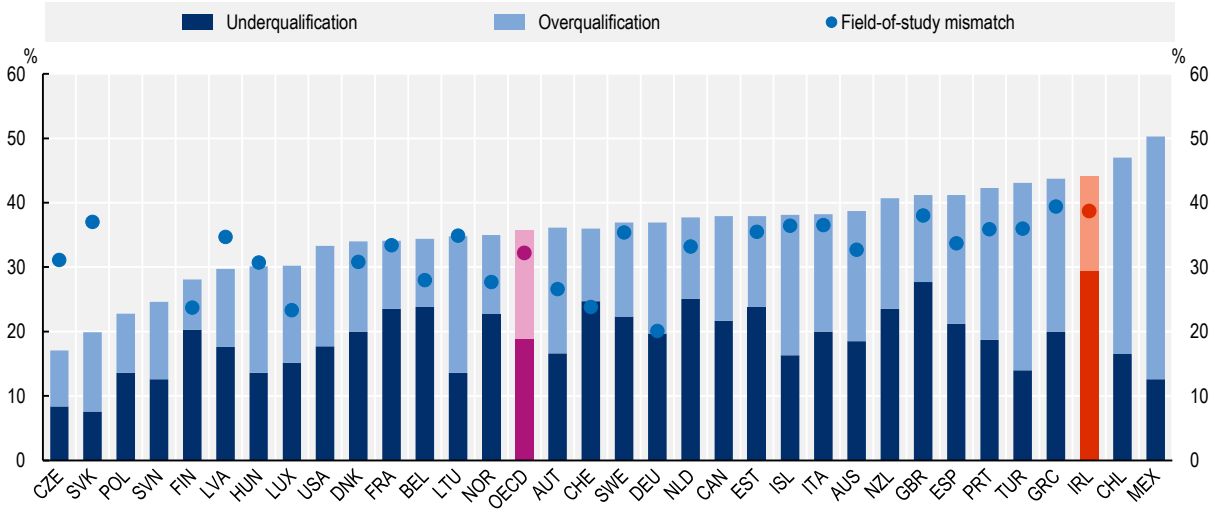
Promoting digital skills deserves particular attention. Digital skills are more and more important in a constantly changing world of work and are a prerequisite for participating in online and distance learning as well as working from home as accelerated through COVID-19 (SOLAS, 2021[55]). Moreover, as shown by SOLAS research, the impact of automation is likely much lower for those working in sectors where strong digital skills are more often required, such as ICT, science and engineering (SOLAS, 2020[56]). Relatively few Irish further education and training learners were enrolled in ICT courses in 2019 (5%) – this was even lower among learners with disabilities (4%). The Spanish foundation ONCE, for example, developed multiple inclusive training programmes focusing on digital skills (Box 3.4) (ILO & ONCE, 2021[57]). SOLAS is currently developing a 10-year Adult Literacy, Numeracy and Digital Literacy Strategy for Ireland in collaboration with the Department of Further and Higher Education, Research, Innovation and Science. The strategy is expected to be brought to Government for consideration before Summer 2021. The aim of this new strategy will be to ensure that everyone has the literacy, numeracy and digital literacy to meet their needs and participate fully in society.

Employers have a key role to play in creating relevant learning opportunities that align with skill needs. Employers, together with trade unions, can help to establish joint priorities in adult learning and anticipate training needs. Social partners and governments come together in skills or sectoral councils to play such a role in many countries. Social partners in Ireland only have a consulting role, whereas in many other OECD countries they contribute directly to curriculum development or even manage parts of the adult learning system (OECD, 2019[58]). In Korea for instance, social partners help set training standards (Box 3.4). Better engaging with employers to align with skill needs would likely help reducing Ireland's very high skills mismatch, in terms of both qualification and field of study (Figure 3.8). Almost half of the Irish workforce either has a lower or higher level of qualification than generally required for the job. About two in five Irish workers are trained in a particular field, but work in another. SOLAS has conducted further research on skills mismatches among clerical support workers, finding that almost half among this group were overqualified (SOLAS, 2021[59]).

Figure 3.8. Ireland has a high skills mismatch

Share of employees aged 15-64, 2016



Note: OECD is an unweighted average of the 33 countries shown.
Source: OECD, *OECD Skills for Jobs Indicators* (Mismatch dataset), http://stats.oecd.org//Index.aspx?QueryId=77595.

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Apprenticeships are currently still an under-utilised training pathway in Ireland to connect youth with disabilities to jobs by providing relevant on-the-job training. Apprenticeships help tackle barriers in the transition from school to work, and are therefore an early intervention policy measure to prevent labour market exclusion and accumulation of disadvantages over the life course. Irish youth affected by disability since childhood (about 30% of working-age people with disabilities) currently experiences challenges in terms of maximising their educational achievement and moving into the first job (Watson, Lawless and Bertrand Maître, 2017[1]). Almost one in five Irish youth with disabilities drops out of school, a rate three times as high as among youth without disabilities. About one in four youth with disabilities is not in education, employment or training (NEET), compared to one in ten for their peers without disabilities.[8]

Ireland should set ambitious targets in order to increase the number of apprentices as well as improve inclusion. Its Action Plan for Apprenticeship 2021-25 is a welcome step in that direction. Evidence from other countries shows that apprenticeships work well if they are attractive to both apprentices and employers, if skills reflect labour market relevance and if young people can make informed choices what

apprenticeship to opt for. Important factors to make apprenticeships work for youth at risk, such as those with disabilities, are the establishment of employer support how to put in place effective training and apprentice support to prevent drop-out (OECD, 2018[26]). In its apprenticeship system, currently no formal needs assessment takes place when apprentices declare a disability when registering with the Education and Training Board. Sustainable employer advice in relation to hiring persons with disabilities is lacking (SOLAS, 2018[29]). The impact of targeted pathways seems low. The *Youth Employment Support Scheme* (YESS), a work experience placement programme for youth facing barriers to employment, only delivered to 19 persons with disabilities between 2018-20. About 200 enrolled in the *Willing Able Mentoring* work placement programme, which targets graduates with disabilities between 2015-18. The Irish Action Plan for Apprenticeship 2021-25 has inclusion as one of its key objectives. It proposes to improve flexibility, better track performance of underrepresented groups and improve information provision to employers and prospective apprentices on existing supports through a direct resource page, consortia information to employers and by reflecting positive experiences in promoting apprenticeship (DFHERIS, 2021[15]). Examples from the United States can provide input to render these targeted pathways more effective (Box 3.4).

Box 3.4. Making adult learning relevant in Norway, Spain, Korea and the United States

The Norwegian programme SkillsPlus provides training grants to firms to embed basic skill training in the workplace. Any organisation can apply. Training must consist of a combination of on-the-job learning through work and basic skills training in an attempt to strengthen motivation to learn, ideally complemented with other job-related training. The training has to be aligned with the Norwegian national standards for basic skills for adults (reading, writing, mathematics, digital competence and oral communication). The government assures quality of provision and supports firms by providing competence goals, profession-specific profiles for basic jobs skills, tests and learning materials (OECD, 2019[25]). Moreover, it has established a publicly accessible database that includes information on participants by age, gender and educational background (not by disability status) to track progress. More than 100 000 adults enrolled into the programme between 2006-19. About half the participants had low education levels.

The Spanish Foundation ONCE has developed training programmes aimed at improving technological and digital skills of different groups with a potential labour market disadvantage. *Por Talento Digital* is targeted at persons with disabilities. The programme *Radia* aims to promote the inclusion of women with disabilities, and has been developed in collaboration with the Conference of Social Councils of Spanish Universities and the Spanish Confederation of Employers' Organisations Foundation. Both programmes aim to make participants familiar with new digital technologies by means of a digital training course supported by mentors and by providing the possibility to intern at a company (ILO & ONCE, 2021[57]).

In Korea, social partners provide information on changing skill needs and help set training standards. Tripartite Industry Skills Councils use labour market information to develop national occupational standards, to ensure that these standards reflect the needs of the workplace. These standards then form the base of vocational education and adult learning qualifications. Employers can apply the same standards in their human resource management, for instance for on-the-job learning (OECD, 2019[5]).

The United States Labor Department's Office of Disability Employment Policy (ODEP) is turning to apprenticeships to help job seekers with disabilities enter the workforce and employers fill much-needed positions. For example, ODEP has awarded a two-year contract to Social Policy Research Associates (SPR) in Oakland, California to develop pathways into existing apprenticeship programs for persons with disabilities. Under this policy, four pilot apprenticeship worksites are being selected for high-demand, well-paying careers in such fields as information technology and health care. The aim of the

programmes are to provide employers with insight on how to use and scale up an apprenticeship model to recruit and hire persons with disabilities. ODEP further organises specific events to engage employers each year in October during the Employment Awareness Month. Many states in the United States are looking at how to foster the inclusion of persons with disabilities through the promotion of apprenticeships, including:

- Pennsylvania's Office of Vocational Rehabilitation – in collaboration with other local government and private sector entities, including a community rehabilitation provider – developed a pre-apprenticeship programme in the warehousing sector. Warehousing companies in the state have agreed to hire graduates of the pre-apprenticeship programme, resulting in over 28 individuals with disabilities attaining registered apprenticeships.
- Ohio's Opportunities for Ohioans with Disabilities (OOD) Vocational Apprentice Program collaborates with Ohio state agencies to identify their workforce needs and develop apprenticeship opportunities that align with the goals of students and adults with disabilities. The programme assists participants throughout the application, interview, and onboarding processes.

Michigan House Bill 4 579 proposed the establishment of a peer-to-peer apprenticeship mentoring programme for persons with disabilities (along with other under-represented groups), to provide "mentoring and support services […] and establish a network of peers involved in apprenticeship[s]".

Build capacity of employers to train for a changing world of work

While employers play a key role in providing training, underinvestment is common. Many companies do not necessarily know what skills to invest in or how to develop an appropriate training offer. Capacity is particularly a concern for small and medium enterprises (SMEs). In Ireland, only one in three SMEs offers training to at least half of its workforce, compared to more than half of large firms, according to 2015 firm data from the *Continuing Vocational Training Survey*. Many governments therefore provide targeted coaching for companies to help them identify their skills needs and relevant training opportunities, and provide financial incentives for SMEs. An example of such a programme come from Finland (Box 3.5).

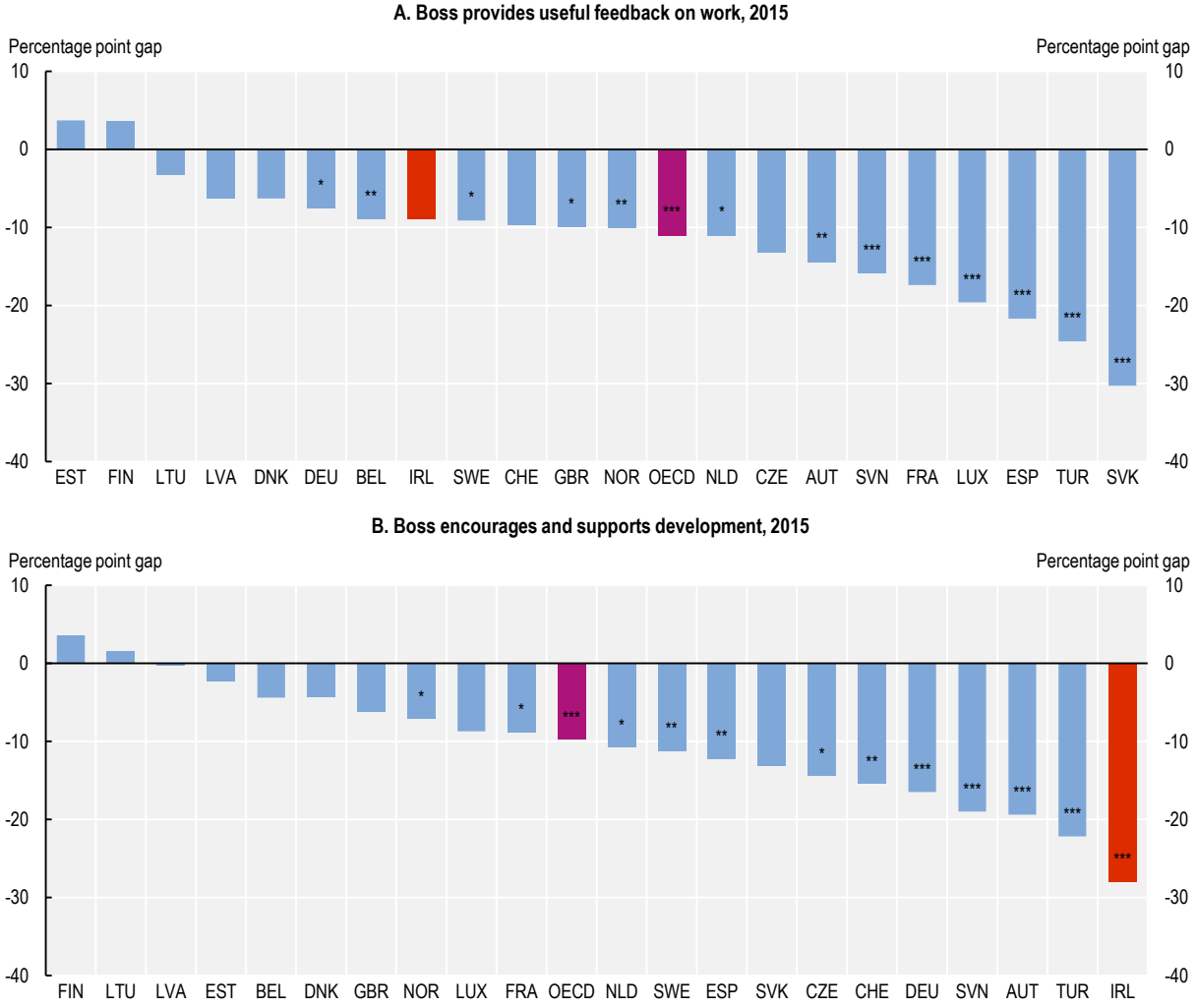
Box 3.5. Building capacity of employers in Finland and New Zealand

Finland's Joint Purchase Training (*Yhteishankintakoulutus*) provides guidance to employers to build a positive learning culture. The programme is offered by the PES, which provides informational support and covers between 20% and 80% of the training expenses (OECD, 2019[58]). The programme consists of three different services, all tailored to the needs of the firm: i) training for non-employed persons to be recruited afterwards; ii) retraining for existing staff in light of technological and operational changes; and iii) training of staff that is made redundant due to financial and production-related reasons. In 2016, almost 24 000 persons participated in the programme. An evaluation from 2012 indicated positive impacts on competence development, job retention and productivity, as reported by employers.

New Zealand has set up a two-year programme to improve utilisation of skills in the workplace in an attempt to boost productivity and profitability. The High-Performance Working Initiative (HPWI) provides business coaching for SMEs to help streamline work practices and increase employee engagement and satisfaction. Specialised business improvement consultants are responsible for the coaching. The government funds half of the programme. Any private firm can apply. The HPWI is part of a broader set of services designed to improve innovation and skills provided by the government (OECD, 2016[8]).

Promoting an inclusive learning culture deserves particular attention. Not only do employees with disabilities participate less often in employer-provided and on-the-job training, as discussed above, but they also indicate being less supported by their employers in their personal development. Employees with disabilities state less often that their boss provides useful feedback on their work (Figure 3.9, Panel A). Employees with disabilities also state less often that their boss encourages or supports their development (Figure 3.9, Panel B). British *Unionlearn* participants with disabilities report more often a lack of managerial support (22% vs. 16%) and managers not allowing for time off for learning (25% vs. 17%) as major barriers for training (Stuart et al., 2016[50]).[9] On average across OECD countries, 12% of employees indicate that they asked their employer for training but did not receive it. For persons with disabilities, this number is about a quarter higher, even when accounting for their labour market position.[10]

Figure 3.9. Persons with disabilities less often state that their boss supports their learning development



Note: Gaps for persons with disabilities, controlling for firm characteristics (sector and firm size), job characteristics (occupation, part-time and permanent contract) and worker characteristics (education, age and gender) OECD is an unweighted average of the 21 European countries shown. Asterisks note Asterisks note whether the gaps are significantly different for persons with disabilities (* = $p < 0.1$. ** = $p < 0.05$. *** = $p < 0.01$).
Source: European Working Conditions Survey (EWCS), 2015.

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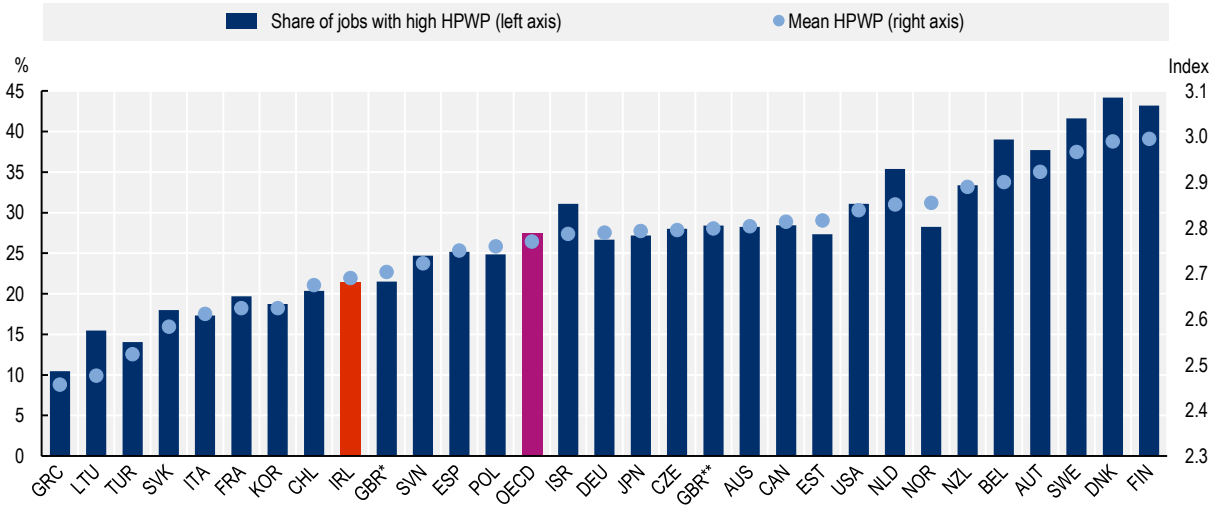
Promoting the better use of skills through dissemination of high-performance working practices (HPWPs) within firms could lead to improved job quality and productivity for Irish workers. Better using skills in the workplace concerns the extent to which skills are effectively applied in the workplace to maximise workplace and individual performance. There is considerable diversity to the degree to which employers value and utilise the skills of their employees. There is a broad distinction between employers that pursue "high road strategies", where employees and the skills that they possess are viewed as an integral part of a business's competitive advantage, or "low road" strategies, where labour is considered a commodity and workers are seen as a cost to be minimised (OECD, 2020[60]). One potential avenue for better skills use is promoting high-performance working practices. Such practices include, for example, employee reward programmes, more flexible working hours, mentoring and leadership development courses, as well as a

company culture that promotes training and development. The development of a Pact for Skills that seeks to embed lifelong learning into the workplace, announced in the Irish National Economic Dialogue 2021, could be a vehicle to provoke a cultural change in firms (Government of Ireland, 2021[61]).

In Ireland, about 20% of jobs apply HPWPs more than once a week, which is just below the OECD average but well behind leading jurisdictions (Figure 3.10). The average share of jobs adopting HPWPs is the highest in Denmark (42%), followed by Finland (41%), Sweden (40%) and Flanders, Belgium (36%). Low usage of HPWP has implications for promoting the employment outcomes of persons with disabilities because it shows that Irish firms tends to invest less than other OECD countries in human resources and management practices, which improve the overall working environment. New Zealand has adopted an innovative employer support to promote HPWPs (see Box 3.5).

Figure 3.10. Irish firms fall below the OECD average in terms of high performance work practices

Share of jobs with high high-performance work practices (HPWP) and mean HPWP score, by country



Note: Data for Belgium refer to Flanders, data for the United Kingdom with « * » refer to Northern Ireland and « ** » to England. OECD is an unweighted average of the countries shown.
Source: OECD (2016), *Skills Matter: Further Results from the Survey of Adult Skills*, https://doi.org/10.1787/9789264258051-en.

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Tackle time and financial barriers

Giving every adult, including persons with disabilities, the right to take leave for education and training purposes can increase training participation. Shortage of time is the biggest barrier to learning participation for low-skilled adults according to OECD PIAAC data, be this due to work related (22%) or family related reasons (19%). Low-skilled workers have limited bargaining power to ask their employer for paid training leave (OECD, 2019[25]). Getting to training facilities and learning may be more time intensive for persons with disabilities. Union learners with disabilities in the United Kingdom more often mentioned work-related shortage of time as a major barrier to learning (29% vs. 19%) (Stuart et al., 2016[50]).

The Irish Government should consider implementing a statutory entitlement to education and training leave with financial compensation for employees and employers. Currently, education and training leave is regulated in collective agreements (OECD, 2019[5]). With only a third of employees covered by collective agreements and with only about 5% of employees covered by a collective agreement that includes collective training agreements, this greatly limits training leave entitlement of all workers, and likely even

more for workers in a weaker bargaining position vis-à-vis their employer (OECD, 2019[58]). About half the OECD countries regulate entitlement to education and training leave in national legislation. In order to ensure its uptake, many countries provide financial incentives for learners and employers alongside statutory leave, often with additional generosity for low-skilled workers or SMEs (OECD, 2019[5]; 2017[62]). However, even systems with generous leave for low-skilled workers, such as Austria and France, show limited uptake among these groups, underlining the need for accompanying career and training guidance (Perez and Vourc'h, 2020[63]; OECD, 2020[64]).

Box 3.6. Tackling time and financial barriers in France, Canada and the United Kingdom

The French *Compte Personnel de Formation* is a personal account that provides individuals with training credits based on the time spent in employment during the year. Entitlements are portable between employers. Enhanced support is available for low-skilled individuals and persons with disabilities, including extra training credits (48 hours as opposed to 24 hours) and extra funding (EUR 800 per year) to purchase training. Evaluations show that while enrolment has increased rapidly, low-skilled individuals still rarely avail of the personal account, underlining the need for accompanying career and training guidance (Perez and Vourc'h, 2020[63]).

Adult Upgrading Grants in British Columbia (Canada) cover the indirect costs of participating in adult learning. The grant is available to low-income adults attending public post-secondary education or adult learning. The grant covers tuition as well as indirect costs such as additional fees, books, supplies, transportation, unsubsidised childcare (OECD, 2019[25]). The effectiveness of this measure has not been evaluated.

The United Kingdom has a Disabled Students Allowance. This scheme covers costs up to GBP 23 258 a year for undergraduate or postgraduate students with disabilities in part-time or full-time studies, including distance learning. There is no age limit or means test. Financial support is available for day-to-day costs of studying related to the disability, including specialist equipment, day-to-day costs related to the disability, a travel allowance and a non-medical helper such as a sign language interpreter. About 6-7% of full-time first-degree students received the allowance in 2017/2018 in the United Kingdom (IES, 2019[65]). More than half of the recipients agreed that the supports they received through the allowance meets all of their needs, and two-thirds stated that the support allows them to participate more fully in their course than they would be able to otherwise. Nevertheless, the allowance had a limited impact on the decisions of students with disabilities to go into higher education, in part because of low awareness of the support scheme (Johnson et al., 2019[66]).

Financial barriers form another obstacle for persons with disabilities. Disability comes on average with more frequent career breaks and a wage penalty, and may come with higher costs (Baldwin and Choe, 2014[67]). Financial barriers are an important factor for persons with disabilities to be digitally included (see Section 3.2.2). Taking unpaid leave may not be financially viable. At the same time, training investments may have lower returns for those in low-paid positions with limited opportunities to progress. Financial incentives for individuals, such as loan and individual subsidy schemes can make adult learning systems more equitable and prevent underinvestment if they incorporate top-ups for disadvantaged groups. Such schemes are widely used in OECD countries, for instance in France. Specific schemes in Canada and the United Kingdom go even further and provide financial support for all training costs (Box 3.6). In Ireland instead, financing support for training is predominantly organised through company grants.[11] Co-financing schemes directed at firms do not address the low training participation of particular groups of workers. Employers generally prefer to train educated workers who are more involved in complex jobs (Brunello and Wruuck, 2020[68]).

3.3. Engaging employers to provide reasonable accommodation in the workplace

3.3.1. The importance of work accommodation for all

Accommodating to individual preferences and constraints by making adjustments in the workplace is important for all workers – with and without disabilities. Accommodation, any change in the workplace, such as job task, working time or work environment, to enable a person to access, perform and advance in a job, reduces the negative impact that individual constraints, including health problems, can have on work (Autor and Duggan, 2010[69]). The employer plays a pivotal role in the successful arrangement and implementation of accommodation. A good example of accommodation is the large increase in working time and workplace flexibility during the COVID-19 pandemic, to allow individuals to continue to work while reducing physical contact (Schur, Ameri and Kruse, 2020[70]).

A substantial evidence base indicates that accommodation helps to reduce employment and work barriers. Working time and workplace flexibility allows working parents to find a more adequate work-life balance (OECD, 2016[71]). They are key instruments for the inclusion of women in the labour force and the reduction of the gender pay gap, as long as flexibility does not come with a wage penalty (Goldin, 2014[72]). Accommodation helps to promote an age-inclusive workforce that can live, work, learn and earn longer (OECD, 2020[73]). For persons with disabilities, receiving accommodation is associated with higher retention rates and less early retirement (Hill, Maestas and Mullen, 2016[74]; Maestas, Mullen and Rennane, 2019[75]; Phillips et al., 2019[76]). Research for Ireland echoes these findings, reporting that different accommodations enable persons with disabilities to take up and retain employment (Watson, Banks and Lyon, 2015[77]; NDA, 2019[78]). In a large British non-randomised survey, 80% of persons with disabilities receiving accommodation agreed that adjustments helped them stay in their job, made them more productive and 60% enjoyed their job more (Business Disability Forum, 2020[79]). Similar results are reported for persons without disabilities receiving accommodation (Schur et al., 2014[80]). A systematic literature review of the role of employers in supporting continued employment of workers with disabilities finds strong evidence for an association between work accommodation and continued employment and return to work, and moderate evidence for an association between accommodation and reduced long-term disability. The review concludes that there is a much stronger evidence base for positive employment associations of work accommodation than for other forms of employer involvement, including provision of social support and the organisational culture (Jansen et al., 2021[81]).

