

6<sup>th</sup> Framework Research Programme:  
research for policy support

# Opti-Work

Optimising strategies for integrating people  
with disabilities into Work

## To Sum Up

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- Profound impacts of Labour Force Exclusion
- Personal - poor health, family consequences
- Public Purse – Disability Benefits, Loss of Tax Revenue
- Productivity Losses - less than full employment reduces potential national economic output
  
- But.....interventions which encourage pro-active recruitment of jobseekers with disabilities by employers and more active job seeking potentially cost effective in different settings and contexts across the EU

# Structure

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- Vision and Aims
- Background /Context
- Methodology
- Exemplars
- Further Development/ Potential Use

# Vision

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- Active and inclusive labour market for people with disabilities:
  - An effective demand for workers on the part of recruiters
  - An effective supply of active jobseekers in labour market
  
- Interventions and policies focused on creating active market rather than simply putting people into work. Identifying barriers and facilitators to:
  - Proactive recruiting of jobseekers by employers
  - Active job seeking by people with disabilities

## Assessing Economic Impact

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“to provide support to help different stakeholders in different Member States estimate **some of the potential economic costs and consequences** of individuals with disabilities entering or remaining outside the labour market”

## Methods

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- Consultation with jobseekers and recruiters
- Collation of information on system characteristics (disability profiles & disability policies)
- Systematic review of literature (identify costs of disability, identify what works, in what context, and at what cost)
- Build models to synthesise data on the potential costs and potential consequences of different strategies to create a more active labour market within different MS

## Decision modelling

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- Widely used in many areas of policy making
- Can consider many different routes to activation
- Additional costs and consequences of strategies can be compared with each other and with 'doing nothing'.
- Estimates /assumptions can be varied to test robustness of findings
- Decision models can be adapted to take account of new strategies and contexts in different countries / settings

## Information required

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- Costs of being out of work - i.e. not taking action
- Impact of interventions on making jobseekers and employers more active, e.g. job coaching
- Impact of policy measures to increase uptake of interventions, e.g. awareness campaigns, access to financial support
- Costs and consequences of more active jobseekers / proactive employers, e.g. employment rates, use of public services, social welfare benefits



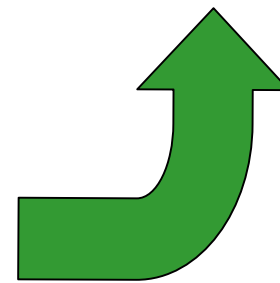
## Decision Tree Pathways

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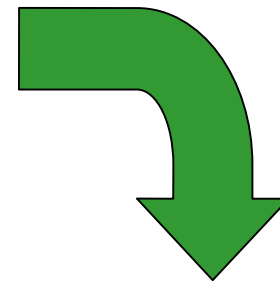
What are the potential costs and consequences of intervention in labour market?



Priority actions identified through data collected in **Jobseeker and Employer Threshold Tools**