Moreover, accommodation contributes to firm performance. Causal evidence indicates that working time flexibility can promote intrinsic motivation, employee effort and the attraction of talent, and help to reduce excessive employee turnover (Beckmann, 2015[82]; Beckmann, Cornelissen and Kräkel, 2017[83]; Boltz et al., 2020[84]). Managers in firms with adjustments in place report happier and more productive employees with disabilities (Business Disability Forum, 2020[79]). In a representative American survey among 6 530 supervisors in organisations with 25 or more employees, 80-93% of supervisors stated that their working time flexibility, workplace flexibility and job sharing business practices were effective, with 76-88% saying it was as effective for employees with disabilities (Phillips et al., 2019[76]). Accommodation further contributes to the overall positive corporate culture within an organisation. It can increase loyalty of employees towards the employer. Granting accommodations has positive spillover effects on attitudes of co-workers (Schur et al., 2014[80]). Accommodation practices pertinent to all employees are more commonly viewed as potentially effective than practices specific to employees with disabilities (Phillips et al., 2019[76]).

Accommodation costs are close to zero in at least a third of all cases and substantial in only a few, since it is most often flexibility rather than expenditure that is required of an employer (OECD, 2010, p. 134[85]). Employees with disabilities are more likely to request accommodations, but the types of accommodations requested and the reported costs and benefits are similar for disability and non-disability accommodations (Schur et al., 2014[80]). The most commonly requested accommodations reported by American employees

both with and without disabilities are changes in work schedules (35-38%). About 40% of requested accommodations had zero or very small monetary costs according to both employees and managers (Schur et al., 2014[80]; Sundar et al., 2018[24]). Non-randomised survey evidence from the United Kingdom corroborates this, confirming that the most common adjustments demanded as well as provided were flexible and adjusted working hours, working from home and time off to attend appointments or therapies to help manage a condition (Business Disability Forum, 2020[79]).

Evidence even seems to suggest that low-cost flexibility accommodations are more effective than expensive forms of accommodation to reduce work barriers. American employees with disabilities having flexible working hours had an eight percentage-point higher probability of staying in employment. Flexible working hours and modified job duties correlate particularly strongly with better employment outcomes for individuals with recent disability onset. Instead, more expensive work accommodations such as having a personal care attendant or assistant only had a statistically significant correlation with employment outcomes for persons with multiple disabilities (Anand and Sevak, 2017[86]). A study for Norway found that working hour and work task adjustments, rather than physical adaptations, had positive causal effects on employment for persons with disabilities (Kuznetsova and Bento, 2018[87]). Similar results are reported in literature reviews, including for Ireland (Nevala et al., 2015[88]; Watson, Banks and Lyon, 2015[77]).

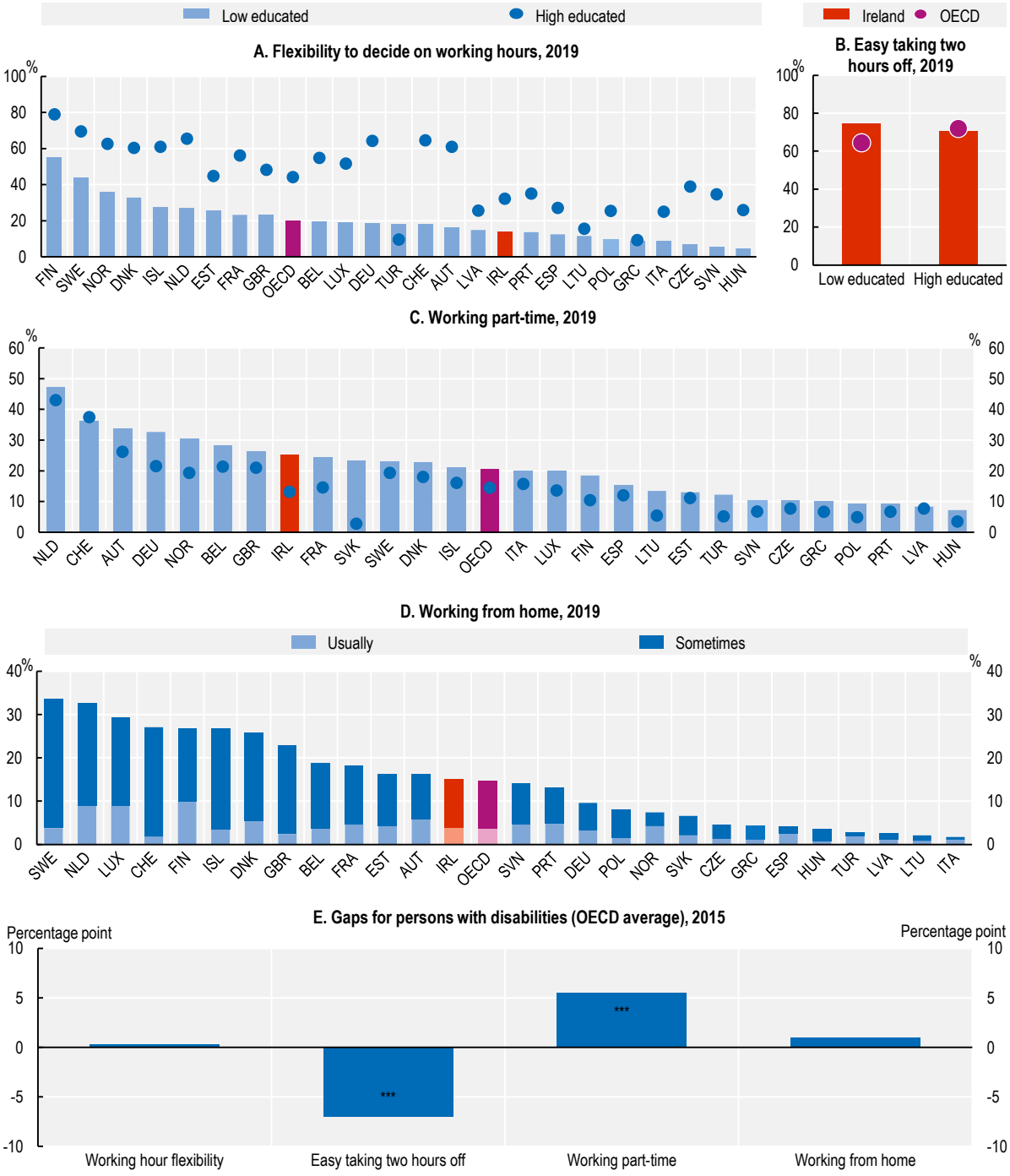
3.3.2. Providing accommodation is not mainstream in Ireland

In 2019, before the COVID-19 pandemic when telework practices expanded rapidly, working hour flexibility was not particularly mainstream among employees in Ireland (Figure 3.11. Panel A). Only 14% of low-educated and 32% of high-educated employees can decide fully or within certain restrictions on their own working hours, well below the OECD average of respectively 20% and 44%. Such flexibility is much more common in Nordic countries. In Finland, more than half the low-educated employees have a certain level of working hour flexibility, rising to more than 80% among high-educated workers. Nevertheless, Irish workers generally report that it is very or fairly easy to take two hours off at a short notice, with little difference between educational levels (Figure 3.11, Panel B). These values are near OECD average.

Working part-time is somewhat more mainstream in Ireland. Yet, there are reasons to suspect that its quality is less profound (Figure 3.11, Panel C). Part-time work is more prevalent among low-educated employees in Ireland than on average across the OECD (25% vs. 20%), whereas it is less prevalent among high-educated employees (13% vs. 15%). Ireland has the highest gap in prevalence of part-time work between low and high-educated workers in the OECD region after the Slovak Republic. The gap is much smaller or non-existent in many Nordic countries, the Netherlands or the United Kingdom. Further analysis using 2019 Irish labour force survey data indicates that part-time employees less often have a permanent contract (27% vs. 5% for full-time employees), are less often managers, (associate) professionals or technicians (22% vs. 50%) and less often have some or a large influence on content and order of job tasks (47% vs. 62%).[12]

About 15% of employees in Ireland reported in 2019 to usually or sometimes work from home, close to OECD average (Figure 3.11, Panel D). Again, the Nordics, the Netherlands and Switzerland have much more mainstreamed workplace flexibility practices, with up to a third of employees usually or sometimes working from home. Working from home became rapidly more common in Ireland throughout the COVID-19 pandemic (SOLAS, 2021[55]).

Figure 3.11. Working time and workplace flexibility is not very mainstream in Ireland



Note: Panel A: Employees (20-64) who can fully, or with certain restrictions, decide on their working hours. Panel B: Employees (20-64) who can fairly or very easily take one or two hours off at short notice. Panel C: Employed persons (15-64). EU-LFS definition for working part-time. Panel D: Employees (15-64) working from home. Panel E: Employees (15-69). Participation gaps conditional on country fixed effects, demographics (age, gender and education), employment (occupation, working part-time and type of contract) and employer (sector and firm size). Asterisks note whether the conditional gaps are significantly different for persons with disabilities (*** = $p < 0.01$). OECD is an unweighted average of the 21 European countries (shown countries in Panels A-D and for Panel E: Austria, Belgium, the Czech Republic, Denmark, Estonia, Germany, Finland, France, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom).

Source: Panels A-D: EU Labour Force Survey (EU-LFS), 2019. Panel E: European Working Conditions Survey (EWCS), 2015.

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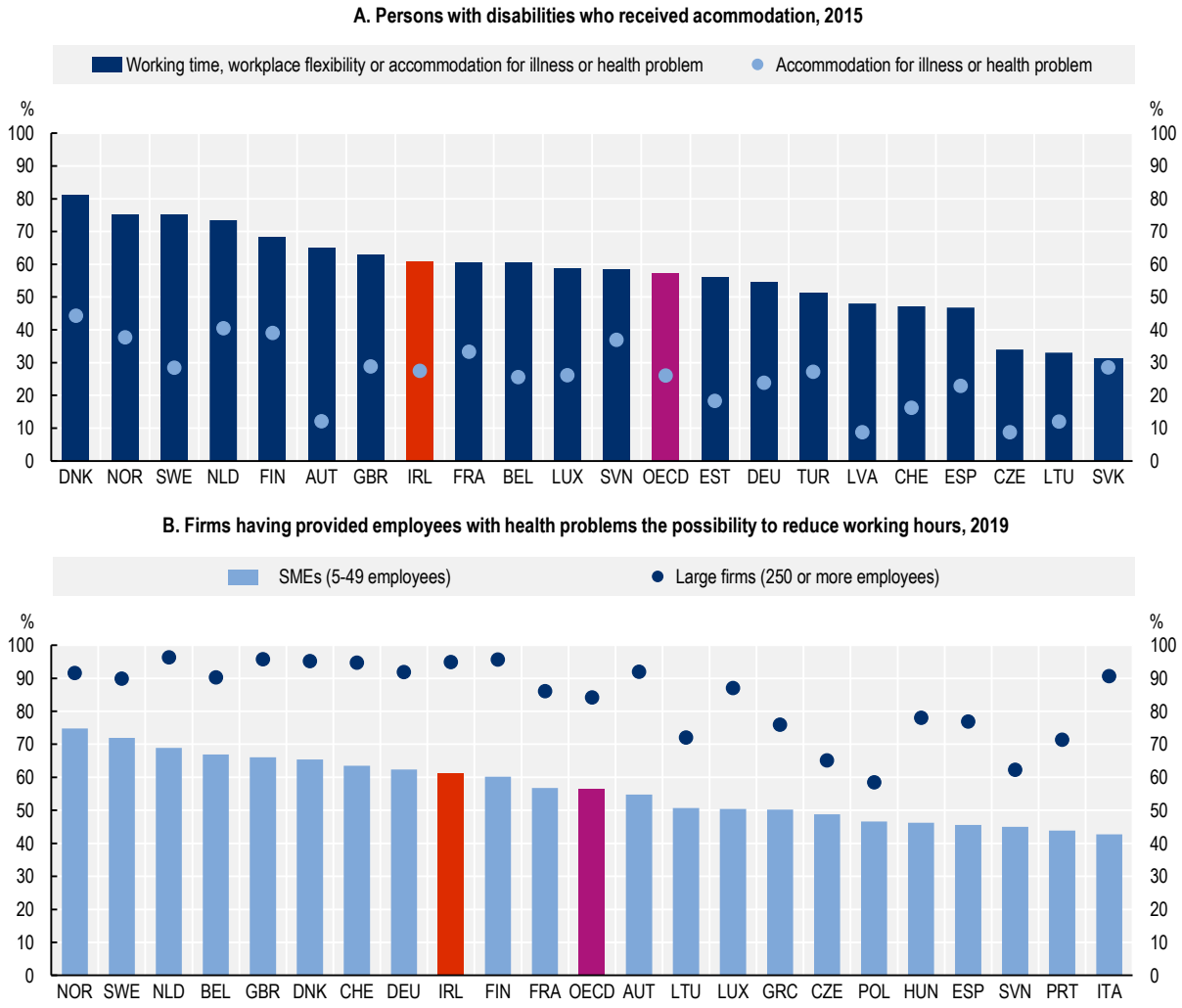
Employees with disabilities generally do not enjoy more working time and workplace flexibility on average across OECD countries in 2015.[13] Employees with disabilities more often work part-time, but also report more often difficulties in taking one or two hours off at short notice when accounting for their labour market position (Figure 3.11, Panel E). For Ireland only, more recent information for 2019 is available from the Labour Force Survey. This confirms that employees with disabilities do not enjoy more (or less) working time flexibility than employees without disabilities – among both groups, about one in four report being able to fully or within restrictions decide on working time and slightly more than one in two state it is easy to take one or two days off from work within three working days. Employees with disabilities state slightly less often that they usually or sometimes work at home (11% compared to 15% for employees without disabilities).[14] As discussed in Section 2.3, remote working offers opportunities to improve the employment position of persons with disabilities also for after the COVID-19 pandemic.

Irish employers have to provide reasonable accommodation to employees with disabilities to the extent this does not impose a disproportionate burden to the organisation. This obligation to provide reasonable accommodation extends to all work-related activities, from the job application process through to termination, and includes working conditions, training and fringe benefits. The obligation also covers procedural obligations to sufficiently enquire into and consider special treatment and facilities, and to consult with the employee throughout the process. The employer obligations are stipulated in the EU's Employment Equality Directive as well as the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), to which the EU and all its member states are parties. Similar requirements exist in non-EU OECD countries, such as in Australia, Canada, New Zealand, the United Kingdom and the United States. The NDA has examined how "reasonable accommodation" is interpreted by the Irish Workplace Relations Commission and the Labour Court, and has highlighted obstacles and good practices (NDA, 2019[78]).

Nevertheless, persons with disabilities do not always receive the accommodation they need. Take-up estimations vary, as it is difficult to elicit the population with accommodation needs (Maestas, Mullen and Rennane, 2019[75]). About 60% of Irish employees with disabilities state that they can "fully or with certain restrictions" decide on their working hours, work from home several times a month or more, and/or have received accommodation (Figure 3.12, Panel A). About a fourth state that they received accommodation for their illness or health problem. These figures are close to the OECD average, but below rates in the Nordic countries and the Netherlands. Employer survey evidence paints a comparable picture. About three in five SMEs and 95% of large firms have provided employees with health problems the possibility to reduce working hours in Ireland, slightly above OECD average (Figure 3.12, Panel B). Still, this means that a substantial part of staff with health problems does not even receive this basic accommodation. Estimations for the United States suggest that between half and two-thirds of the population whose current or future employment position can be strengthened by accommodation actually received accommodation (Maestas, Mullen and Rennane, 2019[75]; Anand and Sevak, 2017[86]). Non-randomised survey evidence for the United Kingdom found that 60% of respondents with disabilities working without accommodation had either requested or considered requesting them, and 52% of respondents with accommodation in place had either requested or considered requesting additional or alternative accommodation (Business Disability Forum, 2020[79]).

Figure 3.12. Employees with disabilities more often receive accommodation in Nordic countries



Note: Panel A: Employees aged 15-69. Accommodation for illness or health problem: the respondent's work activity or workplace has been changed to accommodate for her/his illness or health problem. Working time, workplace or accommodation for illness or health problem: the respondent's (1) work activity or workplace has been changed to accommodate for her/his illness or health problem, and/or the respondent (2) has working time flexibility (can choose between several fixed working schedules, can adapt working hours within certain limits (e.g. flextime), or can entirely determine working hours), and/or (3) has workplace flexibility (worked at least several times a month from own home during the last 12 months in main paid job). Panel B: Firms having provided employees with health problems the possibility to reduce their working hours in the last three years. OECD is an unweighted average of the European countries shown in each panel.
Source: Panel A: European Working Conditions Survey (EWCS), 2015. Panel B: European Survey of Enterprises on New and Emerging Risks (ESENER), 2019.

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3.3.3. Towards mainstream and widely available accommodation

Governments and employers play a key role in making sure that persons with disabilities receive the appropriate accommodation to become and stay active in the labour market.

First, low-cost mainstream accommodation such as working time and work place flexibility, including the possibility to work part-time, should be widely available. Mainstreaming flexibility prevents the need to disclose disability and is therefore particularly important for persons with unobservable disabilities, such as mental health problems (OECD, 2015[89]). The need to disclose is currently an important barrier to obtain

accommodation. Employee characteristics, particularly the presence of personality traits correlated with assertiveness and open communication, were found to be much more predictive of accommodation than employer characteristics among a sample of newly disabled workers over age 50 (Hill, Maestas and Mullen, 2016[74]). This highlights the importance of self-advocacy training for persons with disabilities, for instance as part of vocational rehabilitation, and potentially having advocates who can support persons with disabilities to express their needs. Moreover, widely available working time and workplace flexibility reduces the stigma that may come with requesting or receiving accommodation, which may even be perceived as preferential treatment (Tompa et al., 2015[90]). This may further help improving the quality of part-time work.

Ireland currently does not have a statutory entitlement to working time flexibility, working part-time or working from home. Such practices are instead left to the individual employer and employee to agree on.[15] Its National Remote Work Strategy proposes to implement the statutory entitlement to request remote work by the end of 2021. It does not contain, however, a proposal for statutory entitlement to ask for working time flexibility and working hour reductions, but only advises "to improve data on flexible working arrangements, to provide an evidence base for future policy" (DETE, 2021[91]). Statutory arrangements to work from home are widespread across OECD countries. About 15 OECD countries have an enforceable right to request working from home granted in law or in encompassing collective agreements for at least some categories of workers (OECD, 2021[92]). The Netherlands and the United Kingdom provide good examples of statutory entitlements for workers to ask for working time flexibility and/or workplace accommodation to suit their needs, which employers can only refuse on the basis of strictly defined business reasons (Box 3.7).[16]

Box 3.7. Mainstream accommodation practices: United Kingdom, the Netherlands and the United States

Dutch employees have the right to ask for reduced working hours by law, if they work in a firm with at least ten employees and have at least six months of service. The right applies to persons both with a permanent and temporary contract. Employers can only refuse based on strictly defined business reasons.

The British Flexible Working Regulations Act of 2014 introduced the right to request flexible working arrangements (including teleworking) for all employees with at least six months of service (excluding agency workers). Employers' ground for refusal is limited to strictly defined business reasons.

The Job Accommodation Network in the United States is a comprehensive resource for information, free and confidential technical assistance, workshops and training on workplace accommodations. It provides information for all parties involved: employers, individuals, as well as other actors such as medical professionals and union representatives. The US Department of Labor provides funding.

Second, all partners involved, be it employers, individuals or medical professionals and interest groups, should have access to clear information and guidance on how to put reasonable accommodation into practice and what supports are available. Three quarters of American supervisors in a large representative survey responded that they consult guidance on accommodation provision from federal, state, or local resources, with nine in ten stating that this practice was effective (Phillips et al., 2019[76]). About half the Irish employers reported in a non-representative and limited survey that information support would encourage them to employ persons with disabilities (EDI, 2018[93]). Access to financial support to implement accommodation if costs may arise, which many OECD countries provide, should be simple as well. In Ireland, financial support is organised through four grants from the *Reasonable Accommodation Fund*, which can cover a significant share of accommodation costs. In total, only 100-200 applications per year were made between 2015-18 – including only one grant throughout all those years for the *Employee*

Retention Scheme to retain staff acquiring an illness, condition or impairment (NDA, 2020[94]). Few Irish employers are aware of the schemes and there are complaints about long waiting periods and red tape, according to a non-representative and limited survey among Irish employers (EDI, 2018[93]). An interesting initiative is the Reasonable Accommodation Passport, launched in 2019 by the social partners (Ibec and Irish Congress of Trade Unions). The Passport allows for a written record of confidential accommodations agreed between the employee and their line manager. The Passport is meant to facilitate that reasonable accommodations are put in place, evaluated and kept up to date, in line with changes in employees' conditions and changes in job roles.

Employers may need particular information and guidance on the implementation of workplace policies. Employer survey evidence from the 2019 *European Survey of Enterprises on New and Emerging Risks (ESENER)* shows that only one in four firms with employees regularly working from home and who regularly conduct workplace risk assessments extend such assessments to include the workplace at home. In Ireland, this share is even lower – about one in six firms.

Third, employers should promote an inclusive and proactive corporate culture with attention to the individualised needs of all employees (Schur et al., 2014[80]). Employers and managers should have the awareness and skills to accommodate the needs of their workers. A systematic literature overview found evidence that social support from the supervisor is associated with return to work of employees with disabilities (Jansen et al., 2021[81]). Such a culture helps to create a safe space for disclosure to personalise accommodation. A first tool in this regard is the promotion of disability and awareness training as part of broader inclusion training. More than 90% of supervisors who received disability and awareness training believed that this helped them to employ and accommodate persons with disabilities (Erickson et al., 2014[23]; Phillips et al., 2019[76]). Many countries provide financial support for disability awareness training. Only a handful of Irish employers make use of such support every year (NDA, 2020[94]). A second tool for employers is to include disability in their diversity statement to showcase support also from the top management. Both supervisors and workers state that they would benefit from more commitment by top management, to ensure that supervisors can dedicate the time required and provide the accommodation for employees to fully succeed in their positions (Phillips et al., 2019[76]). Currently, broad efforts toward diversity and inclusion do not always extend to persons with disabilities. For instance, less than half of the top 100 companies on Fortune magazine's list of the 500 most profitable US firms explicitly included persons with disabilities (Erickson et al., 2014[23]).

3.4. Engaging employers to prevent health problems and promote return-to-work

3.4.1. The important role for employers in prevention of illness and in return-to-work

In many OECD countries, employers bear considerable obligations to prevent health problems from arising at the workplace and to facilitate return-to-work for employees experiencing health problems. Engaging employers can help to:

1. *Prevent labour market risks*. Employer obligations encourage employers to invest in the quality of the work environment in order to prevent labour market risks, such as (work) accidents and (occupational) sickness from occurring in the first place (Pouliakas and Theodossiou, 2013[95]);
2. *Accommodate employees who become sick or disabled and are still at work*. Employers are in a position to reduce the consequences of impairments by accommodating workers or by facilitating vocational rehabilitation. Such early intervention when sickness or disability arises helps to avoid a progression to chronic disability (Hullegie and Koning, 2015[96]);
3. *Minimise movements of workers from their payrolls onto the disability system*. Engaging employers contributes to the prevention of labour market exit of sick or redundant workers onto public sickness

and disability schemes (Autor and Duggan, 2010[69]; Burkhauser and Daly, 2011[97]; Liebman and Smalligan, 2013[98]; Liebman, 2015[99]; Autor et al., 2017[100]);

4. *Prevent early retirement*. Employer obligations strengthen their role as partial gatekeepers to the retirement benefit system. Employers may be tempted to allow redundant workers to retire early. Such incentives are amplified when employers' social security contributions and wages rise with age or length of service, while productivity might not grow in tandem (OECD, 2008[101]).

Workers and public authorities also have an important role to play in the prevention of health problems and the promotion of return-to-work. Workers should be obliged to facilitate their return-to-work as much as possible, be it in their current job or another if necessary. Public authorities have a responsibility to create an equitable and efficient system of paid sick leave, in which both employers and employees have mutual and reasonable obligations to promote return-to-work, while providing the necessary support to ensure that workers with existing health problems can still access the labour market. Employers are not able to prevent the presence of all work-limiting impairments. They further cannot perfectly monitor and hence fully manage sickness absence. Moreover, employer incentives may have undesirable effects, such as under-reporting of disability and lower hiring of workers who are more likely to become sick (Hassink, 2018[102]; Hullegie and Koning, 2015[96]).

3.4.2. Obligations for Irish employers to prevent work injuries and occupational diseases are lower than in many other countries

In many OECD countries, employers have strong financial incentives to prevent work injuries and occupational diseases. For instance, in Denmark, Finland, France, Germany, Italy, Luxembourg, Spain, Sweden and Switzerland, employer contributions to workers' compensation schemes (covering work injuries and occupational diseases) reflect sector-specific variation in risks, with employers in sectors with higher injury rates paying higher insurance premiums. A number of countries, such as the Netherlands, even go further by having an experience-rated system of employer-specific contributions. In such systems, insurance premiums are adjusted for each firm to reflect the costs of its workers' past claims. Employers with high outflow due to work injury and occupational disease are penalised through a surcharge on top of the base premium, while employers with low outflow are rewarded with a discount.

In Ireland, costs of work injuries and occupational diseases are largely socialised. Employers pay a fixed contribution to the Irish workers' compensation scheme (consisting principally of *Injury Benefit* and *Disablement Benefit*). As of 2014, Ireland has implemented the *Recovery of Certain Benefits and Assistance Scheme*, which enables the government to recover from firms the value of certain illness-related social welfare payments due to personal injuries. Between 2014 and 2018, the scheme allowed the government to recuperate almost EUR 80 million – equal to about 0.5% of total spending of the covered social welfare schemes – implying a lower employer tax on work injuries than in most other OECD countries.[17] Moreover, the system is a legally complex and cumbersome way of providing incentives to firms to prevent work injuries and occupational diseases.

Employers in Ireland have extensive obligations regarding occupational safety and health (OSH), in line with those found in other OECD countries. EU directives set out minimum responsibilities of employers and employees. Those responsibilities for employers include a general responsibility to prevent ill-health at work; obligations to take appropriate measures for safe and healthy work; organising the safety processes, in particular risk assessments and training; and the inclusion of workers and their representatives. Ireland has transposed the EU directives through the 2005 Safety Health and Welfare at work (SHWW) Act.

3.4.3. Sickness policy in Ireland until today is an intrinsically public matter

Employer-provided sick pay, continued wage payments by the employer to employees during a temporary sickness spell, is another instrument to prevent sickness and promote return-to-work. Employer-provided sick pay together with sickness benefits (generally paid through social insurance) forms the paid sick leave system of a country. Paid sick leave protects workers' incomes, jobs and health, and improves population health at large through the reduction of spread of contagious diseases. It is therefore a key policy through the COVID-19 pandemic (Box 3.8).

Box 3.8. The importance of paid sick leave throughout and beyond the COVID-19 pandemic

Paid sick leave protects workers, families and societies in multiple ways

Paid sick leave protects workers' (1) incomes; (2) jobs, by preserving employment relationships; as well as (3) health, by allowing sick workers to recover at home. Working while sick can prolong illness and have further negative productivity effects (Saint-Martin, Inanc and Prinz, 2018[103]). American employees without paid sick leave forgo medical care three times more often for themselves and almost twice as often for their family compared to their peers covered by paid sick leave, with higher rates still for lower-income households (DeRigne, Stoddard-Dare and Quinn, 2016[104]).

Paid sick leave also protects societies and economies, by improving population health through the reduction of spread of contagious diseases. Paid sick leave facilitates workers with a contagious disease (such as a common cold) to stay at home, avoiding infections at or on their way to work (OECD, 2020[105]). The negative externalities of going to work sick and infecting others are substantively important. The implementation of paid sick leave in certain states in the United States between 2010 and 2018 lowered doctor-certified influenza-type infection rates by 11% in the first year after implementation. The positive impact of the law on prevention of infections increased continuously over time (Pichler, Wen and Ziebarth, 2020[106]). US cities implementing paid sick leave saw a 16% decrease in influenza-type infection rates measured using Google Flu data between 2003 and 2015 (Pichler and Ziebarth, 2017[107]). Lower infection rates translate into lower absence and lower employer costs. The introduction of paid sick leave in Connecticut and Washington DC, for example, led to an estimated 18% decrease in sick leave, most likely through lower probabilities of getting sick (Stearns and White, 2018[108]). Calculations indicate that expanding statutory paid sick leave to US workers could save employers USD 0.63 to USD 1.88 billion per year in absenteeism costs from influenza-type infections (Asfaw, Rosa and Pana-Cryan, 2017[109]).

Paid sick leave is even more important during contagious pandemics

Paid sick leave plays an even larger protective role during contagious pandemics and subsequent economic crises, such as currently during the COVID-19 pandemic (OECD, 2020[110]):

- First, paid sick leave allows workers who (may) have been infected to self-isolate by providing financial compensation. Israeli survey data during the COVID-19 outbreak show that employees almost universally are willing to quarantine if they receive wage compensation, whereas compliance would be almost half without such compensation (Bodas and Peleg, 2020[111]).
- Second, paid sick leave helps reduce viral spread, corroborating evidence from influenza-type infections. The introduction of temporary paid sick leave for COVID-19 related disease patterns in the United States contributed to an 18% decrease in full-time presence at the workplace and an 8% increase in staying at home, as evident from cellular mobile data (Andersen et al., 2020[112]). Its introduction led to an estimated one prevented COVID-19 case per day per 1 300 workers, or a 56% lower case number per 100 000 population (Pichler, Wen and Ziebarth, 2020[113]).

- Third, paid sick leave helps to keep employment relations intact for a potentially large number of temporarily unavailable sick and quarantined workers who are valuable to their employers and society at-large in the longer term. Through this, paid sick leave plays a stabilising role in the economy and lowers pressure on other support systems, such as unemployment benefit and job retention schemes. During COVID-19, US states without statutory paid sick leave policies saw larger increases in unemployment insurance claims (Chen et al., 2020[114]).

Fourth, paid sick leave is a crucial component of an effective testing, tracking, tracing and isolating (TTTI) strategy to allow for an orderly de-confinement, by providing the compensation to (potentially) infected workers who should self-isolate (OECD, 2020[115]).

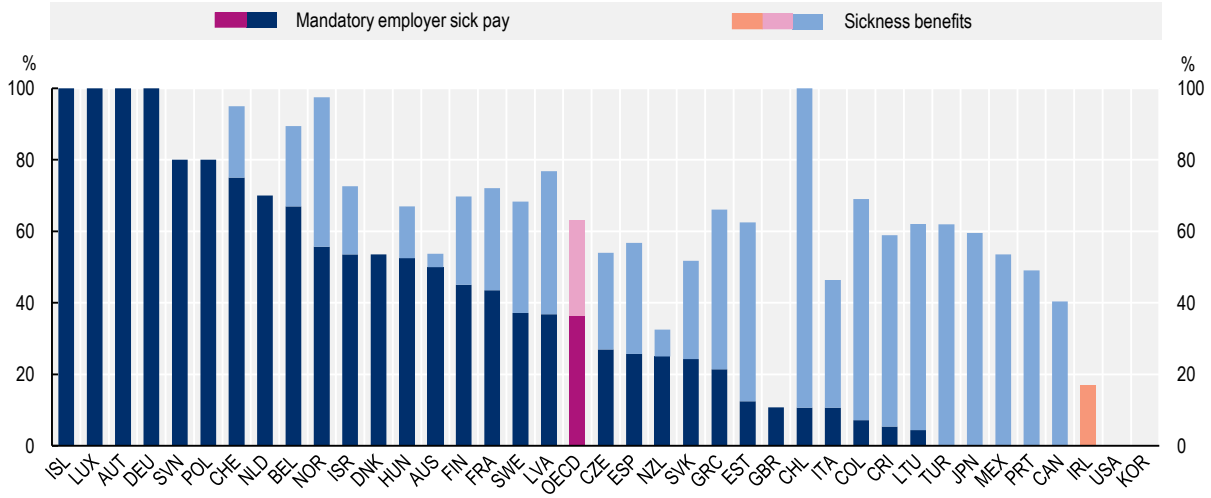
Ireland is currently still one of only a few OECD countries where statutory paid sick leave only consists of publicly provided sickness benefit, called the *Illness Benefit*, without obligations to employers to provide sick pay (Figure 3.13). Almost all European OECD countries, as well as Australia, Chile, Colombia and New Zealand have a double payment system, where employers are financially responsible for sick pay during the initial period of sickness followed by publicly provided sickness benefits. As discussed below, the Irish Government is planning to implement statutory sick pay.

Irish employers and employees may agree on sick pay entitlements in their individual contracts, but prevalence and generosity is likely low and highly unequal.[18] The non-randomised CIPD-IRN private sector pay survey found that 44% of their 500 surveyed organisations provided some form of sick pay, which is likely to be an upper bound estimate.[19] Other non-randomised surveys indicate that only 10% of workers in the red meat sector and 16% of workers in childcare have access to sick pay.[20] Moreover, voluntary employer provision generally results in large inequality in coverage, with lowest coverage for low-wage workers as is clear from evidence from the United States (BLS, 2019[116]; Maclean, Pichler and Ziebarth, 2020[117]; Schneider, 2020[118]). Voluntary employer provision also tends to lead to low levels of generosity (OECD, 2019[4]). Among the two-thirds of US workers with a fixed number of sick days per year, about four in five were entitled to fewer than ten paid sick days per year (BLS, 2019[116]).

With no statutory sick pay and low levels of sickness benefits, paid sick leave entitlements (the sum of statutory sick pay and sickness benefits) are not generous in Ireland in international context. For an average earner, paid sick leave replaces only about 17% of an eligible employee's wage during a four-week sickness spell – far below the OECD average of 63% (Figure 3.13.) and not including any entitlement to voluntarily provided employer sick pay. Ireland, New Zealand and the United Kingdom are the only OECD countries providing flat-rate sickness benefits below the relative poverty threshold of 50% of median income, even when the waiting period for receiving benefits is not taken into account (Bose et al., 2020[119]). Moreover, voluntarily provided employer sick pay when it is paid may not necessarily complement the low payment levels, as employers are allowed to ask employees who receive a public sickness payment to sign over any *Illness Benefit* payment they are entitled to.

Figure 3.13. Ireland is one of only few OECD countries with no mandatory employer sick pay

Cumulated gross sick-leave payments in the first four weeks of sick leave as a percentage of previous earnings, rules valid in June 2019



Note: The results refer to an eligible full-time private-sector employee who is married with no kids, age 40, earning an average wage and working with the same employer for one year. A number of countries (Denmark, France, the Netherlands, Norway and Sweden) have top-ups regulated in collective agreements, generally up to 100% of previous earnings. Paid sick leave entitlements refer to regulations in place in June 2019, except for Australia, Israel, Japan, Korea, New Zealand and Turkey (all 2018). OECD is an unweighted average of the countries shown.
Source: European Commission's Mutual Information System on Social Protection (MISSOC), the United States' Social Security Administration's Social Security Programs Throughout the World (SSPTW).

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The current Irish Government has committed to the establishment of statutory sick pay by the beginning of 2022 – an action that is laudable even though this first step should be followed by further improvements. Effective statutory sick pay systems should consist of four elements: (1) broad access; (2) substantive employer engagement; (3) promotion of return to work; and (4) adaptability during pandemics.

1. *Broad access*. Sick pay that covers all conditions and all employees will realise the largest gains for workers and the Irish population at large, and will have the strongest sickness prevention effects. First, employees should be eligible for sick pay regardless of tenure and contract type. Sick pay depends on seniority only in a few OECD countries. For instance, in Germany, sick pay obligations start after four weeks of uninterrupted employment. Finnish employers have to provide sick pay at a reduced 50% replacement level for employees with less than one month tenure. In France, maximum days of sick pay obligations increase with tenure, starting with 60 days between 1-5 years of tenure, up to 180 days for more than 30 years of tenure. Second, waiting periods should be kept low. The Netherlands (two days), France and Spain (both three days) are the only European OECD countries with sick pay waiting periods.
2. *Substantive employer engagement*. Real behavioural impact on sickness prevention requires potentially significant employer costs. This includes firstly a decent sick pay duration. The length of this sick pay obligations varies, and is 5-15 days in many OECD countries, but several months per year in Austria, Germany, Italy and Switzerland, and even two years in the Netherlands (OECD, 2018[120]). Second, impact will be stronger when sick pay obligations recur with every sickness spell, rather than when sick pay obligations are cumulative throughout the year. Third, sick pay levels should (almost) fully replace wages, at least for an initial period. Low generosity may have undesired effects. While a large cut in paid sick leave for Spanish public sector employees in 2012

reduced the incidence of sickness absence by 29%, it also led to 28% longer sickness absence, more sickness relapses because of infectious diseases, and a 50% increase in work-related accidents (Marie and Vall Castello, 2020[121]). Sick pay fully replaces wages during the initial weeks of sickness in most countries. A number of OECD countries have sick pay replacement rates that decrease over the sickness spell. For instance, Austria provides full sick pay replacement for employees for 6-12 weeks depending on tenure, followed by a four-week sick pay period with a 50% replacement rate.

3. *Promotion of return to work*. The introduction of statutory sick pay should be seen as a structure that facilitates a speedy return to work of recovered employees rather than a payment. Data for a number of OECD countries demonstrate that after a period of around three months, return to work becomes very difficult for people off-work for health reasons (OECD, 2015[89]). Firstly, Ireland should consider adopting obligatory capacity-oriented sickness certificates for early intervention during a worker's sickness absence. In Ireland currently, employers may ask for a medical certificate but are not required to and there is no automatic reassessment of *Illness Benefit* recipients. Promising examples of capacity-oriented sickness certificates come from Denmark, the Netherlands and the United Kingdom (Box 3.9). Secondly, Ireland should better promote a gradual return to work. Currently, *Illness Benefit* recipients able to work need to transition to *Partial Capacity Benefit*, which is only allowed after six months. This transition is voluntary rather than encouraged by authorities. Not surprisingly, as of February 2021, only 1 327 persons were availing of *Partial Capacity Benefit* coming from *Illness Benefit*.[21] Moreover, *Illness Benefit* recipients are not allowed to do rehabilitative voluntary work or undertake training, unless having received written approval from the Department. The 2017 Review of Partial Capacity Benefit serves as a good point of departure to promote early intervention, return to work and take-up. Its recommendations include the implementation of a tripartite responsibility for a phased return-to-work plan involving the worker, the doctor and the employer and the removal of the six month duration on *Illness Benefit* requirement (DSP, 2017[122]). Promising practices of partial return to work policies come from Austria and Norway.
4. *Adaptability during pandemics*. Employer sick pay obligations should be temporarily reduced or removed during contagious pandemics. Arguments for sick pay are less strong during a very contagious pandemic, when physical return to work should be maximally discouraged. It is also not obvious that employers should pay for extensions of existing legislation, such as sick pay in case of mandatory quarantine, especially if firms are facing major financial stress already. Throughout the COVID-19 pandemic, 14 out of 23 OECD countries which have a statutory sick pay system and for which information is available temporarily reduced employer costs for sick workers due to COVID-19. Similarly, 23 out of 24 OECD countries with a sick pay system and for which information is available publicly finance fully or almost fully paid sick leave for those in quarantine. Ireland should consider introducing laws or mechanisms that, in times of pandemics, automatically and temporarily extend paid sick leave entitlements to workers in mandatory quarantine and reduce employer obligations to provide sick pay. Such mechanisms were in place before the COVID-19 pandemic in for instance Austria, Finland, Germany and Sweden (OECD, 2020[110]).

The Irish Government should also consider implementing a clear vocational rehabilitation pathway, with shared responsibilities for the employer. Vocational rehabilitation aims to restore and develop skills and capabilities of persons who become sick or acquire disability while at work, so that they can continue to participate in the general workforce. Many continental European countries have in place strong vocational rehabilitation systems. In Austria and Switzerland, for instance, each disability benefit claim is automatically treated as a request for rehabilitation. Employers have an important role in the vocational rehabilitation scheme in the Netherlands, where they must do their utmost to reintegrate sick employees, which includes a retraining responsibility for two years, in line with their sick-pay obligation (OECD, 2010[85]). The implementation of a well-developed vocational rehabilitation system in Ireland would work as an early intervention and gatekeeper mechanism to prevent that people exit into disability benefits. Moreover, it

would encourage employers to take part in return-to-work and work accommodation, as well as to create relevant training opportunities. Employers would need support and guidance how to best assist the return to work of employees, and need to be pointed to available financial supports (NDA, 2020[123]).

Box 3.9. Return-to-work policies: United Kingdom, Denmark, the Netherlands, Norway and Belgium

Multiple countries promote return to work by having capacity-oriented sickness certificates. Doctors in the United Kingdom have to prepare "fit notes" rather than "sick notes" that describe what work and tasks a patient still can reasonably perform and what accommodation is necessary (OECD, 2018[3]). In Denmark, both employers and the government can demand a medical certificate that documents possibilities about staying attached to the labour market, including a partial return to work and training. In the Netherlands, doctors have to identify remaining competences of a sick employee. Next, the employer and employee are obliged to follow a defined return-to-work track with fixed milestones and dates, which includes the obligation for employers to examine whether a return to the previous job or a return to the same company but another job is possible and if so, under which conditions (e.g. adjusted workplace or schedule).

A gradual return-to-work allows workers to return more quickly, instead of having to stay away sick until fully recovered. In Norway, partial sick leave is the default option for certifying physicians. They have to make a compelling case to justify prescribing full sick leave. In addition, physicians receive feedback about their certification behaviour to nudge them towards more work-inducive certifications (OECD, 2018[3]). In Belgium, part-time work during sickness absence, compatible with the ailment, is actively encouraged. Workers receive support in the form of a rehabilitation or reorientation path that includes medical support, drawing up a professional plan, and exploring possibilities for (re)training. The worker can keep the compensation and recognition of incapacity to work, receives reimbursements of any costs related to return to work, and obtains a EUR 5 premium for each hour of training followed, with a EUR 500 premium after successful training completion.

Source: MISSOC (2021).

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Notes

[1] A significant part of the recommendations apply to formal education as well. For instance, the importance of Universally Designed formal education system is key for inclusion and educational attainments of persons with disability.

[2] Sample size does not allow for a breakdown by country and age group. Pooled across OECD countries, the digital gap is notably higher for persons aged 55-69 (10-11 percentage points) compared to persons aged 30-54 (6 percentage points) and persons aged 15-29 (3-4 percentage points). Ireland does not significantly deviate from this trend.

[3] Older persons may have lower incentives to participate in training given the short pay-back time on investment.

[4] A breakdown between age and health as main reason for not participating is not available.

[5] In 2018, fewer learners (5%) expressed having a lasting health problem. However, response rates to the question used to identify learners with a lasting health problem were significantly lower than in 2019.

[6] The EU-SILC 2016 data does not show a significant adult learning participation gap for employees with disabilities. Participation rates are low for employees with and without disabilities (around 25%). Instead, on average across OECD countries, 37% of employees with disabilities and 40% of employees without disabilities participate in adult learning.

[7] In 2020 the Higher Education Authority (HEA) and SOLAS worked together in order to transfer the administration of the funding for students with disabilities from the HEA for Post Leaving Certificate courses in further education institutions to SOLAS

[8] CSO census numbers for 2016.

[9] On the other hand, British *Unionlearn* participants more often state that they asked their employer (50% vs. 35%) and actually have taken further training (61% vs. 50%) after having completed a course (Stuart et al., 2016[50]).

[10] Calculations based on EWCS 2015. The small sample size does not allow for a breakdown by countries. There is no indication that the pattern in Ireland is different.

[11] For an overview: see https://www.cedefop.europa.eu/en/publications-and-resources/tools/financing-adult-learning-db/overview/ireland

[12] Data come from Labour Force Survey 2019q2 tabulations, provided by Jim Dalton from CSO.

[13] Calculations based on EWCS (2015). The small sample size does not allow for a breakdown by countries. There are no significant indications that working time flexibility practices for persons with disabilities in Ireland differ from the OECD average.

[14] Data come from Labour Force Survey 2019q2 tabulations, provided by Jim Dalton from CSO. The Labour Force Survey further confirms, as also discussed in Section 2.2, that employees with disabilities more often work part-time (29% versus 19% for employees without disabilities). The definition of disability in the Labour Force Survey is different from the definition in the EWCS, see Chapter 2.

[15] Under the Protection of Employees (Part-time Work) Act of 2001, employers cannot treat a part-time employee less favourably than a comparable full time employee in respect of any condition of employment. The Irish Workplace Relations Commissions provides some non-binding guidance by means of a Code of Practice on Access to Part-Time Work. The Code lists a number of possible relevant conditions to be considered by the employer, including the employee's personal and family needs, the equal opportunities policy of the organisation and business considerations.

[16] Ireland can also improve its government policies to promote the quality of part-time jobs. Although part-time employees have full statutory access to social protection, they are not necessarily entitled to overtime pay after working their maximum hours per week (Spasova et al., 2017[124]; Fagan et al., 2014[125]).

[17] The benefits that can be recovered under the *Recovery of Certain Benefits and Assistance Scheme* are: Illness Benefit, Partial Capacity Benefit, Injury Benefit, Incapacity Supplement, Invalidity Pension, Disability Allowance, and the Supplementary Welfare Allowance.

[18] The Irish Department of Enterprise, Trade and Employment writes in its Public Consultation on the introduction of a Statutory Sick Pay Scheme in Ireland: "Many employees already have an entitlement to sick leave (paid or unpaid) included in their contracts of employment."

[19] The survey only covered (1) CIPD members, a charity promoting better work and working lives and (2) subscribers to Industrial Relations News, a newspaper focusing on industrial and employee relations. The firms covered in the survey are likely to be bigger and with more interest in promoting healthy working conditions.

[20] See https://www.oireachtas.ie/en/debates/debate/seanad/2020-10-07/23/.

[21] In comparison, about 56 000 individuals availed of *Illness Benefit* in 2018 (no more recent information available).

4 Getting persons with disabilities into employment

This chapter examines the role of public employment services (PES) in bringing persons with disabilities into mainstream and quality employment. The chapter looks at three aspects of an efficient employment service and, where possible, compares the situation in Ireland with practices in other OECD countries. First, the chapter examines employment supports and active labour market programmes offered by the PES to persons with disabilities. Second, it analyses employer engagement practices used by the PES to promote the hiring of jobseekers with disabilities. Third, it discusses how PES systems can deliver effective employment support for persons with disabilities in partnerships with local stakeholders.

In Brief

- Public Employment Services play an increasingly important role in national, regional and local efforts to tackle unemployment and support economic growth. As more groups are entering the labour market, the role and services of PES are changing correspondingly. Today, PES play a key role in the inclusion of persons with disabilities in the labour market.
- Compared to the situation over ten years ago, the Irish PES system is in a much stronger position today to serve jobseekers and employers, not least through the introduction of Intreo – a single point of entry for all unemployed persons applying for unemployment benefits and employment support, including persons with disabilities. However, so far, Intreo has not been able to stop the flow from unemployment benefits to disability payments and the support for disability payment recipients within the mainstream services is very limited. Non-unemployment beneficiaries still make up a small minority within mainstream PES services.
- The Irish benefit system for persons with disabilities gives too little consideration to remaining work capacity in assessing eligibility for long-term disability payments. Taking all primary benefits together, more than 10% of the Irish working-age population receive a disability payment, which is twice as high as the OECD average and the highest share after Norway. The number of Disability Allowance recipients has increased gradually in the past 20 years, with a particularly sharp increase in the past five years leading to an overall increase in the illness and disability benefit caseload. This may to a certain extent be explained by a lack of clear guidelines to medical professionals on what constitutes full and partial working capacity and a lack of good possibilities for a gradual transition back to work.
- Contrary to regular jobseekers, persons on disability payments are not required to be available for work or to participate in activation measures. While research from other countries has demonstrated the effectiveness of activation, there is no consensus in Ireland about the form participation requirements could take for persons on disability payments. Not least because of the lack of participation requirements and the limited capacity to support persons with disabilities, the take-up of employment programmes is low among persons with disabilities. Contrary to stated political intentions, early intervention to prevent long-term unemployment and labour market exit for persons with disabilities is missing from most parts of the system.
- The Irish PES system includes a range of services to promote the employment of people with disabilities through employer engagement but take-up rates are low. There is a strong belief that employers are unaware of the supports available for them. Employer surveys support this belief to a certain degree but there are broader issues at stake, including misperceptions about the will and ability of persons with disabilities to work and the cost associated with employing them, which awareness-raising campaigns alone cannot solve.
- Actors from the third sector are greatly involved in the delivery of employment services, but there remains a potential to develop more sustained partnerships at local level. In line with political intentions, there is also a potential to better integrate the delivery of public employment services with other public services, not least in the health sector. The Irish Individual Placement and Support Programme is a prime example of an integrated service that has proven successful in getting people with mental health conditions into work. However, the programme only reaches a limited number of individuals not least due to limited financial means.

4.1. The role of PES in integrating persons with disabilities

4.1.1. The role of mainstream public employment services

In a changing world of work where job losses and job transitions are becoming more and more common throughout individual working lives and where unemployment levels have risen significantly in many countries due to the COVID-19 pandemic, the PES plays an increasingly important role in national, regional and local efforts to tackle unemployment and support economic growth. Through a wide range of supportive and activating measures, the PES is a policy tool to reduce unemployment spells, shorten unfilled vacancy durations, share objective labour market information and boost the quantity and quality of jobs (OECD, 2015[1]; WAPES-IDB-OECD, 2016[2]). Moreover, the PES plays a critical role in enhancing labour market mobility and helping those who face particular challenges to participate in the labour market (OECD, 2003[3]; European Commission, 2013[4]).

PES may be defined as a system of services provided directly by the state or through contracted services that help match jobseekers (supply) and employers (demand) in the labour market through information, placement and active support services at all levels of government. The main functions of the PES include job-brokerage for jobseekers and employers, development of labour market information and administration of labour market adjustment programmes (see Table 4.1). These services often present the core business of PES (WAPES-IDB-OECD, 2016[2]). In recent years, many countries including Ireland have integrated the administration of unemployment benefits with employment services in so-called PES "one-stop-shops". However, many countries still have another agency which administer benefits.

Table 4.1. Overview of the main types of mainstream PES services

	Job brokerage (jobseekers)	Job brokerage (employers)	Labour Market Information	Active Labour Market Policies	Management of benefits
Service	Publicly disseminating job vacancies to be filled in order to facilitate rapid matches between supply and demand	Supporting employers in filling job vacancies and facilitating rapid matches between supply and demand	Collecting data/statistics on job vacancies and potential applicants and making it publicly available to relevant actors/the general public	Implementing labour market policies and activation measures aimed at adjusting labour demand and supply	Providing income support for unemployed persons
Examples of activities	Personal job search assistance Referral to training (in-house or externally) Self-service access to job offers in local offices Job placement profiling Individual action plans	Registration of open vacancies (Pre)-selection of suitable candidates Personal support services for recruitment Targeted site visits in companies to raise demand Targeted wage subsidies	Collection and dissemination of labour market statistics at national, regional and/or local level Publication of labour market information Labour market research (beyond monitoring labour market development) PES as a member of an employment observatory.	Vocational guidance and training (in-house or external) Self-employment schemes Wage cost subsidies to promote recruitment Work testing/ placement into temporary work trial Referral to specialised services for specific problems impeding labour market integration	Management of unemployment benefits Management of jobseekers allowances/basic income support for jobseekers Management of social assistance allowances or related additional allowances

Source: OECD production based on WAPES-IDB-OECD (2016[2]), *The World of Public Employment Services*.

4.1.2. Broadening the client group – delivering support for persons with disabilities

In traditional welfare states, unemployment protection systems were designed to provide unemployment insurance for the temporarily unemployed breadwinner with insured unemployment benefit while social insurance was provided to those that were deemed unable to work (Armingeon and Bonoli, 2006[5]). Yet, as more groups are entering the labour market and the nature of labour market risks changes, the role and activities of PES have changed and the borders between employment and social policies are blurring (Heidenreich and Rice, 2016[6]). Many of the new workers, including women, lone parents, and immigrants, tend to be in a disadvantaged position in the labour market and may face work and pay discrimination, unstable employment, higher risk of job loss and a lack of social insurance (OECD, 2014[7]; 2019[8]). Consequently, countries have broadened the provision of unemployment benefits and the client groups of PES, so to cover people with little or unstable labour market attachment. Today, individuals served by PES include not only those on unemployment benefits, but also unemployed on other types of benefits (e.g. social benefit, illness benefit and disability benefit), others not working and not classified as unemployed (e.g. students or inactive) and those already in employment (OECD, 2015[1]).

Among the new groups served by the PES are persons with disabilities. Ensuring that persons with disabilities are supported in achieving their employment ambitions is a key labour market challenge for policy makers today. Persons with disabilities experience pervasive and persistent barriers to employment, resulting in consistently poorer labour force participation, fewer hours worked, and lower wages compared to people without disabilities. Yet, evidence suggests that persons with disabilities regard the importance of work very highly (Sundar et al., 2018[9]), that they may be a very valuable source of labour in most workplaces and that they often are able to and/or would like to take up work, should the right conditions exist. As shown in Chapter 2, this is also the case in Ireland, where a significant share of the working-age population receiving a disability benefit and not working indicate that they are “not ill, able to work and not retired”. Combined with high poverty rates among persons with disabilities, there are many arguments for strengthening labour market inclusion for this group. PES play an important role in this regard.

Table 4.2. Overview of the main types of employment support for persons with disabilities

	Sheltered employment	Wage subsidies	Vocational rehabilitation	Supported employment
Main elements	Placement in a sheltered workshop, subsidy to employer/employee, on the job training	Subsidy to employer	Ability testing, case management, training, placement, work adjustment measures	Individualised vocational rehabilitation and job (trials), job coaching and follow-up support
Target group	Severe disability	Less severe disability	Less severe disability	All levels of disability
Typical provider	Public or non-profit companies	PES or tax authority	PES or non-governmental organisations (NGOs)	PES or NGOs
Typical outcome	Stable but segregated employment, transition to open labour market is rare	Employment in the open labour market with subsidy	Employment in the open labour market with/without subsidy	Permanent employment in the open labour market

Source: OECD (2003[3]), *Transforming Disability into Ability: Policies to Promote Work and Income Security for Disabled People*, https://dx.doi.org/10.1787/9789264158245-en; European Commission (2013[4]), *PES approaches for sustainable activation of people with disabilities - Analytical Paper*, http://ec.europa.eu/social/pes-to-pes.

PES may deliver support to persons with disabilities in many different ways and through many different channels depending on the severity of the disability, when the disability was acquired (before or after taking up work) and the types of benefit received. Table 4.2 gives an overview of the main types of PES measures for persons with disabilities across OECD countries. These services may be delivered either as a part of the mainstream system or by providers specialised in support for persons with disabilities. In addition to the employment support measures outlined in this table, PES may also make use of a range of other

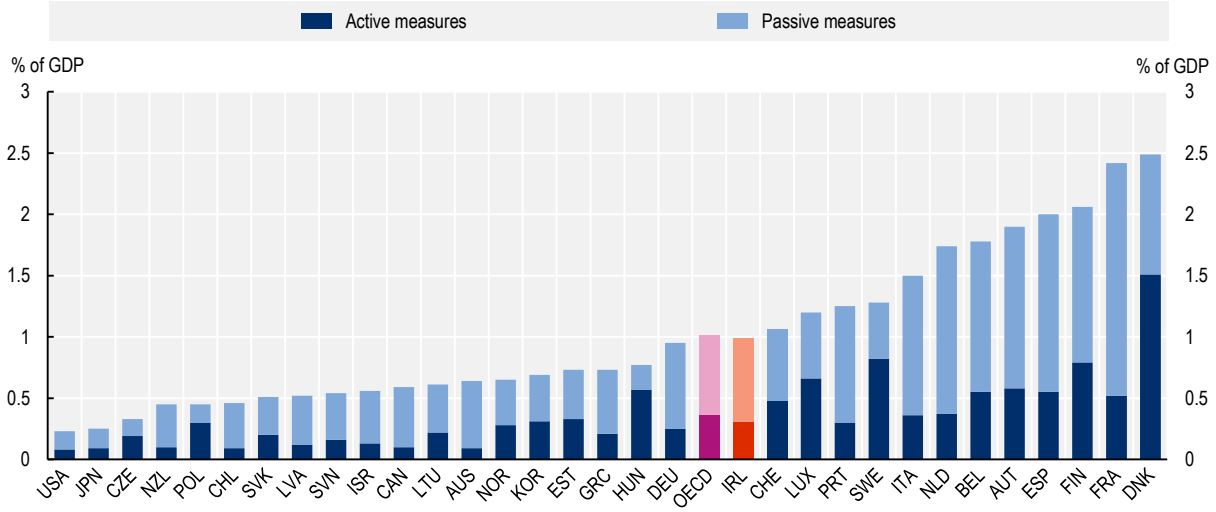
measures including work accommodation such as flexibility in working hours and the place of work (see Chapter 3), job retention measures, and measures strengthening the incentives for employers including wage subsidy schemes and employment quotas.

4.1.3. From passive to active support

In many OECD countries PES have moved towards more activation-oriented policies that shift the focus from passive income support to activation policies to support people in their job search and reemployment (Clasen and Clegg, 2012[10]; OECD, 2015[1]). Today, active labour market programmes (ALMP) are one of the main instruments used by PES to promote the transition from welfare to work and to (re)integrate people into the labour market. Activation includes both the provision of employment services and obligations on individuals who are able to work, to look for jobs or to participate in training. Often, this implies that the entitlement to benefits become conditional on active job search, availability for work or participation in training and sanctions in benefits are put in place if requirements are not met.

Figure 4.1. Spending on active labour market programmes is still low in most countries

Expenditure on active and passive labour market programmes as a percentage of GDP, 2018



Note: Passive policies (benefits) include expenditure on income maintenance and early retirement. OECD is an unweighted average of the countries shown.
Source: OECD, *Public expenditure and participant stocks on LMP* (dataset), http://stats.oecd.org//Index.aspx?QueryId=8540.

StatLink https://stat.link/a5hbcv

While activation policies originally were directed towards individuals receiving unemployment benefits, increasingly these measures are extended to other types of income support payments that have hitherto been offered free of any activation requirements – e.g. illness, social, disability and lone parents benefits (Carcillo and Grubb, 2006[11]). Several factors have motivated this extension, including rising public expenditure on non-employment benefits especially following a general tightening of eligibility criteria and associated requirements for unemployment benefit schemes in the 1990s and the challenges arising from population ageing calling for long-term increases in labour market participation. Importantly, motivation comes also from the increasing evidence that a large part of the inactive groups can and are interested in taking up work in one form or the other and the recognition that PES through their expertise, services and contacts with employers can play an important supporting role in this transition into work. Nevertheless, in most countries the measures have not yet materialised in significantly reduced public spending on benefits

nor a great improvement in the integration of people with disabilities in the labour market (OECD, 2010[12]) and many countries, including Ireland, still spend a rather low share of GDP on ALMP (Figure 4.1).

4.1.4. COVID-19 and the digitalisation of the PES

The role of PES has become even more important in light of the ongoing COVID-19 crisis. The pandemic has thrown the world into an economic crisis and put a large number of jobs at risk in both the short and long term. As described in Chapter 2, the crisis is already having a severe negative impact on job creation and unemployment levels in Ireland with different impact across regions. PES systems play an important role in keeping the labour market functioning during the COVID-19 crisis, including for more vulnerable groups. This includes preventing unemployment (e.g. through short-time work schemes), dealing with increasing inflows of jobseekers and benefit applications, ensuring that benefits are paid out without delay, providing information to jobseekers and employers, encouraging and supporting jobseekers to stay active, and providing up-skilling, re-skilling and matching services for workers to prepare for the post-COVID-19 labour market (OECD, 2020[13]).

Nevertheless, the introduction of confinement measures and social distance requirements are posing a significant challenge to the delivery of services by the PES. As staff can no longer meet with their clients face-to-face, digital measures have become a key element to the short- and medium-term response by PES. Digital measures are needed to streamline benefit application processes in times of increasing demand (e.g. through automation and a well-developed IT infrastructure for online applications) and to provide employment and activation services (e.g. through online job vacancy databases, other job-search tools, online career guidance and e-learning/online training courses) (OECD, 2020[13]).

Box 4.1. Providing help in times of crisis – how to overcome digital exclusion?

Keeping premises open: While many countries decided to fully close their premises to the public especially during the first part of the pandemic, a small number of countries decided to keep premises open for face-to-face desk-based services. In these cases, PES operated an appointment system to control the flow of clients through their premises and avoid crowding and they limited the use of services on-site to jobseekers with complex employability barriers or who for some reason were not able to make use of online services. As an example, Sweden maintained desk-based support to ensure continued provision of secure service access to clients with low digital skills. Also in Bulgaria, the PES maintained a desk-based service in recognition that the majority of its clients have no digital skills.

The phone as an alternative to online access: In many countries, a toll-free number was introduced for jobseekers and telephone services business hours were extended in order to better accommodate jobseekers using the phone instead of online channels. As an example, Spain extended telephone service businesses hours to run from 8 a.m. to 8 p.m. to cope with the flood of enquiries from jobseekers and employers (prior to the COVID-19 crisis the service ran from 8 a.m. to 2 p.m.)

Mobile delivery: A few countries made use of mobile units to reach clients who were unable to travel to employment offices. This includes Morocco, where mobile units were used to reach clients in remote areas. The units were staffed by counsellors specifically trained to serve groups of the population not able to reach the PES remotely and the range of services provided included information on job offers, including international placement, and support to start a business or a co-operative.

Source: ILO (2020[14]), *COVID-19: Public employment services and labour market policy responses*; WAPES (2020[15]), *Anapec: The ANAJIT Project brings employment to the rural world*, https://wapes.org/en/news/anapec-anajit-project-brings-employment-rural-world.

Digitalisation is not equally accessible by all groups in society and people without digital skills, internet access or access to digital equipment or with disabilities that prevent them from using online tools should receive particular support from the PES system. Experiences from PES that opted for a full digital option already before the COVID-19 crisis have shown that cohorts of digitally illiterate job seekers and employers were excluded from the offer or had significant difficulties to use it to the full extent (Pieterson, 2019[16]). The challenge is especially significant for persons with disabilities, who as shown in Chapter 3 on average are about three times as likely to not have a computer in their household or access to internet for personal use when needed. As the COVID-19 crisis evolves, digital exclusion is even more persistent and in this situation PES need to pay particular attention to people who are excluded from employment support due to digitalisation in accordance with Article 9 of the UN Convention on the Rights of Persons with Disabilities and the EU Web Accessibility Directive. This may include that phone services are maintained as an alternative to online services and that benefit applications can be taken via phone, regular mail, or dropped off in a box at the local PES office (see Box 4.1).

4.2. The organisation of PES in Ireland

4.2.1. PES providers and activities

Ireland has a comprehensive system of PES that includes a series of internally managed and externally contracted service providers, which deliver services to a broad range of groups. As in many other countries, the aim of the PES in Ireland is twofold: first, to manage the provision of income support payments and, second, to provide labour market activation services through the provision of job search assistance, employer intermediation services, counselling and monitoring.

Over the past decades, the Irish PES has undergone considerable changes. Previously, PES provision was administered by a number of agencies under the remit of different ministerial departments. However, in light of the rapid rise in unemployment levels following the 2008 global financial crisis and the challenges of the existing system identified in previous research (Grubb, Singh and Tergeits, 2009[17]), a far-reaching reform of the Irish PES system was undertaken from 2011. The reform included the integration of income maintenance and employment supports in a “one-stop-stop” service called Intreo placed under the remit of the Department of Social Protection (DSP) (Köppe and O’Connell, 2017[18]; Kelly et al., 2019[19]). In addition, due to significant increases in the Live Register, which shows the number of individuals registering for the two unemployment benefit schemes (Jobseekers Benefit and Jobseekers Allowance) in 2011-12, a new contracted service named JobPath with a focus on the activation of long-term unemployed was created in 2015 to increase overall PES capacity (Lavelle and Callaghan, 2018[20]). With the introduction of a new case management system that links unemployment benefit payments to active engagement with jobseekers to support them into training and employment, the reform also represented a move towards greater activation of unemployment benefit recipients in order to improve their progression to employment.

Currently, there are five main activation providers under the PES umbrella in Ireland – Intreo, Job Clubs, Local Employment Services (LES), JobPath and EmployAbility (see Table 4.3). The majority of services are provided through an external service model operating according to different forms of contracts (Department of Social Protection, 2016[21]). Their main activities include job brokerage, provision of labour market information, labour market polices to adjust labour demand and supply, management of labour migration, jobseekers engagement and employer engagement. While Intreo and Job Clubs target mainly the short-term unemployed, LES, JobPath and EmployAbility target mainly the long-term unemployed and people with a health condition, illness or disability. However, there is an overlap in target groups and the criteria used to determine the appropriate provider are not always clear (Lavelle and Callaghan, 2018[20]).

The journey of the individual jobseeker in the PES system depends on the duration of unemployment, if the jobseeker is “job ready” or not and if the individual falls within the activation or non-activation cohort

(see Box 4.2). While the activation interventions are rather similar across all PES providers (focus on group sessions and one-to-one client engagement), the intensity in follow-up reviews as well as the specific activation services provided differ across providers (Lavelle and Callaghan, 2018[20]).

Table 4.3. Public employment services in Ireland – an overview

	Target group	Services	Referrals	Activation	Provision
Intreo	All social protection payment recipients	The first point of contact for all unemployed. Responsible for processing all claims and payments. Activation services target unemployed based on a work first policy/education based on job readiness	Referral of long-term unemployed to JobPath, LES or EmployAbility Referral of short-term unemployed to Job Clubs for short term support	Jobseekers subject to mandatory activation (except non-activation clients)	Internally provided; cost met from within the administration expenses of DEASP
Job Clubs	"Job ready" job seekers	Services to assist entry/re-entry to employment		Jobseekers subject to mandatory activation	Contract with a payment-by-results model
Local Employment Services (LES)	Long-term unemployed (activation and non-activation clients) Non-activation clients who engage directly on a voluntary basis	Services and facilities to assist long-term unemployed persons to enter/re-enter employment	Activation clients referred from Intreo on a replacement basis (120 clients per mediator)	Jobseekers subject to mandatory activation	Contracts with the provision of services funded by DEASP
JobPath	Long-term unemployed and people distanced from the labour market Underemployed individuals working part-time	Activation services		Jobseekers subject to mandatory activation	Contracts with the provision of services funded by DEASP
EmployAbility	People with health condition, injury, illness or disability who are "job ready" and require support to secure and maintain a job. Referral by the Intreo Case Officer or the LES Mediator.	Employment services for job seekers and recruitment advice services for the business community		No mandatory activation; attendance on a voluntary basis	Contracts with the provision of services funded by DEASP

Source: OECD production based on Lavelle and Callaghan (2018[20]), *Spending Review 2018 - Public Employment Services-Mapping Activation.*

During the period 2018-20, the number of case officers and expenditure has gone down in Intreo, LES and Job Clubs (Table 4.4 and Table 4.5). For Intreo, which is the only provider where both type of data is available from 2015, the downscaling started already in 2015. Despite a small fall from 2019 to 2020, the total number of case officers in EmployAbility has increased from 2018 to 2020, while the expenditure level has remained stable. The introduction of JobPath in 2015 presented a large increase in overall PES staffing as well as expenditure in the years 2015-17. This rise in staff and resources reflects the policy of increasing activation of the long-term unemployed through a targeted service delivery. However, already from 2019 the expenditure level of JobPath started falling and in 2020 it was below the 2017 level. Lastly, data shows that the case load per case officer is significantly lower in EmployAbility than in Job Clubs and LES (the two other branches for which data is available) (Table 4.6); this is in line with international good practice for services for persons with disabilities. The sharp decline in the caseload in both Job Clubs and LES in the period 2018-20 is likely to be explained by the special circumstances of the COVID-pandemic.

Box 4.2. The activation journey

The activation process always starts with Intreo that functions as a gatekeeper and one-stop-shop for all unemployment and social protection benefit recipients. Intreo is responsible for the activation of unemployed (activation cohorts) in the first 12 months of their unemployment. In this period, they may refer jobseekers to suitable education, training or employment programmes, including referral to Jobs Clubs for short-term support (e.g. support for CV writing or training of interview skills).

After 12 months of unemployment, the jobseeker is reclassified as long-term unemployed and can then be referred to LES or JobPath. While LES provides engagement with the jobseeker only prior to gaining employment, JobPath provides engagement prior to and 12 months after the jobseeker enters full-time employment. If the jobseeker has not gained employment within 12 months (for both LES and JobPath) or has not been successful in sustaining employment after 12 months (for JobPath), the claimant will be referred back to Intreo, which will then decide on the future activation process.

EmployAbility focuses on persons with a health condition, illness or disability. These services operate on a referral basis only i.e. referral from mainstream provision – a customer who is working with their Intreo Case Officer or LES Mediator may be referred (through agreement with the customer) if it is felt they would benefit from the service provided by EmployAbility contractors. Mandatory referrals are not made to the service providers. Rather, services are attended on a voluntary basis and recipients are not subject to mandatory activation or any type of work-availability requirements. Services include advice and guidance, personal progression plans, job-sourcing and matching. Moreover, the service engages with employers and provide on-the-job advice and coaching, as well as follow-up and in-work support if necessary.

Source: Author's compilation based on Lavelle and Callaghan (2018[20]), *Spending Review 2018 - Public Employment Services-Mapping Activation.*

Table 4.4. The number of case officers have gone down in most PES branches since 2018

Case officers in the five branches of the PES, yearly developments

	Intreo	LES	Job Clubs	Job Path	EmployAbility	Total
2015	615	n.a.	n.a.	125	n.a.	740
2016	611	n.a.	n.a.	631	n.a.	1242
2017	604	n.a.	n.a.	631	n.a.	1235
2018	558	164	93	n.a.	106	921
2019	546	163	87	n.a.	122	918
2020	498	161	81	n.a.	118	858

Note: Case officers in Intreo is counted in WTE (Whole Time Equivalent) and coveres both staff dedicated to provide activation and case management support services. Data is incomplete for LES, Job Clubs, Job Path and EmployAbility.
Source: OECD calculations based on data from the Department of Social Protection (DSP), 2021.

StatLink https://stat.link/ufyp3a

Looking at the geography, the five PES providers are operating in approximately 314 office locations across the country corresponding to an average of one PES office for every 10 641 persons (2016 numbers). The provider represented in most locations is JobPath (with 90 locations, representing 28% of the total share) followed by LES and Intreo (with 27% and 20% respectively). 24 contractors are delivering EmployAbility

services on behalf of the DSP in 31 locations across the country. The geographical variation of PES offices per county ranges from a high of 79 in Dublin to a low of two in Longford and Cavan. Meath, Dublin, Cavan, Laois and Kildare have a lower number of offices per capita than the State average with Mayo, Monaghan, Leitrim and Kerry reporting a higher number (Indecon, 2016[22]; Lavelle and Callaghan, 2018[20]).

Table 4.5. Public spending on employment services has also fallen since 2018

Expenditure on public employment services in million euro, yearly developments

	Intreo	LES	Job Clubs	Job Path	EmployAbility	Total
2015	49	n.a.	n.a.	1	n.a.	50
2016	49	n.a.	n.a.	25	n.a.	74
2017	48	n.a.	n.a.	57	n.a.	106
2018	45	18	5	72	9	149
2019	44	18	5	59	9	134
2020	40	17	4	36	9	106

Note: Data is incomplete for LES, Job Clubs and EmployAbility.
Source: OECD calculations based on data from the Department of Social Protection (DSP), 2021.

StatLink https://stat.link/aibu6m

Table 4.6. The case load per staff is significantly lower in EmployAbility than in other PES branches

Case load per staff, yearly developments

	Intreo	LES	Job Clubs	Job Path	EmployAbility
2018	n.a.	133	170	n.a.	26
2019	n.a.	135	167	n.a.	25
2020	n.a.	98	93	n.a.	27

Note: Data for Intreo and LES has not been available. The case load is calculated as the number of attendess divided by the number of case officers.
Source: OECD calculations based on data from the Department of Social Protection (DSP), 2021.

StatLink https://stat.link/953lu2

4.2.2. Main disability payments in Ireland

In 2008, the OECD concluded that Ireland had a rather fragmented benefit system for persons with disabilities, with too little consideration given to identifying the remaining work capacity in assessing eligibility for long-term disability payments (OECD, 2008[23]).

Structurally, the situation has changed very little: Ireland still has a range of health-related benefits, which can be received on a long-term basis, some of them means tested and others not, and distinguished by whether the applicant has a sufficient insurance record, a long-term condition, a work-related condition, a special type of disability, or a combination of these factors. In addition, recipients of primary benefits are entitled to a range of secondary benefits, including free travel or free medical care (through entitlement to the Medical Card). This further reduces the incentives to move off primary payments although with the latest make-work-pay reform, higher earnings limits have been introduced, allowing benefit recipients to keep their secondary benefits up to this earnings threshold when moving into work. Despite the multitude of health-related benefits available in Ireland, only three of them really matter: Disability Allowance, Illness Benefit, and Invalidity Pension (see Box 4.3). Other payments, such as Blind Pension and Blind Welfare Allowance and the two occupational injury payments (Injury Benefit and Disablement Benefit) have a very small number of beneficiaries.

Box 4.3. The three main long-term disability payments in Ireland

Disability Allowance

Disability Allowance (DA) is the largest of the income support schemes for people with disabilities in Ireland, accounting for close to half of all recipients. It is a long-term weekly social assistance payment for people aged 16-65, with eligibility based on a means test and not connected to any social insurance contributions. The person must have an injury, disease or disability that has continued, or may be expected to continue, for at least one year, and as a result of this disability, be substantially restricted in undertaking work otherwise suitable for a person of the same age, experience and qualification.

The maximum weekly personal rate of DA is EUR 203, with rates of EUR 134.7 per qualified adult and EUR 38-45 (depending on age) per qualified child dependant. DA carries an entitlement to secondary benefits including a Free Travel Pass, Fuel Allowance, Household Benefits Package and the means-tested Medical Card, which guarantees free basic health care services for the entire family. People in receipt of DA can work with certain earnings disregards: the first EUR 140 of weekly earnings and 50% of earnings between EUR 140 and EUR 350 from employment or self-employment are disregarded in the means test. Earnings in excess of this amount are assessed on a euro for euro basis and entitlement to DA reduced accordingly.

Illness Benefit

Illness Benefit (IB) is one of the other two large disability payments in Ireland, accounting for almost one-quarter of all illness and disability recipients. IB is a short-term payment to people under age 66, who are unable to work because of illness. IB is not means tested and eligibility based on social insurance contributions. Entitlement requires 104 weeks of contributions paid since first started work and either 39 weeks of contributions paid or credited in the relevant tax year or 26 weeks of contributions paid in the relevant tax year and another 26 weeks in the tax year before.

IB is paid for up to two years, at a maximum rate of EUR 203 per week, graduated according to earnings in the relevant tax year. Prior to 2009, when a two-year limit on IB duration was introduced for new entrants, individuals could remain on IB indefinitely as long as they met medical and social insurance conditionality. The IB scheme caters for people with short-term episodes of illness, as well as those whose condition may be of longer duration. People whose condition is long-term may qualify to switch to Invalidity Pension (which is at a higher rate and has better secondary benefits) after a year.

Invalidity Pension

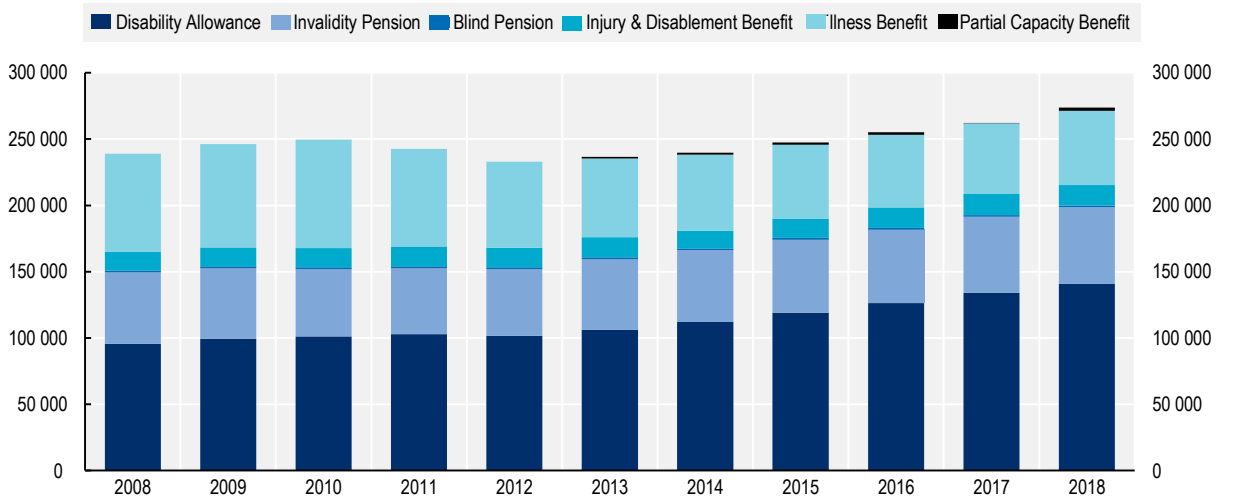
Invalidity Pension (IP) is the third relevant long-term disability payment in Ireland, also accounting for about one in four illness and disability recipients. It is a weekly payment to people who cannot work because of a long-term illness or disability, and who are covered by social insurance contributions. IP entitlement requires at least 60 months paid contributions since entering social insurance and 48 weeks of paid or credited contributions in the last or second last completed year before the start date of a permanent incapacity for work. IP is not means tested. To qualify, a person must have been incapable of work for at least 12 months, and be likely to be incapable of work for at least another 12 months, or be permanently incapable of work.

The maximum weekly IP rate is EUR 208.50, with additional rates for a qualified adult or child (at the same rate as for DA). The maximum personal rate is slightly higher than corresponding rates for DA and IB. IP is taxable, and carries entitlement to a Free Travel Pass. Receipt of IP is generally long term until pension age, with an average duration of eight years.

Taking all primary benefits together, more than 10% of the Irish working-age population receives a disability payment (Figure 4.2); this is twice as high a share as the OECD average and the highest share after Norway (MacDonald, Prinz and Immervoll, 2020[24]). The number of people receiving Illness Benefit is falling slowly and gradually ever since the introduction in 2009 of the two-year cap on payment duration, while the number of Invalidity Pension recipients has stayed very stable over the past decade and even longer. On the contrary, the number of Disability Allowance recipients has increased gradually in the past 20 years with a particularly sharp increase in the past five years. This has led to an overall increase in the illness and disability benefit caseload.

Figure 4.2. Many Irish avail of one of several disability and illness-related payments

Number of recipients by type of disability payment received, 2008-18



Source: Lavelle and Callaghan (2018[20]), *Spending Review 2018 – Public Employment Services-Mapping Activation*.

StatLink https://stat.link/68nuyp

Between 2008 and 2018, total expenditure on Disability Allowance increased by 51%, following a corresponding increase in the number of recipients (47%). Three quarters of the growth in the caseload between 2012 and 2016 is policy-induced, and only a quarter can be explained by demographic change and changes in disability prevalence rates (Callaghan, 2017[25]). About 21% of the growth is due to the steep increase among the group of beneficiaries aged 16-19. About half of those whose parents or carers receive Domiciliary Care Allowance (DCA) transition onto Disability Allowance at age 16, when their parents or carers lose DCA entitlement. A further 14% of the increase is due to an increase of persons switching from Illness Benefit, related to the implementation of the two-year cap on that payment in 2009. About 13% of the growth comes from an almost 80% increase in the inflow of persons previously on Jobseeker Payment. This sharp increase took place against a background of falling numbers on the Live Register. Whereas inflows into Disability Allowance increased, outflows stagnated. Between 2012 and 2016, only about 8 000 individuals managed to exit the scheme; one-third of them were aged 65 and entered the pension system. More than half of the recipients were availing of the scheme for more than five years (Callaghan, 2017[25]).

Increasing inflows and stagnating outflows point to the key importance of early intervention to support employment or early return to work before joblessness becomes established.[1] For those who want to and are able to work, critical interventions points include the moment when young people with disabilities leave education, or when an adult experiences the onset of a disability in the course of working life. On the

contrary, access to disability payments In Ireland seems easier than in other OECD countries. Benefit recipients are individually assessed for benefit eligibility but the assessment hinges to a large degree on the judgement of the individual's personal doctor. There seems to be a lack of clear guidelines to medical professionals on what constitutes full and partial working capacity. Vocational criteria (i.e. the assessment of the remaining ability to work) could play a more prominent role in the assessment of individuals, as also mentioned by the 2017 Review of Partial Capacity Benefit (DSP, 2017[26]). In addition, there is a need for continuous and rigorous re-assessment given that both the health situation and the work capacity of the benefit recipient may improve, as has been demonstrated in other countries such as the Netherlands (Garcia Mandico et al., 2017[27]).

The work orientation of the Irish benefit system has improved somewhat in the past 12 years. Higher earning disregards for some of the primary and secondary benefits and the introduction in 2012 of yet another payment to improve incentives for recipients of long-term unemployed to move into work – Partial Capacity Benefit – have improved the incentives to work to some degree. Nevertheless, only approximately 10% of all Disability Allowance recipients are in work while in receipt of a payment, with average earnings of around EUR 120 a week, which corresponds closely to the level of the earnings disregard for employment. Moreover, the introduction of Partial Capacity Benefit in 2012 meant a further fragmentation of an already overly fragmented system of disability payments.

4.3. PES support for persons with disabilities – the jobseeker's perspective

4.3.1. Multiple PES journeys for persons with disabilities in Ireland

Given the broad range of PES and benefit schemes in Ireland, there are multiple journeys through the system for persons with disabilities. In particular, the individual journey depends on the severity of the disability or health problem, when the individual has acquired the health problem or disability (before or after entering the labour market) and the type of benefit that the individual receives (which often will be a consequence of the first two). Table 4.7 gives an overview of the main client types in Ireland.

Table 4.7 A typology of client groupswith disabilities in Ireland

Client type	Employment status	Type of benefit	Work history	PES support
1. Employed	Employed, potentially on sick leave	Voluntary employer provided sick pay, Illness Benefit, or workers' compensation payment	Yes	Labour market information and job brokerage. Employees in firms facing redundancies may receive proactive support. Work accommodation. Employees on Illness Benefits may receive in-work support but on a voluntary basis.
2. Short- and long-term unemployed	Unemployed/ Inactive	Jobseekers Allowance or Jobseekers Benefit	Yes	Receive employment support by Intreo and or JobPlus (short-term unemployed), JobPath or LES (long-term unemployed) or EmployAbility (both long and short term). Subject to work requirements unless support from EmployAbility.
3. Inactive or on a disability benefit	Inactive, potentially employed if on Partial Capacity Benefit or on DA with Earnings Disregard	Disability Allowance, Invalidity Pension, Partial Capacity Benefit, or workers' compensation payment	Yes or no	Possibility to receive in or out of work support from EmployAbility, Intreo or JobPath on a voluntary basis. Not subject to work requirements. May receive financial support directed towards the employer/the employee.

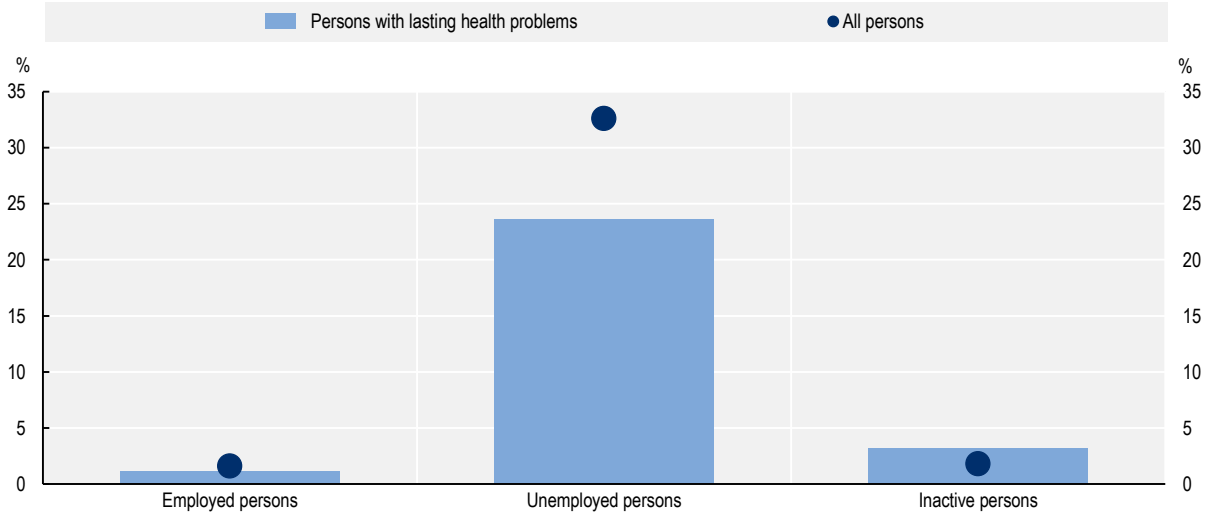
4.3.2. Support for employed persons with disabilities (Client group 1)

PES can offer multiple services that employed persons with disabilities could benefit from (Client group 1 in Table 4.7) in order to stay in their current position or to identify new job opportunities.

First, in several countries, PES plays an important role in providing clear information and guidance on how to reasonably accommodate health problems of employees by adjusting job tasks, working time or workplace, and what financial and practical supports are available to employers (see Chapter 3). In the Irish context, Irish employers are legally required to put in place reasonable accommodation for persons with disabilities throughout all work-related activities, from the job application process through to termination. Accommodation is therefore important for all PES client types with disabilities, be it in employment or looking for employment. However, Intreo currently does not provide information or training resources for employers to guide them in their legal responsibility to provide reasonable accommodation (NDA, 2019[28]). Its main flyer for employers "Your Guide to our Schemes and Services: Employer Services and Supports" lists the financial accommodation supports available. Employer awareness and usage of these supports, however, are low.

Figure 4.3. Very few Irish employees make use of further education and training funded by SOLAS

Participation rate in further education and training (FET) funded by SOLAS, by labour force status, 2019



Note: The dataset covers learners who have a lasting health problem and is broader than persons with disabilities, as no question is asked whether the lasting health problem limits their daily activities.
Source: SOLAS FET enrolment data Dulee-Kinsolving and Guerin (2020[29]), *FET in Numbers 2019: Learners with Disabilities;* Dulee-Kinsolving and Guerin (2020[30]), *This is FET: Facts and Figures 2019*, https://www.solas.ie/f/70398/x/1ba83e5971/15429_solas_facts_report_2019_web.pdf

StatLink https://stat.link/pj6qas

Second, employed persons with disabilities looking for new work opportunities can, just like any other individual, make use of the labour market information and job brokerage, which is provided by PES in many OECD countries. In Ireland, Intreo lists job vacancies on its website and it offers individuals, including employees, to plan a meeting with a case officer for assistance and advice on employment, training and personal development opportunities. Employed persons, with or without disabilities, in firms facing redundancies may benefit from more proactive PES support. Intreo can also refer persons to further education and training (FET). However, only few Irish employees, with and without disabilities, seem to

enrol into FET funded by SOLAS (Figure 4.3).[2] Employees seem to rely more often on other possibilities of adult learning, including employer-provided and on-the-job learning (see Chapter 3).

Third, PES often play a role in facilitating return-to-work of employees on paid sick leave in OECD countries (again, see Chapter 3). Currently, Ireland does not have obligatory capacity-oriented sickness certificates or systematic reassessment of workers on paid sick leave. Workers on Illness Benefit can voluntarily avail of any services that Intreo offers, but they are not obliged to do so. In this way, the Irish system is not geared towards early intervention despite the well-known benefits hereof also for persons on paid sick leave. For persons who acquire a disability while in work and need to undergo rehabilitation, evidence shows that the longer the absence from work, the greater the challenge of bringing the persons back into the labour market (ILO OECD, 2018[31]). Therefore, early intervention should come in the form of obligatory participation in vocational rehabilitation offered almost immediately after the transition from work to benefits rather than only after several months or years – as shown in the Danish pilot project (see Box 4.4).

Box 4.4. Early intervention during sick leave – experiences from Denmark

In 2009, Denmark implemented a policy experiment to measure the impact of intensive rehabilitation support and activation during sick leave. The policy experiment was implemented by local job centres in 16 out of 98 municipalities, where every second new claimant was assigned to receiving intensified support compared to the existing policy. In the "normal" system sick leave was available for a maximum of 52 weeks and the worker was required to meet a PES counsellor after the 8th week, and every fourth week thereafter, to verify their health condition and discuss possible rehabilitation efforts. In the "new" system established with the policy experiment, the support lasted 18 weeks and consisted of weekly meetings with a caseworker and mandatory rehabilitation activities. Support included vocational counselling, skills development, on-the-job training and internships; paramedical care and counselling; and return to work with a gradual increase of working hours. The outcomes were measured one, two, and three years after the first meeting with the client and results indicated that the intensified gradual return-to-work option significantly improved outcomes in terms of return to regular employment, self-sufficiency, and unemployment.

Source: Rehwald, Rosholm and Rouland (2015[32]), *Does Activating Sick-Listed Workers Work? Evidence from a Randomized Experiment*; European Commission (2016[33]), *Analytical Paper - Disability and Labour Market Integration*.

Under a more proactive and capacity-oriented return-to-work regime, Intreo could play a facilitating role by advising on what tasks a worker can still reasonably perform and what accommodation is necessary at fixed dates during sick leave. Also, Intreo could support employers and employees if gradual return-to-work options become more ingrained. In such a system, and as advocated by its 2017 review, the Partial Capacity Benefit would become more like an in-work benefit and early intervention device to allow clients to work according to their capacity, which may increase with recovery (DSP, 2017[26]). Currently, Illness Benefit recipients willing and able to work have to wait for six months and then voluntarily transfer to Partial Capacity Benefit. This route is used very little. Again, Intreo could support employers and employees if partial return to work becomes the norm.

4.3.3. Support for persons with disabilities on unemployment benefits (Client group 2)

In Ireland, all individuals who become unemployed, including persons with disabilities, start their journey in Intreo (Client group 2 in Table 4.7). All unemployment benefit claims are made through Intreo and the service decides if clients should be referred to other parts of the PES system. Information is gathered from all new jobseekers within the first days after they make their claim and is used to grant different types of benefits as well as refer clients to other relevant PES services. Following this initial segmentation (see

below), Intreo is responsible for the first 12 months of support and activation of all jobseekers who are granted unemployment benefits, including persons with disabilities. After 12 months, the persons still not in employment are transferred to LES or JobPath for long-term unemployment support.

For persons granted unemployment benefits, Intreo uses a statistical profiling tool to calculate a Probability of Exit (PEX) score that identifies the jobseeker's likelihood of existing the Live Register within 12 months (O'Connell et al., 2009[34]). The statistical model has 24 characteristics and related coefficients for both men and women and the calculated score is used to triage jobseekers in one of three groups, according to their support needs. The most employable 20% is referred to self-service; the least employable 20% and young jobseekers under age 25 have monthly visits with their caseworker; and the remaining group bimonthly (Kelly et al., 2019[19]). In this way, the statistical profiling automatically determines the frequency and timing of contacts or assignment of different service streams, rather than simply being a support measure that can be overruled by the caseworker when relevant. The use of profiling tools to determine the timing and intensity of the support for jobseekers identified as at-risk of becoming long-term unemployed is widespread across OECD countries (Desiere, Langenbucher and Struyven, 2019[35]).

A significant shortcoming of the Irish profiling tool, however, is that data on a persons' disability is not recorded on the systems for unemployment benefits and is not incorporated in the statistical profiling tool. Data on disability is only recorded in the system if a person on unemployment benefits tells a Case Officer they have a disability when discussing "barriers to work" (but without any description of the nature or degree of the disability). The disability status is not data stamped and therefore it cannot be indentified if the client had the disability at the time of appointment. There are at least two downsides to this way of recording data on disability in the PES system. First, it makes it difficult for the Irish authorities to calculate and analyse the share of persons with disabilities among the groups of short- and long-term unemployed receiving unemployment benefits. Second, it makes it difficult for Intreo to personalise its services to persons with disabilities on unemployment benefit. While profiling creates a risk of segregation, it is also a key measure to personalise and target support services and thus make services more effective and efficient to the benefit of both the individual and the system (Desiere, Langenbucher and Struyven, 2019[35]). The Irish authorities should develop their registration practice and profiling tool to better support persons with disabilities on unemployment benefits. An interesting example of a profiling tool that also takes into account the specific challenges of persons with disabilities are found in Estonia (Box 4.5).

Box 4.5. Evaluation of work capacity in Estonia

In 2016, Estonia reformed their pension system for persons with disabilities and introduced new rules for evaluating applicants' work capacity and eligibility rules for the receipt of incapacity benefits. The PES (which merged with the Unemployment Insurance Fund) now evaluates the claimant's work capacity with the help of a self-assessment and a medical assessment. The aim of the reform has been to change attitudes towards people with reduced work ability and to help them find and keep work. First results show that an increasing number of people with long-term health problems and disability are in work (66% were in employment in 2019 compared to 62% in 2018 and 59% in 2017). Moreover, the number of people with reduced work ability who have registered as unemployed and who are using the services of the PES is increasing, thus opening an additional avenue for the government to help improve the employability of persons with disabilities who were formerly inactive.

Source: European Network of Public Employment Services (2020[36]), *Activation of the inactive: PES initiative to support the activation of the inactive.*

Once the initial segmentation has been done, persons with disabilities have access to the same mainstream employment support measures and are subject to the same activation measures as all other

unemployment beneficiaries. Activation in the form of compulsory engagement and case management process to support individuals back into employment commences immediately (i.e. on the day a jobseeker makes a benefit claim), jobseekers are monitored through regular compulsory engagement with an Intreo officer, and if a jobseeker fails to engage with the PES he/she will be sanctioned (Kelly et al., 2019[19]). Clients are expected to use the supports offered during the activation process, which might include training, employment support to help them back into the workplace, internships and other supports.

An initial evaluation of the effectiveness of Intreo indicates that the service may not be better than its (highly criticised) predecessor in getting unemployed persons into employment, education or training (see Box 4.6). In addition, a recent study on the inflows and outflows to Disability Allowance in Ireland showed that in the period 2012 to 2016, an increasing share of all exits from unemployment benefits were to Disability Allowance (from 0.3% or 813 persons in 2012 to 1.7% or 4 127 persons in 2016) (Cronin, 2018[37]). As this increase coincides more or less with the creation of Intreo in 2011/2012, it indicates that the service has not managed to prevent a flow of persons to Disability Allowance. This indicates that Intreo, despite the use of activation measures and work-availability requirements, is not sufficiently able to support unemployment beneficiaries with disabilities in getting into work.

Box 4.6. Early evaluation of the effectiveness of Intreo

An initial evaluation of the effectiveness of Intreo was undertaken in 2019 with the aim to assess how the Intreo reforms influenced various progression outcomes of jobseekers, including: (i) exist off the Live Register, (ii) exist to employment, (iii) exist to an education, training or an employment placement course, and (iv) exist to "other" destinations (Kelly et al., 2019[19]). The evaluation was undertaken early in the implementation of the new Intreo PES model and thus is more an assessment of the short-term effects of the reforms comparing the progression outcomes of jobseekers who entered a new Intreo centre in the first six months of 2011 and 2013 against similar unemployment claimants who entered a formerly standard social welfare local office.

One of the main results of the evaluation was that one of the cornerstones of the new Intreo PES system – the Probability of Exit (PEX) model – was not properly implemented. In 2013, 20% of the individuals in the Intreo offices did not have a PEX value and of the individuals that received a PEX score, each had missing data for some of the profiling questions used to calculate the value. This significantly influenced both the ability of the new offices to use the profiling for activation purposes and the ability of the evaluators to examine the impact of the Intreo reform separately for jobseekers with different long-term unemployment risk levels. Moreover, the evaluation found that the Intreo reform had only very small employment effects and no education, training or employment placement course impact. However, it found that the reforms increased a jobseeker's probability of exiting to "other" destinations, which predominately captures transition to other benefit payments. This result suggest that the Intreo reforms may have led to the early identification of invalid unemployment claims (Kelly et al., 2019[19]).

Source: Kelly et al. (2019[19]), *An initial evaluation of the effectiveness of Intreo activation reforms*.

Unemployed persons with disabilities make less use of adult learning – a key mainstream employment support and activation measure for persons with disabilities to promote a return to work. Adult learning is particularly relevant for persons with disabilities given their on average lower level of education and potentially higher levels of human capital depreciation due to more frequent and longer non-employment spells. Persons with disabilities as well as employers consistently mention low skill levels as a major impediment to labour force participation, as discussed in greater detail in Chapter 3 (Erickson et al., 2014[38]; Sundar et al., 2018[39]). However, persons with disabilities participate less often in further education and training (FET) funded by SOLAS (Figure 4.3). Less than one in four unemployed persons

with long-lasting health problems were enrolled in FET from SOLAS, compared to one in three among all unemployed persons with disabilities. The reason for this participation gap merits further scrutiny.

Despite these significant challenges for the mainstream system in delivering targeted support for persons with disabilities, it is nevertheless positive that persons with disabilities receiving unemployment benefits have access to mainstream services and are subject to work-availability and activation requirements – not least to ensure early intervention to avoid long-term unemployment. In combination with an improvement of current profiling tools and a redirection of public resources to ensure high-quality mainstream support also for persons with disabilities, it could advantageously be expanded to other groups of persons with disabilities, including those receiving services from EmployAbility and more generally those receiving disability payments.

Specialised support through EmployAbility

EmployAbility is the main *specialised* employment support service dedicated to improving employment outcomes for jobseekers with a disability with the main aim to support them to take up suitable and fulfilling mainstream employment. The target group of EmployAbility is jobseekers aged 18 to 65, who have a disability and require support to succeed in long-term and sustainable employment. This may include persons with disabilities on Disability Allowance, Illness Benefit and unemployment benefits, which means that the service is serving all of the three client groups outlined in Table 4.7.

All potential clients must be referred through an Intreo or LES office (with a medical report/certificate if on unemployment benefits and without such certificate if on other types of benefits). The range of disability is broad and can include intellectual, mental health, physical, sensory, and hidden disability. Importantly, the client must be "job ready", defined as having the necessary training, motivation, education and ability to progress to work and pursue work in the open labour market; willing and able (with support) to work at least eight hours per week in open employment; and having the required training and education for their chosen career (Indecon, 2016[22]). The Department of Social Protection contracts with 24 companies for the delivery of EmployAbility services in 31 locations and the service operates an 18-month programme and provides support to the individual before taking up employment, in the application process and during employment, as well as support to the employer (Indecon, 2016[22]).

Results from a 2016 evaluation of EmployAbility show high levels of client satisfaction. In a survey conducted as a part of the evaluation, a majority of clients surveyed were of the view that the programme has provided increased opportunities to gain work experience or/and employment, increased motivation and increased self-confidence, and contributed to their sense of health and well-being (80% or above agreed). Moreover, the evaluation found high levels of satisfaction with the service among clients, with 87.9% of respondents being satisfied overall with the service. A majority of respondents indicated that they were satisfied with the helpfulness of staff (92%), the availability of a local EmployAbility service (89%), and the application process (88%) (Indecon, 2016[22]). Despite these positive results, the service seems to be facing significant challenges with regard to take-up and success rate.

Data from the period 2010-14 show that EmployAbility supported around 3 000 clients at any given stage. This corresponds to the combined capacity of the 24 contracted EmployAbility services as defined in the commissioning contract with the Department for Social Protection. However, if one relates the EmployAbility referral and client numbers to the numbers of persons with a disability aged 18 to 65 who are unemployed, this suggests that the service is meeting only about 6-7% of the potential demand in Ireland (based on 2014 figures) (Indecon, 2016[22]). This indicates that the service supports only a very small cohort of clients relative to potential demand and, in light of the large increase in Disability Allowance recipients over recent years, there is a need to assess the current capacity of the service vis-à-vis the actual demand. Looking at the outcome of EmployAbility, in 2014, the proportion of clients in employment with support from the services was 41.9%, the percentage of clients exiting the programme while in employment was 33.6%,[3] and only 25.3% of clients remained in open employment after six months without

support from the service. At the same time, there is a high level of client non-completion (47% in 2014) due to unsuitability, ill health or non-engagement (Indecon, 2016[22]).

In addition to the commissioning contract, the limited capacity of the service may also be explained by the requirement of "job readiness", which restricts the service to those clients who already have the necessary training and education to progress to work. This is also reflected by the fact that EmployAbility (in contrast to most of the other PES services) cannot refer clients to training, education, work experience or employment programmes and does not provide labour market information, career guidance, drop in services, and funding to remove barriers to employment (Lavelle and Callaghan, 2018[20]). The risk of such a strict eligibility criteria is a "loss" of people who could possibly have entered the labour market if they were given the right training and support in order to become "job ready". At the same time, the high rate of non-completion may imply that the service is already dealing with clients that to a lesser extent are "job ready", but that it lacks the necessary means to give them the right support. The Irish authorities should consider if there is as role for the service to play in supporting a broader range of persons on disability payments. This could include a stronger focus on bringing young persons with disabilities receiving disability benefits closer to the labour market. While this group is currently to some extent supported by the Ability Programme (Box 4.7), this programme is only temporary in nature (funding ends in 2021) and is not embedded within the permanent structure of the Irish PES system.

Box 4.7. The Ability Programme for young persons with disabilities

The Ability Programme is a EUR 16 million project that runs from 2018 to 2021 and is co-financed by the European Social Fund (ESF) and the Department of Social Protection (DSP) and administered by Pobal (and authority that administer and manage government and EU funding to address disadvantage and support social inclusion at regional and local level). The programme provides funding to local, regional and national projects in the Republic of Ireland that focus on young persons with disabilities who are not currently work ready. The aim of the project is to assist and support them to participate in education, training and employment, including by developing their confidence and independence. In addition the programme seeks to build the capacity of mainstream employment services, education and training providers to support the progression of young persons with disabilities and the capacity of employers to recruit and retain the groups.

Source: Pobal (2021[40]), *The Ability Programme*, https://www.pobal.ie/programmes/ability-programme/.

Another characteristic of the EmployAbility scheme that may explain the low success rate is that it is provided to clients without any requirements of work availability or activation. In contrast to the other PES services, clients are not required to be available for work (part or full-time) or to participate in activation measures such as rehabilitation programmes or interview training and, accordingly, they are not subject to sanctions in case of non-compliance with any requirements. As further discussed in the following sections, there are many reasons why it would be relevant for the Irish authorities to make the service obligatory at least for some groups of persons with disabilities and to introduce adequate participation requirements (targeted to a person's work ability) as a part of the service.

4.3.4. Support for persons on disability benefits (client group 3)

Contrary to regular jobseekers, persons on disability payments in Ireland have no obligation to see an Intreo case officer. Service access to Intreo is in principle open to everyone and following the Comprehensive Employment Strategy (CES) for People with Disabilities 2015-24, Intreo is progressively rolling out its full support service also to persons on disability allowance or non-activation benefits who wish to avail for the service on a voluntary basis (Lavelle and Callaghan, 2018[20]). It is up to the benefit

recipient to approach their local Intreo office in order to be informed of and avail of any employment support services. Once the benefit recipient reaches out to Intreo, she or he is entitled to have one-to-one engagements with a case officer as long as she or he feels it is necessary to progress towards or find employment. Non-engagement does not come with sanctions.

However, allowing everyone to access mainstream support is seldom sufficient. While the Irish PES have begun to shift towards the inclusion of "non-activation clients" who sign up on a voluntary basis, data show that these still make up a small minority of mainstream services and that services and resources are still targeted at activation clients.

The passive approach of Intreo towards persons on disability benefits is part of a larger viewpoint in Ireland that disability and work are somewhat incompatible (OECD, 2008[23]). This viewpoint does not serve the large community of persons on disability benefits well for multiple reasons. First, a large majority of benefit recipients can (and actually would like to) work (see Chapter 2). Second, it does not seem fair to leave it entirely in the hands of benefit recipients to improve their employability and find fitting opportunities to leave a state of relative precariousness, given the low income replacement rates of disability benefits in Ireland (see Chapter 2). Third, voluntary engagement tempers ambition levels of Intreo, as it becomes essentially impossible to set targets to bring clients on disability benefits into employment. Fourth, as in other OECD countries voluntary engagement is not effective. Levels of activation engagement between Intreo and inactive persons with disabilities are very low.[4] Only very few recipients of disability payments exit benefits: about 4% of the benefit population (5 000 recipients) exited Disability Allowance while not retiring (not even necessarily into paid work) in 2016. More than half the recipients were availing of the scheme for longer than five years and average benefit duration is nine years (Callaghan, 2017[25]; Cronin, 2018[41]).[5] Furthermore, inactive persons with disabilities rarely participate in further education and training (FET) funded by SOLAS (Figure 4.3). Ireland can learn from initiatives such as by the Dutch PES, which actively approaches disability benefit recipients to promote training as part of their re-integration, showing promising results (see Chapter 3).

Labour market outcomes for persons with disabilities will likely continue to disappoint unless Ireland will extend activation and participation requirements to disability payments in line with an individual's capacity. Ireland can bring employment support into the process in multiple fashions.

First, Ireland should introduce a mandatory interview process for all persons on disability benefits, conducted by Intreo. The objective of such an interview should be to assess a person's remaining work capacity and their barriers to work, and not their disability. In a second step, disability payments should be awarded on a transitory basis with regular reassessments of work capacity and entitlement, as is currently common for unemployment benefits. Such an approach may require additional training for case managers, so that they can effectively provide activation and support, tailored to the individual's work capacity. It may also require disability awareness training given the potentially sensitive nature of disabilities. Frequency of reassessments could be made dependent on severity of disability and level of remaining work capacity. Ireland can take inspiration from capacity-oriented sickness certificates and reassessment procedures from the United Kingdom, Denmark and the Netherlands (see Chapter 3). Following recommendations from the Make Work Pay report, the Phase Two Action Plan 2019-21 of the Comprehensive Employment Strategy contains the action to write an implementation and communication plan to improve early engagement with persons with disabilities by Intreo.

Second, Ireland should improve possibilities for a gradual transition back to work, in line with a person's (improving) work capacity. Ireland currently has two routes to promote a gradual transition back to work, both voluntary, with low uptake and limited employment impact:

- Disability Allowance recipients are allowed to be in paid work up to a ceiling, though very few make use of this possibility. About 10% of recipients were engaged in some employment in 2016, earning on average about EUR 160-190 per week (Cronin, 2018[41]).[6] Low take-up of earnings disregards is not due to limited generosity: Disability Allowance recipients can keep 100% of their earnings up

to EUR 140 per week and 50% of their earnings between EUR 140 and EUR 350 per week. More fundamental problems are the voluntary nature of finding paid work and a fear of losing the Medical Card, which guarantees free basic health care services for the entire family and strongly disincentives employment. The much-cited Make Work Pay report came with improvements, most prominently by allowing individuals to earn up to EUR 427 per week while keeping the Medical Card, instead of EUR 120 before (DSP, 2017[42]). While these improvements are an important first step, they are unlikely to bend the curve in a meaningful way.[7] A much more fundamental and equitable solution would be to improve access to universal health care, independent of employment, and to abolish the Medical Card (OECD, 2008[23]).

- Partial Capacity Benefit allows individuals in receipt of Illness Benefit or Invalidity Pension to combine paid work with keeping a benefit. Moving to Partial Capacity Benefit is voluntary. The rate of payment depends on the personal rate of the qualifying scheme (Illness Benefit or Invalidity Pension) from which the customer originates and the medical assessment of the customer's capacity for work at rates of 50%, 75%, or 100% respectively. There are no limits on working hours or earnings. Persons may return to their Illness Benefit or Invalidity Pension if, for example, employment ceases or if the person finds that she or he cannot continue to work. As of February 2021, about 3 000 individuals avail of Partial Capacity Benefit – about 2% of the benefit population of Illness Benefit and Invalidity Pension.[8] A combination of measures could help to improve the effectiveness of Partial Capacity Benefit. Individuals with a disability willing and able to work should be able to obtain directly the benefit rather than first having to transfer from Invalidity Pension or Illness Benefit. The latter recipients should be able to transfer quicker onto the benefit than the current six months, as also proposed by the 2017 Review of Partial Capacity Benefit (DSP, 2017[26]). More ambitiously, Ireland should consider making Partial Capacity Benefit mandatory for those fulfilling the entitlement criteria and/or turning the benefit in part to an in-work payment, similar to partial disability payments in the Netherlands.

Third, further participation requirements and use of activation measures will be needed, at least for some groups. The Irish discussion on participation overlooks the necessity of activation for the large majority of those who could work and in many cases would like to work. Instead, Irish policy seems to be dominated by a focus on the least employable for whom participation requirements are not the relevant issue. The well-being of this group is pivotal but the Irish approach hinders better employment outcomes for persons with disabilities. As suggested by the OECD already in 2003, countries must develop a culture of mutual obligations also in disability policies, where societies accept their obligation to make efforts to support and (re)integrate persons with disabilities and where persons with disabilities and considerable work capacity themselves and, if applicable, their employers, make an effort to ensure their participation in the labour market (OECD, 2003[3]). This includes among other things that benefit receipt should be conditional on participation in employment, vocational rehabilitation and other integration measures and that failure to do so should result in benefit sanctions.

The fact that participation requirements are important to promote labour market participation can be seen from enrolment rates in further education and training (FET) funded by SOLAS. Unemployed persons are the only group that relatively frequently participates (33%, compared to 2% among employed and inactive persons) (Figure 4.3). Participation requirements can also come in the form of vocational rehabilitation – a system that is currently little developed in Ireland as discussed in Chapter 3. In many countries (including Australia, Austria, Denmark, Germany, Hungary, Poland, Spain, Sweden and Switzerland), disability benefits are not granted before having exhausted all possibilities of vocational rehabilitation.

The available empirical evidence base indicates that well-designed activation and employment policies can significantly increase the labour market integration of persons with disabilities (Carcillo and Grubb, 2006[11]; OECD, 2010[12]; European Commission, 2013[4]). For instance, evaluations of individual placement and support (IPS) policies that combine employment and health support find higher rates of obtaining competitive employment, longer job tenure and higher income for participants – persons with mostly mental

difficulties (Frederick and VanderWeele, 2019[43]). Germany's early retirement and incapacity scheme reforms were also found to contribute to the increasing employment rate of persons with disabilities (Bundesministerium für Arbeit und Soziales, 2016[44]).

Box 4.8. From passive to active support of persons with disabilities – international experiences

With a reform of the early retirement system in Denmark in 2013 the rehabilitation team was created as an integrated part of the Danish Job centres. The rehabilitation team is an interdisciplinary dialogue and co-ordination forum with representatives from the employment, social, health and in some cases education area anchored in municipalities. The team make a proposal to the municipality on the decision to grant either a "resource process", flex job or in the most severe cases early retirement to people with health problems or disability. The "resource process" is an individually tailored support programme (from one to five years) targeting persons with severe and complex challenges which the ordinary employment system has not been able to overcome. The purpose is to provide a holistic, co-ordinated and interdisciplinary support with a particular focus on employment and education services so to support the person in taking up work. A flex job is a type of supported employment targeted persons who are unable to obtain or maintain employment on normal terms in the labour market e.g. due to a permanent or significantly limited ability to work. The flex job takes into account that employees' ability to work is limited, and the municipality pays a subsidy for the salary that compensates for the reduced ability to work. As a general rule, all persons under the age of 40 years shall be offered a "resource process" or a flex job and cannot be granted early retirement (with the exception of cases where the ability to work is so reduced that taking up work is not possible). Persons above 40 shall also be offered a "resource process" before early retirement is granted (Deloitte, 2017[45])

The Job Centre Plus in the United Kingdom provides a single point of delivery for unemployment benefits, vacancy management, and support for people of working age seeking a job. The Job Centre Plus model aims to support people to find employment as soon as possible and to prevent long-term unemployment. Work coaches in local Jobcentre Plus offices act as a single point of contact for jobseekers, guiding them through individualised, locally designed services often delivered in partnership with community groups, public and private providers and employers to respond to local needs and labour market demands. The service targest all people of working age seeking a job. During the interview sessions with the jobseeker, the personal work coach can seek advice from a Disability Employment Advisor or Work Psychologists in relation to possible medical conditions or disability. Moreover, the frequency of the meetings depends on the needs of the individual (from daily over weekly to fortnightly meetings) and the work coach can arrange in-house and external support again depending on individual needs and barriers (European Commission, 2017[46]). Based on empirical analysis, Jobcentre Plus helped to reduce the number of people on out-of-work benefits and therefore effectively increased the labour supply in the United Kingdom. These improvements are evident for jobseekers, lone parents and people claiming disability related social security benefits (Riley et al., 2011[47])

With the introduction of the Participation Act in 2015, the distinction between job-seekers allowance and disability allowance is no longer applicable in the Netherlands. In order to be eligible for the job-seeker allowance, a person needs to undergo a work capacity assessment, and seek work according to the outcome of this assessment. If appropriate, it can be decided that the person should undertake some other, non-paid activity in return for receiving benefits. The obligation to undertake unpaid work can last up to three years. Apart from the requirement of actively searching for and accepting work that is within one's capacity, the recipient can be required to follow additional training when this is regarded as beneficial to his or her chances of finding suitable work. In addition, the recipient can be asked to travel or move to a municipality where appropriate work is available. Together, these obligations prevent the

allowance becoming a semi-permanent payment for persons with disabilities. Since the introduction of the Participation Act, fewer people receive benefits and more people move into paid work. On top of the job-seeker allowance, there is a yearly payment for people that are (partially) disabled.

As part of the Welfare to Work reforms introduced in 2006, Australia transferred 81 000 disability beneficiaries who were able to work at least part-time and 95 000 lone parents to other benefits, mainly unemployment. This transfer represented a potential increase of nearly one-third in the total number on unemployment benefit ex ante. The main objective of the reform was to increase the range and number of people required to look for and accept work and at the same time to expand the support and assistance provided to these typically disadvantaged jobseekers. The change increased the financial incentives to work, insofar the benefits formerly paid were "Pensions" which are, in Australia, somewhat more generous than "Allowances" such as unemployment benefit. One key to the success of this Welfare-to-Work strategy was the incentive structure for the Australian employment services, which are subject to competition in a quasi-market structure. Thus, for Australia's Job Network member, transfers from inactive benefits to regular unemployment status represent an increase in levels of business. Nevertheless, the results of the Welfare to Work reforms have been mixed, and in some instances, the reforms may have merely encouraged a shift into Disability Support Pension, the only remaining non-activity tested payment. Following governments have sought to address these problems, including by reconfiguring employment services to better cater to the needs of disadvantaged jobseekers (Department of Employment and Workplace Relations, 2008[48])

Source: Department of Employment and Workplace Relations (2008[48]), *Welfare to Work Evaluation Report*; Riley et al. (2011[47]), *The introduction of Jobcentre Plus: An evaluation of labour market impacts*; European Commission (2017[46]), *Jobcentre Plus.*

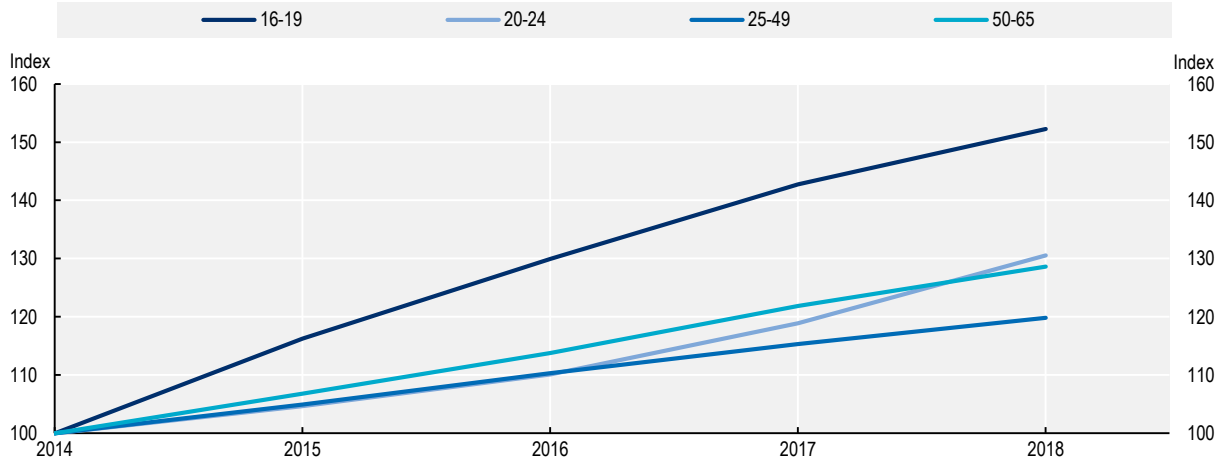
In Ireland, notably, young benefit claimants and recipients claiming non-contributory Disability Allowance should have job preparation and training participation requirements. The number of beneficiaries aged 16-19 on Disability Allowance increased by more than 50% between 2014 and 2018, more than twice as fast as the increase in recipients aged 20-65 (Figure 4.4). Currently, young adults can enter Disability Allowance at age 16 before having exhausted or even tried possibilities of (rehabilitative) training. This contrasts with practices in Denmark, where long-term disability benefits are in principle not granted before the age of 40, thus putting massive pressure on the public authorities to improve employability and find employment for young adults with disabilities (see Box 4.8).

Ireland should revive its early engagement plans for those under age 22 who transition directly from education into Disability Allowance, put on hold during the pandemic. Foregoing their interest and work ability is a costly mistake. Once again, the system lacks a coherent approach to early engagement and intervention to avoid pushing individuals who have an interest in and ability to work away from the labour market.

A last target group for PES are persons with disabilities on segregated sheltered employment with the main objective to provide bridges and supports to bring this group into the open labour market. Placing persons with disabilities in sheltered employment has long been a common practice in Ireland (OECD, 2008[23]), similar to many other OECD countries. Sheltered employment organisations are generally voluntary or community associations and provide work specifically, though not only, for persons with disabilities at the community level. Participants keep their social welfare payments and may receive a top-up payment at the discretion of the service provider. In Ireland, the Department of Health through its Health Service Executive (HSE) has responsibility for sheltered employment, which is now being phased out. The Comprehensive Employment Strategy 2015-24 envisions shutting down the Irish sheltered employment sector, in order to transition the participants into the open labour market.

Figure 4.4. The number of young beneficiaries on Disability Allowance has increased rapidly

Growth in number of recipients by age group, 2014-18, indexed to 100 in 2014



Source: Lavelle and Callaghan (2018[20]), *Spending Review 2018 - Public Employment Services-Mapping Activation*.

StatLink https://stat.link/ucogtk

Across OECD countries, sheltered employment has been found to be a tool for segregation, not one for inclusion, and progression into the open labour market has generally been very low (OECD, 2010[12]). The developments in Ireland to close sheltered workshops are therefore welcome and also align with the objectives of the United Nations Convention on the Rights of Persons with Disabilites, which Ireland ratified in 2018. The New Directions day services model, in which persons are offered individualised supports in integrated settings, piloted in 2016, seem promising. Ireland should push for proper labour market integration of these participants (Lydon, D'Eath and Heary, 2018[49]). Intreo and its specialised EmployAbility support service seem well equipped to play a key role. New Directions has also supported the deferral of adult service day places so that young people with disabilities can access mainstream further education options. This gives school leavers the opportunity to access and explore the suitability of mainstream progression options before deciding on taking an adult day service place. However, the path to the abolition of sheltered employment is not easy. Trends in data for persons with intellectual disabilities, who form more than three-quarters of the total population availing of HSE services, suggest an increase in segregated service attendance. There are also indications that sheltered workshops have renamed themselves to fall under "Activation Centres", which are still segregated and may involve activities that participants have not chosen to do (May-Simera, 2018[50]).

4.4. PES support for persons with disabilities – the employer's perspective

4.4.1. Employers as a new client group for public employment services

Employers from both the private and public sector play a key role in promoting the employment of persons with disabilities. The engagement with employers is central to the matching, placement and retention success of the PES for jobseeker clients in general and for the inclusion of persons with disabilities more specifically. A study by Egger and Lenz (2006[51]) identifies contacts with employers by all job counsellors as having a positive impact on employment outcome and Frolich (2007[52]) finds a positive impact on employment rates in PES offices where the staff have good relationships with employers and, in particular, know employer needs and rapidly react to vacancies. Good employer relations are also vital if PES are to

play a greater role in matching skills supply and demand and managing career changes across the lifecycle (WAPES-IDB-OECD, 2016[2]).

In a number of countries, PES have expanded their services to employers. This may include policies to support vacancy intake and registration, information to employers about available active labour market programmes, pre-selecting jobseekers for interviews with employers, offering legal advice, information sessions or job fairs, wage subsidies and quotas (OECD, 2015[53]; European Commission, 2013[4]).

Nevertheless, in many countries, PES systems still struggle with low visibility and trust among employers, which presents an overriding challenge to the services credibility and impact, and which negatively affects the inclusion of vulnerable groups in the labour market. Evidence from a study across European countries suggests that employers are often reluctant to use PES to source candidates, among other things due to a belief that PES staff are not necessarily motivated to recommend jobseekers in the best interest of the employer (Larsen and Vesan, 2012[54]). The relatively low share of vacancies in which the PES is involved in some countries may reflect these negative perceptions of PES by employers (Larsen and Vesan, 2012[54]; OECD, 2015[53]). Instead, employers make use of other recruitment channels such as a waiting list, direct application, contact through the employers' current networks, private employment agencies or other contacts in the sector (Oberholzner, 2018[55]).

4.4.2. Engaging employers in Ireland

Box 4.9. The Irish Employer Relations Strategy 2017-20 and the Key Account Managers

The Employer Relations Strategy 2017-20 was developed to guide the implementation of the strand in the Pathway to Work Strategy 2016-20, which is about employer relations development. The main aim of the strategy is to build effective relationships with employers with a view to increasing recruitment and, in particular, increasing employment placements for job centre clients. Among other things, it sets out to position the Irish PES as a partner of choice for recruitment and employment services and to increase awareness among employers of the portfolio of services and supports in order to maximise take up. The target group is all jobseekers and employers as well as representative groups.

A centralised Key Account Managers (KAMs) team was established as a single contact point for large employers (250+), which is specialised by occupational area and provides an intensive and tailored service, including assistance with advertising jobs, identifying suitable candidates from the database of candidates, pre-screening, scheduling interviews and providing interview facilities in collaboration with divisional teams. At local level, 11 Employer Relations Managers were established in the 11 Intreo divisional areas, with the responsibility to provide place-based support and services for employers with under 250 employees. The centralised KAMs team and the local Employer Relations Managers work closely together in order to provide a consistent and cohesive service to employers.

The Employer Relations Strategy also includes actions to develop and strengthen the capabilities and skills of staff assigned to employer services roles, support traineeships in collaboration with industry, skills and training bodies and develop internal capacity and business technologies to improve job matching. The Department of Social Protection published its 2021-25 Pathways to Work Strategy in July 2021. The strategy includes commitments to improve Public Employment Service engagement with people that have a disability.

Source: European Commission (2018[56]), *Improving employer relations services (the Employer Relations Strategy 2017-20)*.

The Irish PES system includes a range of measures to promote the employment of persons with disabilities through stronger employer engagement. This includes the establishment of the centralised Key Account Managers team and the local Employer Relations Managers working in Intreo offices across the country

(see Box 4.9). It also includes the JobsIreland.ie webpage, which is a free job advertising service to employers and a place where job seekers can search for jobs and create a profile to match their skills and experience with available jobs. Many of these measures are largely guided by the Irish Employer Relations Strategy 2017-20 (targeted to all jobseekers) and the Comprehensive Employment Strategy for People with Disability 2015-24 (targeted to persons with disabilities). The different Irish programmes and services to support employer engagement differ in their target groups and the aim of the service. Table 4.8 gives a non-exhaustive overview of some of the measures in Ireland.

Table 4.8. Overview of services and programmes to engage and support employers

	Aim of the service	Target group	Key characteristics
Back to Work Enterprise Allowance	Strengthening financial incentives, jobseeker	People aged under 66 who receive social welfare benefits.	Encourages people getting certain social welfare payments to become self-employed. If you take part in the scheme you can keep a percentage of your social welfare payment for up to 2 years
EmployAbility	Better matching supply with demand; raising awareness; building capacities	Persons with health problems or disability who are "job-ready"	Provides employment assistance and access to a pool of potential employees with varying levels of skills, abilities and training; ongoing support for both the employer and employee throughout employment; and a job matching service to help ensure successful recruitment and advice and information on additional employment supports.
Reasonable Accommodation Fund	Assisting persons with disabilities to find or keep employment	All employers; Employees who acquire an illness, condition or impairment that affects their ability to do their job	Under the Reasonable Accommodation Fund, DSP can help employers and employees with disabilities to take appropriate measures to help a person with disabilities to access, improve or retain their employment by providing the following grants: Workplace Equipment Adaptation Grant, Job Interview Interpreter Grant, Personal Reader grant, and Employee Retention Grant
Eures Employment Service	Better matching supply with demand	All jobseekers and employers	Part of a network of more than 1 000 EURE Advisers across Europe. EURES Advisors provide information, guidance and recruitment services to both jobseekers and employers interested in the European job market.
JobsIreland.ie	Better matching supply with demand	All jobseekers and employers	A free job advertising service to employers and a place where job seekers can search for jobs and create a profile to match their skills and experience with available jobs. The service includes a network of staff providing expert guidance and resources to both jobseekers and employers. They can help jobseekers to create their CV and find their ideal job, while helping employers to promote jobs.
JobPlus Scheme	Strengthening financial incentives, employers	Long-term unemployed and other groups with a disadvantage	Encourage and rewards employers who employ jobseekers on the Live Register (long-term unemployed and other groups with a disadvantage)
Key Account Managers	Better matching supply with demand; raising awareness	All employers	A single contact point for large employers (250+), which is specialised by occupational area and provides an intensive and tailored service. At local Level 11 Employer Relations Managers in the 11 Intreo divisional areas has the responsibility to provide place-based support and services for employers with under 250 employees.
Local Employment Service	Better matching supply with demand; raising awareness; building capacities; strengthening incentives	Long-term unemployed and other groups with a disadvantage	Provides a range of supports and services, including recruitment service and employment schemes, grants, job internships and assistance schemes, and workplace supports for employees with disabilities. The service is a single point of contact for all employment and income supports, including JobsPlus and the Part-Time Job Incentive Scheme.
Part-time job incentive scheme	Strengthening financial incentives, jobseekers	Certain long-term unemployed and other groups with a disadvantage	Allows certain long-term unemployed people to take up part-time work and get a special weekly allowance instead of their jobseeker's payment. Recipients must be available for and seeking full-time work while getting the payment. The Part-time work must be under 24 hours a week, must be likely to last at least 2 months and must be insurable employment.
Redundancy and Insolvency Payments Scheme	Strengthening financial incentives	Persons with disabilities	Fund quick access to short-term training or other supports for jobseekers with disabilities. The grant will be up to EUR 1 000 and will form part of contracts entered into for 2021.

	Aim of the service	Target group	Key characteristics
Short-Term Enterprise Allowance	Strengthening financial incentives	Persons on Jobseeker's Benefit	Encourages people on Jobseeker's Benefit to become self-employed
The Disability Awareness Training Support Scheme	Raising awareness	All employers	Provides funding so that employers can buy in Disability Awareness Training for their staff. The purpose of the training is to give information about disability and to address questions or concerns that employers and employees may have about working with people with disabilities
Training Support Grant	Strengthening financial incentives, jobseeker	Persons with disabilities	Fund quick access to short-term training or other supports for jobseekers with disabilities. The grant will be up to EUR 1 000 and will form part of contracts entered into for 2021.
Wage Subsidy Scheme	Strengthening financial incentives	All employers in the private sector; persons with disabilities	Incentive to employers to employ people with disabilities who work more than 20 hours per week and where the disability results in a loss of productive for the employer. A person on the scheme is subject to the same conditions of employment as other employees.
Willing Able Mentoring Scheme	Capacity building	Graduates with disabilities	Promote access to the labour market for graduates with disabilities and build the capacity of employers to integrate disability into the mainstream workplace. Participating employers collaborate with Willing Able Mentoring (WAM) to offer mentored, paid work placements for graduates with disabilities.

Box 4.10. Employer satisfaction with PES services in Ireland

As part of the implementation of the Employer Relations Strategy a rolling series of independent surveys of employers is planned to be conducted by the DSP's employer relations division via the Behaviours & Attitudes Barometer Omnibuss service. Preliminary data from the first survey among a representative sample of SMEs in Ireland show that two-thirds of all Irish SMEs are aware of DSP employer services and that awareness levels are highest amongst multi-national companies, those with just one office location, and within the professional services and administration activity. While a majority of SMEs are aware of JobsIreland.ie, the Redundancy & Insolvency Payments Scheme, and the Wage Subsidy Scheme for persons with disabilities, less than one in ten are currently aware of the Eures Employment Services. In correspondence with these findings, JobsIreland.ie seems to be by far the most heavily used DSP employer service, with one in five of all SMEs having availed of it at some stage.

Early indications also imply that employers are somewhat satisfied with the services they received. Respondents are especially positive about the accessibility of services online and the availability of information on employer support from DSP. However, lower levels of satisfaction are shown with regard to the extent to which DSP staff made the service user feel valued. Just one in ten employers indicate that the service received was worse than other recruitment services and among the key reasons for using DSP employment services are a perceived need for those services by company employees, recommendation of the services from elsewhere, and the financial advantages of the services being provided free of charge. Moreover, just over half of all employers who have not yet used any DEASP employer services indicate they would be open to doing so in the future.

Preliminary data from a recent survey on employer engagement suggests that employers in Ireland are both aware of and relatively satisfied with the PES services available for them (see Box 4.10). In the same vein, the 2018 evaluation of EmployAbility showed that its services for employers are well perceived by employers and employer organisations. Results from the 2018 evaluation showed that a large majority (more than 90%) of employers responding to the survey (a total of 696) either strongly agreed or agreed that the service delivered on their overall expectations. Moreover, a very high proportion of employers agreed or strongly agreed that Employability enabled their organisation to play a role in supporting persons

with disabilities (97.9%) and that it made it easier for their organisation to support the transition of persons with disabilities into their own workforce (93.9%) (Lavelle and Callaghan, 2018[20]).

Despite good evaluations of existing PES services to engage employers, the low employment rate for persons with disabilities in Ireland and the low take-up rate of several of the programmes in place indicate that the system face significant challenges – including with misperceptions and a lack of awareness.

4.4.3. Changing perceptions and raising awareness

Despite significant improvements within recent years, in some countries, disability and employment is still to a large extent viewed as incompatible and the costs of including persons with disabilities in the workplace as high. The support for persons with disability or sickness starting or re-starting a job is often regarded by employers as costly and inefficient, and often employers lack an accurate perception about the kind of jobs that are suitable for workers with disabilities and may not recognise opportunities for creating such positions (Stone and Colella, 1996[57]; Hernandez, Keys and Balcazar, 2000[58]; Ren, Paetzold and Colella, 2008[59]). In addition, while evidence across countries show that generally speaking, people with disabilities regard the importance of work very highly, they are often portrayed by employers as less capable or skilled and less willing to be part of the labour force (Erickson et al., 2014[60]). This is also largely the case in Ireland, where there is still a widespread viewpoint that persons with disabilities are better off on public support and employers are better off not employing persons with disabilities. These perceptions are reflected in the reality of hiring practices, where many employers claim to have never recruited a person with disabilities despite the high prevalence of disability in the working age population (see Chapter 2). Discrimination of persons with disabilities is a concern in Ireland. About a fourth of persons with disabilities felt discriminated in the last two years according to the 2019 Equality and Discrimination Survey. More than a third of public queries related to the Irish Employment Equality Acts 1998-2015 to the Irish Human Rights and Equality Commission in 2019 were disability related (The Irish Human Rights and Equality Commission, 2020[61]).

To overcome challenges with misperceptions and discrimination, it is of great importance that PES invests in employer outreach and awareness programmes to engage with and inform employers of the benefits of employing persons with disabilities, overcoming misperceptions about their ability and will to work and informing about the different available support measures that the system have to offer. Employers must always have a place where they can get advice easily and at no cost, and governments must reach out to employers actively through the PES system to provide information and dispel employer fears and worries. This includes systematic information to employers about the real costs for workplace adjustments and the support they can get before, during and after hiring persons with disabilities. It may also include making the business case of hiring persons with disabilities and identifying “employer champions” who hire persons with disabilities and can be an inspiration for other businesses in the community. Examples of interesting outreach and awareness raising policies are fund among others in Slovenia and Germany (see Box 4.11).

The Department of Social Protection in Ireland has taken some steps to improve employer awareness in the past few years not least through the implementation of the central Key Account Managers Team (KAMs) and the decentralised Employer Relations Teams (see Box 4.9). As part of their work with employers to fill their recruitment needs, the Employer Relations Teams around the country promote the use of the Disability Wage Subsidy Scheme, the Reasonable Accommodation Fund and JobsPlus to encourage businesses to consider providing a work place opportunity for a person with a disability. In addition, as part of the Employer Relation Strategy, a Staff Development Unit in the Department for Social Protection provide training for personnel. The unit, in collaboration with the National College of Ireland has developed a Certificate in Professional Practice in Employability Service, which includes a four day module on “Engaging with and Supporting Enterprises” (European Commission, 2018[56]).

Box 4.11. Examples of outreach policies

In Slovenia, the outreach to employers and their satisfaction with the public employment service is a quantitative target of the Slovenian public employment service's employer strategy striving towards an average satisfaction level of employers of at least 4 on a scale from 1 to 5. The strategy plan also requires the public employment service to set up at least 12 activities a year to encourage social responsibility of employers to promote employment of vulnerable groups, including the work testing of persons with disabilities or the co-operation within a larger social dialogue to improve the occupational health and safety conditions for this target group. The customer relationship management of the Slovenian public employment service also keeps record of all contacts with employers, such as visits, group meetings with HR responsible and information from media and other databases relevant to employer relations. In this way, the public employment service can monitor different forms of co-operation at the level of individual employers and their categories like size, location, and sector and use the data for further strategy and planning (Oberholzner, 2018[55]).

The German public employment service has specialised staff members in over 150 employment offices who are in charge of managing employer jobseeker accounts including recruitment services, post-placement services, support with paperwork, apprentice management, financial support and qualification offers. After the first contact, the employer is allocated to one account manager, who works on finding suitable skills and researching the skills market on a mid-term perspective. Job fairs, targeted site visits, networking breakfasts and support of the company are standard practice. Departments at locations with large employers offer key account management, which includes additional services such as the support to the employer with additional advisory services or short time work management in times of large lay-offs or work shortage (Finn and Peromingo, 2019[62]). The matching and work testing of persons with disabilities in Germany can therefore rely on this established infrastructure and contact data base of employers. The employers` service offers also apprentices and job seekers with disabilities to employers and advises on available support, employer obligations and upskilling measures. In more severe cases, further professional health services are involved in the application procedure if necessary.

Source: Oberholzner (2018[55]), *Engaging with and improving services to employers*; Finn and Peromingo (2019[62]), *Key developments, role and organization of public employment services in Great Britain, Belgium-Flanders and Germany.*

Yet, the reach and resources of the outreach function have remained rather minimal when it comes to persons with disabilities. To fill this gap, in 2016 the Employer Disability Information (EDI) service was introduced on a pilot basis as a peer-to-peer service through which employers can obtain the information they need in recruiting and retaining workers with disabilities. However, the service remained small and its funding ended after only a few years. In particular, the service lacked the resources needed to reach small and medium-sized enterprises in which the majority of workers in Ireland work. A new service, Employers for Change, was introduced in March 2021, with a similar objective of providing an effective peer-to-peer service for employers. At this moment, it is too early to tell where the journey will go. Similar to the EDI about five years ago, Employers for Change is starting with advance praise and a strong web presence, and with considerable enthusiasm and hope for a change to the better. The litmus test will be the extent to which this service will be able to grow from a Dublin-based initiative to a nationwide service, and from supporting a small number of large companies to supporting a large number of small companies. The success of the service will depend predominantly on the amount of resources attached to it: with the current budget of EUR 150 000 per annum, its impact ought to be limited.

4.4.4. Providing the right help to employers

Looking beyond challenges with misperceptions, discrimination and a lack of awareness, employers in Ireland and other countries also report challenges in attracting and recruiting qualified persons with disabilities, including how to create the right job profiles for candidates with disabilities and give them the right conditions during the recruitment process and to undertake their work in the company.

As described in a recent study by the American Employer Assistance and Resource Network on Disability (EARN) there are numerous strategies which employers may use to attract and recruit qualified persons with disabilities and to facilitate the hiring, retention and advancement of this groups of workers. Strategies include establishing formal arrangements for referral of applications with representatives from recruitment services (including PES), establishing formal training on how and why to hire persons with disabilities, providing an accessible online application and using targeted recruitment and social networking sites for persons with disabilities to learn about the company. Strategies to facilitate hiring may include sharing the process for requesting reasonable accommodations for the application and interview process and clearly identifying essential functions and tasks of the job in the job advertisement rather than specific methods to perform them (Employer Assistance and Resource Network on Disability Inclusion, 2021[63]). PES can help in numerous ways to facilitate these practices (see Box 4.12).

Box 4.12. PES supporting the recruitment process of persons with disabilities

Helping employers target persons with disabilities

Public employment services can help employers to identify qualified candidates and support the recruitment process for persons with disabilities, including by connecting employers to broader candidate pools e.g. by looking beyond the CVs of public employment services and reaching out to disability organisations and other relevant stakeholders. EY in the United Kingdom collaborated with the government to use Twitter presenting cases of their staff members with disabilities under the banner “Exceptional people, exceptional outcomes” to encourage new applicants. EY also placed staff members with disabilities in positions of the human resource department to create higher visibility of the workforce with disabilities to new applicants (Business Disability Forum/Ingeus, 2017[64]).

Supporting the design of roles for persons with disabilities

Employers may not have an accurate perception about the kind of jobs that are suitable for workers with disabilities and may not recognise opportunities for creating such positions. Analysing existing jobs and redesigning roles or splitting tasks and vacancies for a wider and more diverse candidate intake can be advantageous to the recruitment. The public employment service of Malta work on these issues in co-operation with the Lino Spiteri Foundation, an entity specializing in the labour market integration of job seekers with disabilities. Jointly they identify existing occupations within interested companies that are potentially suitable for jobseekers with disabilities. The exercise is driven by the real demand of the employer and the skills level of the registered jobseekers with disabilities. If needed, the public employment service funds skills training and work testing before an inclusion into the job (Scoppetta, Davern and Geyer, 2019[65]).

Open hiring

Another way to give people who face recruitment barriers a chance to work is to apply an “open hiring” method. In this method, the first person who applies gets the job. While there might be screening questions, such as with regard to authorisation to work and crucial skills and competences, there is no interview, resume or background check. Persons with disabilities may benefit from such a recruitment method, as they more often have gaps in their CV, may fear interviewing and face (unconscious) bias

(Baert, 2016[66]). Five firms in the Netherlands engaged in an open hiring pilot in 2019. In total 53 people were hired and about three in four were low educated. No information is available whether persons with disabilities were hired. A year later, nine persons were still in the same position, although COVID-19 negatively affected the retention rate. Four in five employers were very satisfied with the pilot, noting many registrations and high motivation, although they emphasised the importance of providing effective on-boarding and on-the-job training. Open hiring may work for positions for which experience and skills are less important or can easily be replaced by on-the-job training and may work less well for others. Moreover, first-in first to be hired may still penalise persons with a disadvantage who have less access to IT to apply (see Chapter 3) (Smit, 2020[67]).

Looking into possibilities of fast-track entries with immediate shop floor practice in existing workplace training courses or as part of an education curricula can increase the inclusion and retention rate of vulnerable groups. The Stepping Into programme in Australia is a paid internship scheme managed by the Australian Network for Disability. The programme matches university students to roles with leading Australian organisations which are member in the network for a work-testing period and focuses on students with disabilities. To give them the chance to gain vital work experience during study. Iinternships run for a minimum 152 hours that can be used flexibly depending on the students' schedule. The Australian Network for Disability supports with necessary minor adjustments and monitors the outcome as well as the feedback of students, employers and co-workers to understand how the work performance of the intern has been received, and what further adjustments might be necessary to target employment (University of Melbourne, 2019[68]).

Work customisation, especially job carving and job crafting can be effective strategies to overcome the challenges of labour market (re)integration of jobseekers with disabilities and to keep workers employed by creating meaningful and productive employment. Job carving and job crafting (also discussed under headings such as job design, job enrichment and work customisation) aim to match the needs of businesses with the talent, needs and interests of the individual (Scoppetta, Davern and Geyer, 2019[65]). Job carving refers to the practice of rearranging work tasks within a company to create tailor-made employment opportunities especially for people with reduced work capacity or who for other reasons are constrained in the tasks they can carry out. It is a top-down process driven by management to adapt tasks, processes or workplaces to employees or jobseekers. Job crafting refers to a specific form of workplace innovation where employees design their tasks and work processes themselves. Contrary to job crafting, it is a bottom-up process driven by and targeted to employees (Ibid.)

Work customisation strategies may help persons with disabilities to enter employment and PES may support employers in their efforts to use these strategies. Employers can benefit from their help to redesign available jobs so to make them more accessible to persons with disabilities while at the same time having a look to increasing productivity, identifying unmet needs in the workplace, increase customer satisfaction and better reflecting the existing diversity in their community (Scoppetta, Davern and Geyer, 2019[65]). A number of studies have identified success factors for work customisation such as the level of professional skill support (Griffin, Hammis and Geary, 2007[69]), good and uninterrupted relations between job carving consultants and employers, successful collaboration between supporting actors (Fesko et al., 2008[70]) and ongoing support for disadvantaged jobseekers who found employment (Nicholas, Luecking and Luecking, 2006[71]). All this points to the role of PES as a key actor working effectively and simultaneously with jobseekers and employers to address their mutual goals and needs. PES also play a role when it comes to avoiding potential negative effects of work customisation including the prevalence of negative stereotypes or the downgrading of salaries (Scoppetta, Davern and Geyer, 2019[65]).

4.5. Strengthening incentives of employers

Another key element in the engagement of employers are measures to increase the incentives of employers to employ persons with disabilities. This may include targeted wage subsidies, financial compensation for workplace adjustments, quotas and trial periods. The Irish PES system includes a number of measures to increase the incentives of employers to employ persons with disabilities, including the Wage Subsidy Schemes, the JobPlus Scheme and the Employee Retention Grant Scheme (see Table 4.8 for an overview). The following discussion focuses on the Wage Subsidy Scheme.

4.5.1. The Wage Subsidy Scheme for persons with disabilities

Wage subsidies are an active labour market policy that reduce the cost of hiring or retaining a worker with a certain disadvantage in an attempt to increase demand for these workers in the open labour market. Wage subsidies targeted to persons with disabilities are generally justified to compensate for lower productivity levels due to reduced work capacity or for larger uncertainties that employers may have about the jobseekers' competences. However, such subsidies may worsen labour market outcomes if they play a stigmatising role by signalling lower work capacity. Wage subsidies targeting persons with disabilities are widespread among European OECD jurisdictions, including in Austria, Flanders (Belgium), Denmark, Finland, Germany, Italy, Luxembourg, the Netherlands, Norway Portugal, Spain and Sweden.

The empirical evidence on the effectiveness of private sector wage subsidies indicates that they generally increase employment, though net job creation may be limited (Card, Kluve and Weber, 2018[72]; Brown and Koettl, 2015[73]). Four factors play a role in limiting net job creation. First, the wage subsidy may pay for a job that would have been created in any case (deadweight loss). Second, workers hired through the wage subsidy programme may crowd out jobseekers not covered by the programme who would otherwise have been hired (substitution effect). Third, employers who do not use the wage subsidy scheme may be less profitable and therefore lose market share to those who use the scheme, leading to a shift of employment away from employers not using to those who do. Fourth, taxes necessary to fund the scheme can lower total hiring in the economy, although the subsidy scheme may lower public spending on benefits (Borland, 2016[74]). Causal evaluations of wage subsidies targeted to persons with disabilities suggest that they can increase employment, although the broader policy landscape plays an important role (see Box 4.13).

The Irish Wage Subsidy Scheme offers firms a fixed hourly subsidy of EUR 5.30 per hour for a position of 21 hours per week or more for a contract with at least 6 month duration.[9] The employee must be offered the same rights and conditions of employment as any other employee in a similar position. The individual when applying has to be at least 18 years, and either be on one of the disability, sickness or workers' compensation benefits or has medical proof confirming that disability causes a productivity shortfall of at least 20%. The subsidy is only available for employees under 12 months in the job, and therefore is designed to increase hiring rather than retaining. Firms can avail of the subsidy for an unlimited duration. Each year, the employer and employee must complete a productivity assessment that certifies the employee's productivity deficit. A DSP case officer may carry out a more in-depth review.

Overall, Ireland's Wage Subsidy Scheme seems fairly healthy. It provides generous funding and focuses on those groups that likely need it most. As the subsidy is only available for new hires or employees with less than one year tenure, it is not likely to increase retention. However, allowing longer tenured staff to avail of the programme risks encouraging firms to transform existing into subsidised jobs (OECD, 2010[12]). Ireland may consider to target the system better to the needs of employer and employee, whilst at the same time keeping costs under control. First, the system could accommodate better the preferences and constraints of persons with disabilities by also allowing shorter or reduced-hour contracts to avail of the scheme. Second, Ireland could perform reassessments more structurally, in particular given the unlimited duration of the programme. A person's work capacity might well change over time. Such reassessments should be capacity-oriented and spell out possibilities to further increase productivity, with fixed milestones

and dates. The PES in Sweden and Luxembourg for instance determine eligibility at regular intervals. Another possibility is to allow the benefit to gradually taper off over time.

A key issue in increasing the effectiveness of the Irish Wage Subsidy Scheme is to stimulate its use by increasing awareness. In Ireland, about 2 700 recipients availed of the scheme in 2019, compared to 2 100 in 2015. The limited survey among 250 companies conducted by the Employer Disability Information found that only about one in four companies is aware of the scheme (EDI, 2018[75]). Intreo has an important role to play in disseminating the existence of the subsidy among all parties.

Box 4.13. Causal evaluations of wage subsidies for persons with disabilities

Individuals who participated in the Swedish wage subsidy scheme were found ten years later to be less often on disability benefits, more often in employment in general, although less often in unsubsidised employment (Angelov and Eliason, 2018[76]).

The introduction of the Danish Flexjob wage subsidy scheme in 1998, which entitles employers to a subsidy of one- to two-thirds of the wage for persons with long-term disabilities, led to an increase in employment among participants by 33 percentage-points. However, exit into disability benefits did not go down. One explanation for this may be that subsidised jobs were mainly granted to persons with more work capacity (Datta Gupta and Larsen, 2010[77]). The 2002 reduction in generosity of this scheme in the public sector increased retention of relative to new hiring. This suggests that financial incentives stimulate employers to take the risk of hiring persons with disabilities whose productivity level is unknown (Datta Gupta, Larsen and Thomsen, 2015[78]).

A reform in Spain in 2004 that increased social security contribution deductions when hiring women with disabilities led to an estimated increase of 7 100 women with disabilities in employment at an estimated cost of EUR 11 million (Vall Castello, 2012[79]). However, the introduction of a Spanish wage subsidy scheme between 1990 and 2014 was not found to increase employment. Moreover, the obligation for the employer to keep and retain the subsidised worker led to lower transitions into permanent employment, more transition to temporary employment and more exit into disability insurance (Jiménez-Martín, Juanmartí Mestres and Vall Castelló, 2019[80]).

Finally, experimental evidence in Belgium shows that disclosing entitlement to the wage subsidy scheme had no effect on the probability of being called to interview. The study indicated that call-back rates were much lower (about 50%) for persons with disabilities, whether or not the wage subsidy entitlement was disclosed (Baert, 2016[66]).

4.5.2. Understanding the low take-up of employer supports in Ireland

It is a conundrum that the take-up of promising employer supports, including the Wage Subsidy Scheme but also all other employer support programmes (and for that matter all employee supports as well), is so low in Ireland. Neither continuous improvements of the available measures nor the above-mentioned introduction by *Intreo* of Key Account Managers (as a contact point for large employers) and Employer Relations Managers (as points of contact for employers with under 250 employees) have been able to change this situation very much. It appears that there are still unsurmountable obstacles for employers to turn to the PES in an attempt to hire or retain workers with disabilities.

Through a special survey fielded in March/April 2021 with the help of Chambers Ireland and Ibec, the authors of this report attempted to investigate the reasons for this low take-up of public supports. The number of responses to this survey were low (51 complete and 91 partial responses), not least because the timing for such a survey was difficult at a moment when job offers were low and many businesses were busy securing their survival, but the distribution across industries and firm size reflected the Irish situation.

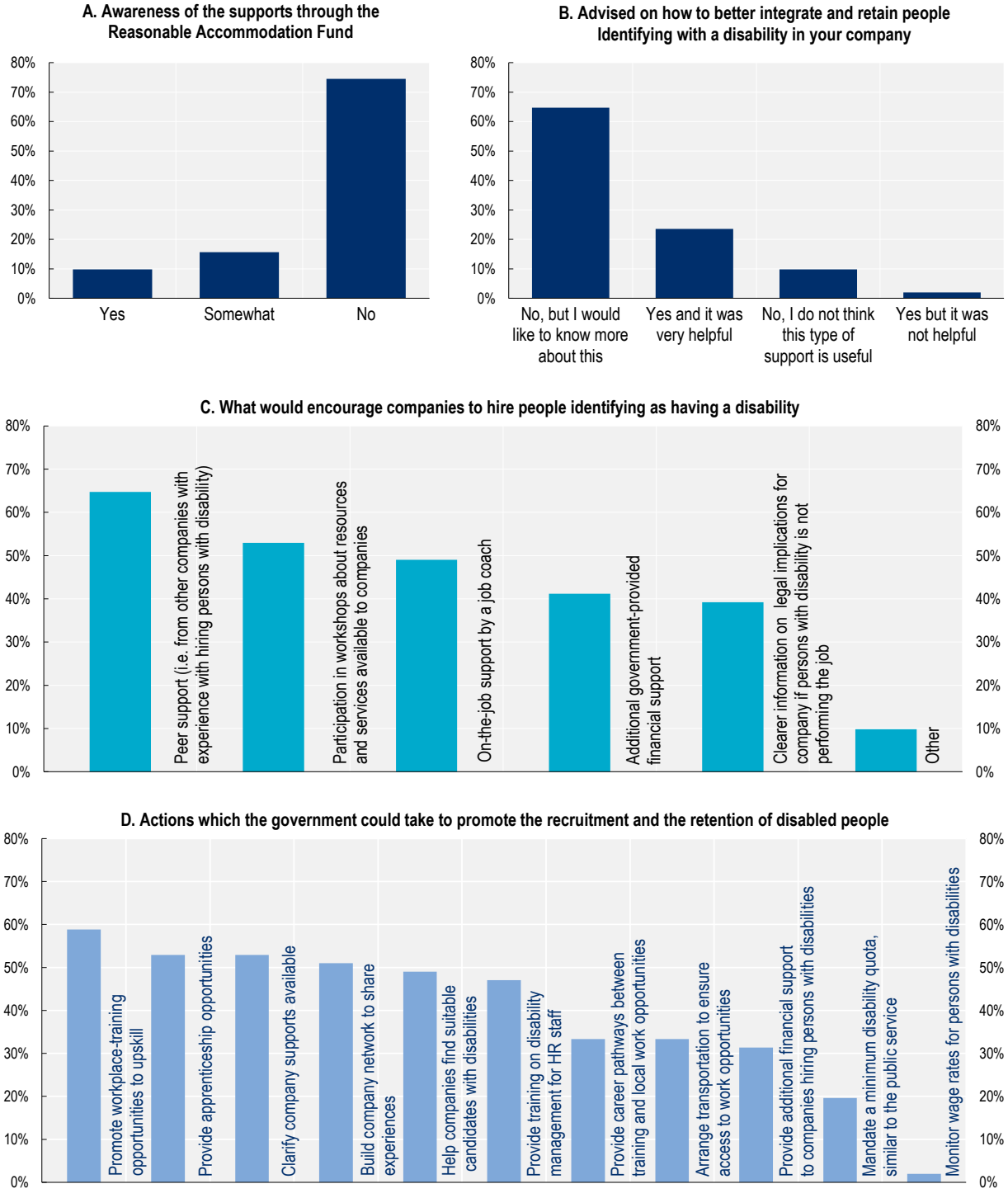
Nevertheless, the findings of this certainly non-representative exercise are illustrative. First, it appears that the large majority of employers are not sufficiently aware of the public supports available to them, in this case measured as their knowledge about the Reasonable Accommodation Fund (Figure 4.5, Panel A). At the same time, as many as two in three respondents have never been advised on how to better integrate workers with disabilities but would want to know more about these supports (Figure 4.5, Panel B). The Disability Awareness Support Scheme is available to companies, but only 28 applications were granted between 2012 and 2018. Awareness of this support scheme itself seems very low among firms (NDA, 2019[28]). Significant additional efforts are needed to raise the awareness about public supports in a way that reaches and is meaningful to employers, and to make these supports easy to access and to maintain. The type of support that would encourage employers to hire persons presenting with a disability and which they think the government should provide, varies considerably across respondents and includes everything that Ireland has to offer already (Figure 4.5, Panel C and D). The answers also suggest that the introduction of the Employer Disability Information service a few years ago and its recent successor, Employers for Change, is the right approach: employers are more likely to make use of a peer-to-peer service which, however, must be designed and resourced in a way that it can support all employers, including small and medium-sized enterprises. Not very surprisingly, additional obligations (such as e.g. monitoring of wage rates of workers with disabilities) are less popular with employers but this should not stop the government from thinking about such measures: higher obligations are in fact likely to stimulate the take-up of all other types of supports.

The special survey also provides some hints about additional underlying reasons for the low take-up of employer supports. Only 30% of the respondents claim to have hired an applicant with a disability in the past two years (Figure 4.6, Panel B) and many employers are simply not aware of whether or not they have any persons with disabilities among their staff or their recent recruits (Figure 4.6, Panel A and B). Under such circumstances they are unlikely to consider applying for any supports. Results also indicate that if they hired a person presenting with a disability, it was because the person was the best applicant (Figure 4.6, Panel C) who were hired without any accommodation of their workplace (not shown); and if they did not hire someone presenting with a disability, it typically was because there was no such applicant (Figure 4.6, Panel D). On both questions, however, a large share of respondents refused the answer, again not least because they were not aware of whether or not a disability was involved. This suggests that employers are simply looking for the best candidate for their job, which is hardly surprising. Employer supports must take this into account and seek, first and foremost, to enable workers with disabilities to compete successfully in the labour market.

Finally, about 30% of all respondents said they would consider hiring a person with a disability plus another 10% with certain restrictions on the type of disability (Figure 4.6, Panel E); conversely, a majority would not consider hiring persons with disabilities. On the other hand, a large majority of employers would consider retaining a worker acquiring a disability (Figure 4.6, Panel F), even if reasonable accommodation would be involved. This is encouraging and can be seen as another indication that job retention policies (discussed in Chapter 3) have a higher chance of success than policies targeting new hires.

Figure 4.5. Low awareness and high expectations on policies to support employers in Ireland

Distribution of responses of employers to a small non-representative survey conducted in spring 2021

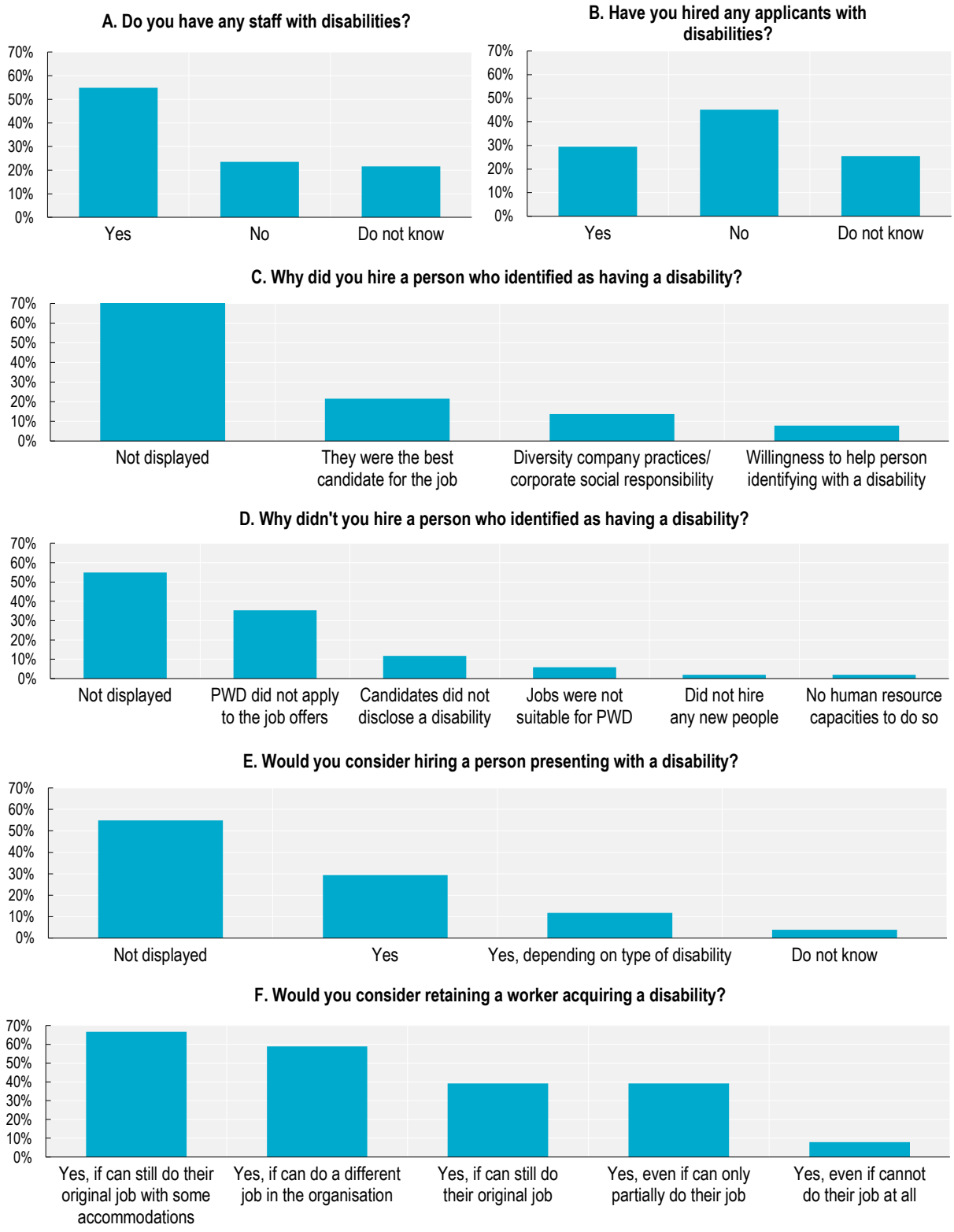


Source: Employer survey conducted by OECD/NDA with the help of Chambers Ireland & Ibec.

StatLink https://stat.link/vhnuq8

Figure 4.6. Employer views in Ireland on hiring and retaining persons with disabilities

Distribution of responses of employers to a small non-representative survey conducted in spring 2021



Source: Employer survey conducted by OECD/NDA with the help of Chambers Ireland & Ibec.

StatLink https://stat.link/xsctqv

A slightly larger survey run around the same time in spring 2021 by AHEAD, an non-profit organisation working to create inclusive environments in education and employment for people with disabilities, corroborates some of these illustrative findings, including the non-awereness of many companies of the availability of public supports such as the Reasonable Accommodation Fund (AHEAD, 2021[81]). The survey, however, also draws a number of promising additional conclusions, many of which admittedly restricted to larger companies. First, about three in four large companies have an inclusion and diversity strategy and most of these strategies (79%) include a special focus on persons with disabilities. Secondly, two in three of the responding companies provide disability awareness training although in a majority of cases only occasionally. This is a huge increase compared with only one in four companies that have provided such training according to the last comparable survey, also run by AHEAD, in 2008. A third and particularly important finding from the AHEAD survey is that also today a majority of companies places a responsibility on job applicants (university graduates, in the case of this survey) to disclose their disability in the recruitment process. The share expecting so has fallen since 2008. Yet, at the same time a higher share than in the earlier survey (56% in 2021 compared to 29% in 2008) is now expecting disclosure prior to any job offer, i.e. in the job application or during a pre-interview. While there can be strong arguments for disclosure, e.g. early disclosure allows for immediate accommodation measures even in the recruitment process, such an expectation is putting considerable pressure on applicants with disability many of who will have experienced discrimination and other disadvantages in the labour market and will understandably hesitate to disclose their disability at such an early stage.

4.6. Delivering of disability employment services in partnerships

4.6.1. Public Employment Services Ecosystems

In parallel with the broadening of the role and responsibilities of PES, the landscape of PES delivery has become more diversified. In a growing number of countries, PES are increasingly collaborating with a range of actors, including local and regional authorities, government departments, employers and employers' organisations, NGOs, social economy actors, training institutions, and trade unions. Such local partnerships and joined-up approaches to the delivery of public employment services are important not least if PES are to play a broader role in contributing to local economic growth and in boosting the quantity and quality of jobs through the better matching of skills supply and demand (OECD, 2015[1]). They can also play an important role in supporting persons with disabilities in getting into employment.

Box 4.14. The National Learning Network in Ireland

The National Learning Network (NLN) is Ireland's largest private provider of personalised education, training and employment services in Ireland. The network delivers flexible training courses in every county in Ireland, for people between 16 and 65 years who have support needs requiring individualised training, including people who experience homelessness, people in recovery from substance misuse, autistic people, refugees and people with disabilities or mental health conditions. The network provides a range of support services free of charge to students including specialist vocational training, rehabilitative training, and Individual Placement and Support programmes. The objective of the network is to facilitate students to learn new skills and gain qualifications that employers value in the workplace so to progress on pathways to employment and/or further education. The NLN is a private company owned by the Rehab Group, which is a registered charity.

All of NLN's Specific Skills Training incorporates significant work placement to ensure that the learner gains valuable, real work experiences and skills. Moreover, the Employability Skills training programmes facilitate learners to explore and discover potential career choices and have an opportunity

to try these out before deciding on a career pathway. The Employer Based Training programmes are based on a model of three days per week training in an employer host company and two days per week in centre training for up to 24 months. The network also offers the Inclusive Recruitment and Retention Practices online training programme to support employers in opening up more opportunities for job sampling and challenge myths and misconceptions about employment and disability. Training within the programmes is provided by a partnership of different bodies, including Not So Different, WALK, Rehab Groups and AsIAm.

When preparing students for employment, the network applies a biopsychosocial approach that looks at the interactions between biological (genetic), psychological (mood, personality, behaviour) and social factors (cultural, family, socio-economic). This approach takes the focus beyond the individual and addresses issues that interact to affect the ability of the individual to maintain as high a level of health and well-being as possible and to function in society. Moreover, a whole-team approach is applied where a multi-disciplinary team ensures that the student get support in different areas such as psychological support in developing a well-being toolkit for the workplace or educational support for literacy and numeracy relevant to the workplace.

Source: National Learning Network (2020[82]), *National Learning Network*, https://www.rehab.ie/national-learning-network/.

Ireland has a strong third sector that is highly represented among other things in employment policies. A number of NGOs and social economy actors operate in this area. A good example hereof is the National Learning Network (see Box 4.14). In addition, Ireland also has good examples of how employers engage in the employment support for persons with disabilities through the creation of initiatives such as the Willing Able Mentoring (WAM) programme and the Open Doors to Work initiative (see Box 4.15)

Box 4.15. Co-operation with employers In Ireland

The Willing Able Mentoring Programme

The Willing Able Mentoring (WAM) programme is a work placement programme funded by the Department of Social Protection and delivered (under a contract agreement) by AHEAD (the Association for Higher Education Access and Disability) that promotes access to the labour market for graduates with disabilities, while at the same time building the capacity of employers to integrate disability into the mainstream workplace. Under the programme, participating employers (WAM Leaders) co-operate with WAM to offer mentored, paid work placements for graduates with disabilities. The programme is unique in that it seeks to engage and support employers in order to simultaneously develop the potential of employers and graduates with disabilities. Since 2005, the programme has provided nearly 500 work placements for graduates with disabilities in some of Ireland's largest companies, including Deloitte, Microsoft and the Central Bank of Ireland.

The Open Doors to Work Initiative

The Open Doors to Work initiative was created in 2018 by 14 Irish employers with the purpose to address barriers to employment for some of the marginalised members of the Irish society, including refugees, young people under 25 with educational barriers and persons with disabilities. Since 2018 the initiative has only been growing in numbers and is supported by a wide range of partners including Amnesty International, Chambers Ireland, the Irish Refugee Council, Ibec and the Irish Youth Foundation.

Through the initiative participant companies have pledged to support the creation of inclusive pathways to employment by offering a variety of employability interventions, including training, placements,

apprenticeships, community supports and employment opportunities for those people most in need in the Irish society. Examples of interventions thus far include an Ireland wide online employability platform which provides free, interactive online training to provide those aged 15-24 the skills and confidence to worn their career development, an internship programme that harnesses the special characteristics and talents of people with autism, and development of access entry routes for school leavers, adults from disadvantaged backgrounds and persons with disabilities.

Source: Open Doors Initiative (2020[83]), *Open Doors Initiative*, https://www.opendoorsinitiative.ie/.

While Ireland is good at engaging non-government actors in the delivery of employment supports for persons with disabilities, there seems to be possibility for further improvement of the overall governance structure hereof so to develop more comprehensive and sustainable local partnerships and ecosystems that can ensure coherent support approaches at local level. Government mechanism play a key role in facilitating joined-up efforts between the PES and local actors, and a number of countries such as Germany, the United States, Korea and Canada have created local governing boards that involve businesses, economic development and education professionals to support collaboration and build horizontal accountability (OECD, 2015[1]). These boards often have an advisory and supporting role in stimulating local economic development and employment. In addition, some countries have sought to support local collaborations between PES and other local actors by providing more flexibility locally in the management of labour market policies and programmes. This may be either in the form of operational flexibility (i.e. flexibility to decide which type of policy intervention to use in a particular situation) or strategic flexibility (i.e. flexibility to adjust programmes and policies to local labour market priorities agreed jointly with other stakeholders) (Giguère and Froy, 2009[84]). Inspiring examples of multi-stakeholder engagement in employment policies are found, among others, in Australia and Malta (see Box 4.16).

Box 4.16. Multi-stakeholder engagement in Australia and Malta

In Australia the public employment services for persons with disabilities work together with local providers in an ecosystem called Disability Employment Service. All local providers are co-ordinated by the platform JobAccess, a national hub for workplace and employment information for persons with disabilities, employers and service providers. Disability Employment Services regularly issue the employers guide for hiring persons with disabilities, which contains successful case studies, demystifies beliefs around disability employment by presenting facts and helping employers and job seekers prepare for, secure and maintain work. The guide outlines a recruitment process of a person with disabilities analysing and offering tips on how to approach skilled workforce with disabilities, how to propose and place into jobs and manage a working relationship of probation, retainment, support and performance. A core service to employers and job-seekers is to design a support plan guiding all of the essential information needed to facilitate a successful placement for both the employer and the candidate and agreeing on the responsibilities of the employer and the new employee, and the Disability Employment Service. The support plan is signed by all three parties and kept as part of the HR file. There is no 'end date' on support provided by a Disability Employment Service.

The Malta Business Disability Forum (MBDF) was launched in December 2019 and is chaired by the Commission for the Rights of Persons with disabilities (CRPD). Other partners in the Forum include the Malta Chamber of Commerce, Enterprise and Industry, the Malta Employers' Association, the Malta Chamber of SMEs, the Malta Federation Organisations of Persons with disabilities, the Faculty for Social Well-being, the Office of the Commissioner for Mental Health and the Local Councils' Association. The aim of the Forum is to improve accessibility for persons with a disability in business and employment. It will also act as a point of reference for government and policy makers to identify

issues that require action and to provide feedback to new policies. The Forum will commission research on disability and business to provide evidence for action and to show the business and employment potential of persons with disabilities, as business owners and consumers. The forum offers an example of how the public sector can engage business leaders on disability issues. This helps to not only raise awareness about disability issues in the workplace, but also offers an opportunity for the public and private sectors to partner together to improve knowledge and statistics about persons with disabilities.

4.6.2. Integration of public services

As part of the transition of PES to "intermediation services" between employment, economic development, education and training actors, PES have become more dependent on the active co-operation and co-ordination with other public authorities. Already today, many public employment services – including *Intreo* in Ireland – are delivered in "one-stop-shops" where brokerage, active labour market programmes, and the administration of unemployment benefits are integrated in a sort of multi-service agency often with a single location for assessment and services (Munday, 2007[85]; Minas, 2014[86]). The objective of these legal, organisational and administrative arrangements are to enable PES to handle service delivery in a more coherent and holistic way to the benefit of individuals, caseworkers and the wider society. Integrated service delivery may improve access to and the quality of service delivery and the effectiveness and efficiency of services resulting in long-term budget savings (OECD, 2015[87]).

While "one-stop-shops" for public employment services are an important step toward more coherent and holistic service delivery, PES must also seek to co-ordinate service delivery with other public authorities working in fields such as education, health, social, housing and child care, so to address the multiple challenges and barriers faced by those furthest from the labour market. This is especially important for those client groups, including some persons with disabilities, who have complex needs and require multiple services beyond the remits of PES to be included in the labour market. Yet, different public authorities and institutions, especially in the health, social and employment areas, often operate in isolation and in pursuit of their own objectives resulting in fragmented services for those groups who face multiple disadvantages that cut across different policy areas (OECD, 2015[87]). Across countries, public employment services are exploring new ways of providing co-ordinated services across several policy areas (see Box 4.17).

Box 4.17. Service integration across policy areas

Labour Force Service Centres (LAFOS) in Finland: An example of a "one-stop-shop" that cut across policy areas is the LAFOS Centres in Finland that where established in 2004. The centres bring together Public Employment Services (PES), social and health care services as well as services of the national insurance agency and subcontracted professional expert services in joint service centres (JOIS). The centres operates at local level and serves unemployed far away from the labour market (all other unemployed are served by the PES alone). Rather than integrating existing agencies, LAFOS is a new agency that is built on quasi none hierarchical partnerships between actors of both national and local level of government. To access LAFOS, a referral from PES or the local public service is required. If the user qualify for support, the user gets an individual appointment where suitable responses to the individual needs are developed. Interventions are planned in an action plan and may include support regarding social problems, health problems, rehabilitation, job search, training and education (Minas, 2009[88]; Lara Montero et al., 2016[89])

The Labour and Welfare Service (NAV) in Norway: Between 2006 and 2010, Norway merged different services and two different levels of responsibility (state and local) into a new Employment and Social Security Directorate (NAV). It builds on the former State National Insurance Administration that oversaw

all social security benefits, the State Employment Service Administration that oversaw unemployment benefits, employment measures and public employment services, and local government social welfare systems that was in charge of social assistance benefits and social services. The aim of the reform was to increase working participation by making the administration more user-friendly, holistic and efficient. Following the merge, 457 regional and local NAV offices were set up with staff from labour and welfare service and the local authority working together to provide co-ordinated services focused on client's needs. While local authorities have autonomy to make agreements with the central authorities on how they will implement the reform locally, it is required that one welfare office functioning as a joint frontline service shall exist in each municipality. The NAV serves a broad range of clients including unemployed and businesses, people on sick leave, disabled pensioners, recipients of social assistance, pensions and family benefits. Compared to the LAFOS in Finland, this is the most far-reaching example of integration due to the merge of formerly separate agencies into a new one (Minas, 2009[88]; Taylor, 2009[90])

Despite these efforts, integration of services for persons with disabilities is lacking in many countries, and as result hereof, PES often have little capacity to identify and support individuals with complex health needs. A lack of information on the health and social status of jobseekers or unemployment and social assistance recipients hinders their ability to take preventative measures and intervene early in the process and the professionals often lack in-depth expertise on or knowledge about available support services beyond the PES system. Acknowledging these issues, some countries have started to share expertise on disability employment with other institutions like social services, health services or specialised training and coaching entities to commonly profile, advice and place persons with disabilities into jobs and support the transition from education to work for youth with health problems or disabilities. Examples of integrated services for the activation of youth with mental health concerns are found in a number of countries, including Finland and Australia (see Box 4.18).

Box 4.18. Targeted interventions for youth with complex mental health problems

Finland has piloted smaller and larger scale initiatives that target integrated services for vulnerable youth with considerable mental health needs. The "TimeOut! Getting Life Back on Track" programme in Finland, for example, offers psychosocial support for young adults (primarily men exempted from military or civilian service) aged between 15 and 29 years. Young individuals with psychiatric symptoms and suffering from an accumulation of problems, such as alcohol and substance addiction, homelessness or health issues are targeted in particular. Counselling, guidance and support across local services are co-ordinated by a "named person", a professional from the municipal social or health sector. Non-stigmatisation, client-centreedness, prevention and provision of multisector, low-threshold support are the stated key principles of the intervention. In a study of the programme's effects, 67% considered participating in TimeOut had at least some benefits while 58% considered it had improved their life situation. The support programme showed a positive effect on psycho-social distress, but had no impact on problem accumulation, alcohol use, or self-image.

In Australia, the HeadSpace initiative was initiated in 2006 to provide a national co-ordinated focus on youth mental health and related drug and alcohol problems, aiming to improve access to services for young people aged 12-25 years. The headspace model takes a holistic approach to providing care in the following key areas: mental health, physical health, alcohol and other drug use, and social and vocational support. HeadSpace centres aim to help up to 72 000 young people each year. Evaluations have shown that Headspace has been effective in raising community awareness, increasing access to mental health services by young adults or referring clients from headspace to a range of services. This has resulted in better reported mental and physical health, reduced psychological distress and

increased willingness among participants to be in education or employment. Research have however also shown that barriers to using the HeadSpace services include psychological barriers, costs, opening hours or waiting times to see practitioners.

Source: OECD (2015[87]), *Integrating Social Services for Vulnerable Groups: Bridging Sectors for Better Service Delivery*, https://dx.doi.org/10.1787/9789264233775-en.

A key example of integrated services is the Irish version of the Individual Placement and Support (IPS) programme for persons with mental health conditions. IPS is an evidence-based approach to supported employment for people who have an enduring mental health difficulty, which is used in several countries including the United Kingdom and Australia. IPS supports people in their efforts to achieve steady employment in mainstream competitive jobs, either part-time or full-time based on individual preferences. The programme integrates employment services and mental health programmes by introducing mental health co-ordinators into local PES centres and it is based on a "can do approach" (i.e. a belief that employment is possible to achieve) and a "place, then train approach" (i.e. focus on helping people to get a job as quickly as possible). International evidence shows that IPS programmes are successful in getting people with mental health conditions into work and to improve mental health (KPMG, 2020[91]).

In Ireland, the main criteria for people wanting to participate in the IPS programme is a genuine desire and motivation to seek employment. Through the IPS programme an individual's personal interests, strengths, skills and experience are explored with an IPS employment specialist who is embedded within the local mental health team. Moreover, with the trials outsourced to employment providers but funded by the Department of Health, not the PES, IPS demonstrates the critical importance of strong co-operation across government departments and agencies. IPS is being rolled out across Ireland and demand for the service is high. Yet, so far it only reaches a limited number of individuals not least due to limited financial means. Moreover, while IPS has shown repeatedly to facilitate transitions into employment, it will also be important to sustain these jobs and facilitate career progression. These issues should be taken into account in the ongoing evaluation of the IPS programme.

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Notes

[1] Early intervention is recognised as a key policy principle in Strategic Priority 4: Promote job retention and re-entry to work of the Comprehensive Employment Strategy (CES) for People with Disabilities 2015-24.

[2] The SOLAS data are collected from the registration form that all learners complete before starting any provision in further education and training. It is not compulsory to provide this information and it is a self-declaration. This group is broader than the group of persons with disabilities, as no question is asked whether the lasting health problem limits their daily activities. On the other hand, it may be that learners do not disclose whether they have a lasting health problem, which would lead to underestimation of their participation. See Chapter 3 for more detail. Information on the number of employed, unemployed persons and inactive persons (with disabilities) come from Labour Force Survey 2019q2 tabulations, provided by Jim Dalton from CSO. There may be differences in measurement between nominator and denominator. There may also be double counting; for instance, a person may enrol into more than one programme in a year.

[3] Employment is defined by the service as paid employment of at least eight hours per week, which may include formal work experience as well as employment in the open labour market and employment may be part-time or full-time employment, and temporary as well as permanent.

[4] As told by employees from the Department of Social Protection. Unfortunately, detailed figures are not available.

[5] Data on outflow of Invalidity Pension are not available.

[6] This analysis is restricted to persons receiving Disability Allowance before 2013. Comparable levels are obtained when analysing recipients in January 2018 who were in receipt of Disability Allowance before 2016.

[7] Individuals exiting Disability Allowance to take up paid work can keep their Medical Card for three years. The Make Work Pay report came with a number of other minor improvements. Persons can keep their free travel pass for as long as they qualify for Disability Allowance and for five years if they no longer qualify when moving into employment. Moreover, a fast-track return to Disability Allowance is in place in case employment does not work out. The Irish Government has also made efforts to communicate better the income impact of taking up work by creating an online Benefit of Work estimator (DSP, 2017[42]).

[8] About 40% of Partial Capacity Benefit recipients in February 2021 came from Illness Benefit and the rest from Invalidity Pension (numbers received from the Department of Social Protection).

[9] Firms that hire more persons with disabilities may receive a top-up.

Disability, Work and Inclusion in Ireland

ENGAGING AND SUPPORTING EMPLOYERS

Across OECD countries, one in seven working-age adults identifies as having a disability. Many are excluded from meaningful work and have low levels of income and active social engagement. Becoming sick or disabled often leads people to leave the labour market even if they maintain work capacity and willingness to work. Governments and employers can help create an environment that prevents sickness and disability, promotes return-to-work and enables persons with disabilities to thrive in their job. The COVID-19 pandemic and its toll on physical and mental health has made the creation of an enabling environment more important than ever. This report proposes policy recommendations to the Irish government to improve the participation of persons with disabilities. Ireland has one of the highest disability employment gaps in OECD countries. Disability employment policy has seen significant improvement in the past decade but the reforms have not produced the desired results. This report shows that engaging employers is critically important to getting and keeping persons with disabilities in work. It also highlights the importance of further structural change and accessible and sufficiently resourced public employment and adult learning services to create a labour market that works for all – including for persons with disabilities.

Údarás Náisiúnta Míchumais
National Disability Authority

PRINT ISBN 978-92-64-54431-4
PDF ISBN 978-92-64-36831-6

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