Actions targeted at Jobseekers



Actions targeted at Employers

## Interventions to promote active job seeking

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Jobseekers



Job Matching



Vocational Rehabilitation



Positive and Supportive Families



Skills and Qualifications



Proficient in Language



Optimism



Personally Ambitious



Third level education



Positive and Supportive Friends



Supported Employment

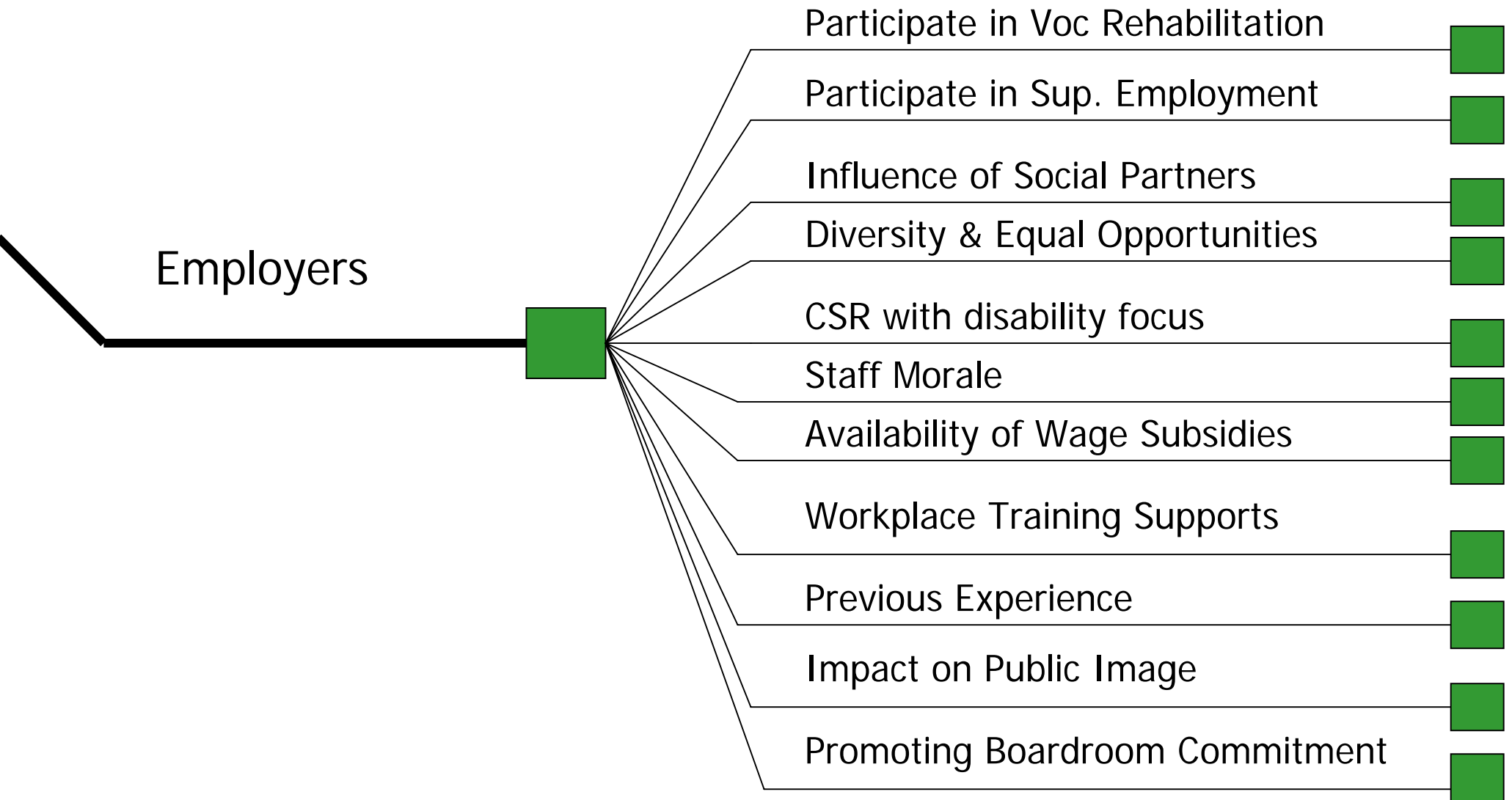


Status Quo



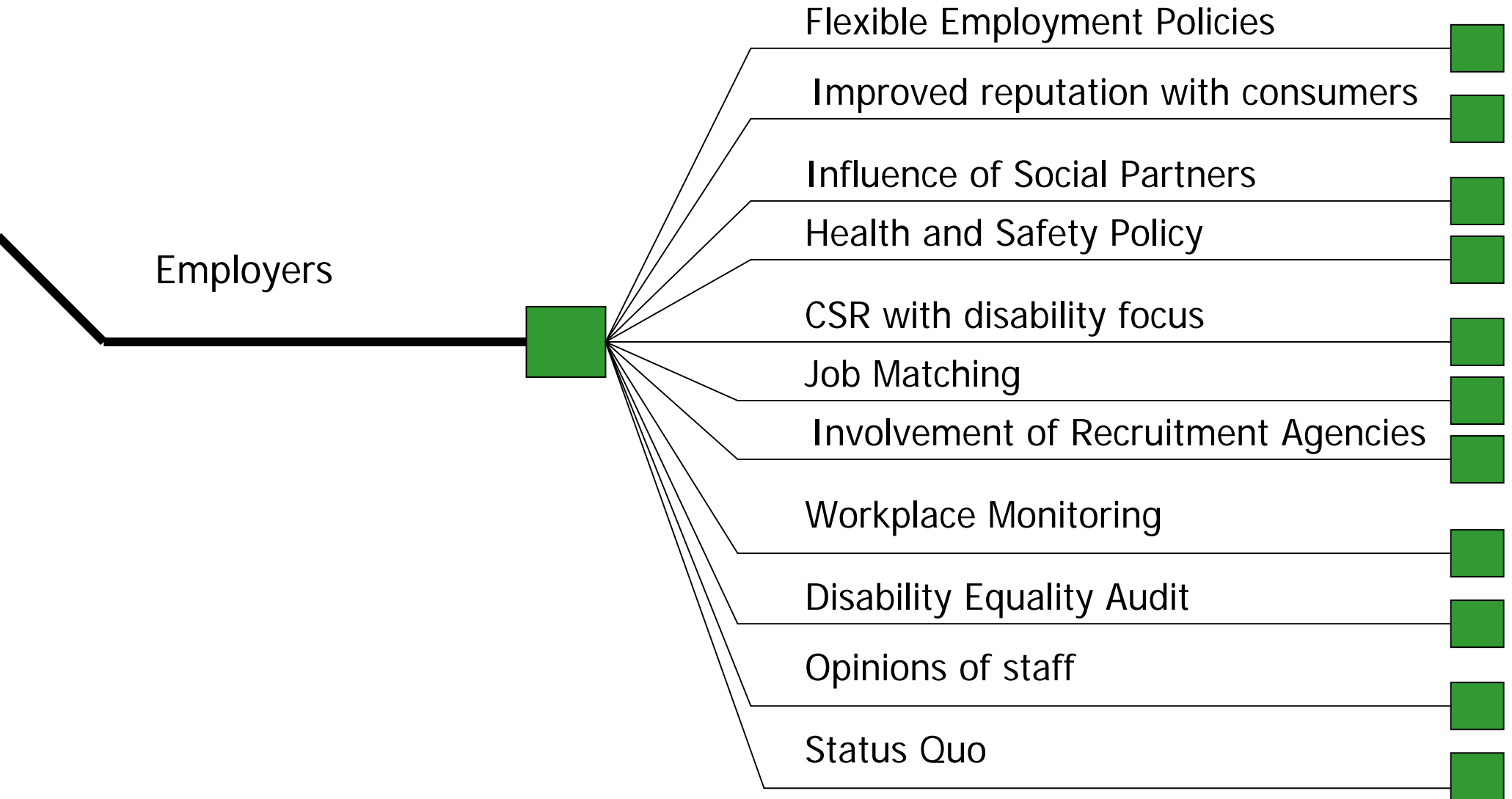
## Interventions to facilitate proactive recruiters (1)

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## Interventions to facilitate proactive recruiters (2)

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# Policy actions to increase uptake

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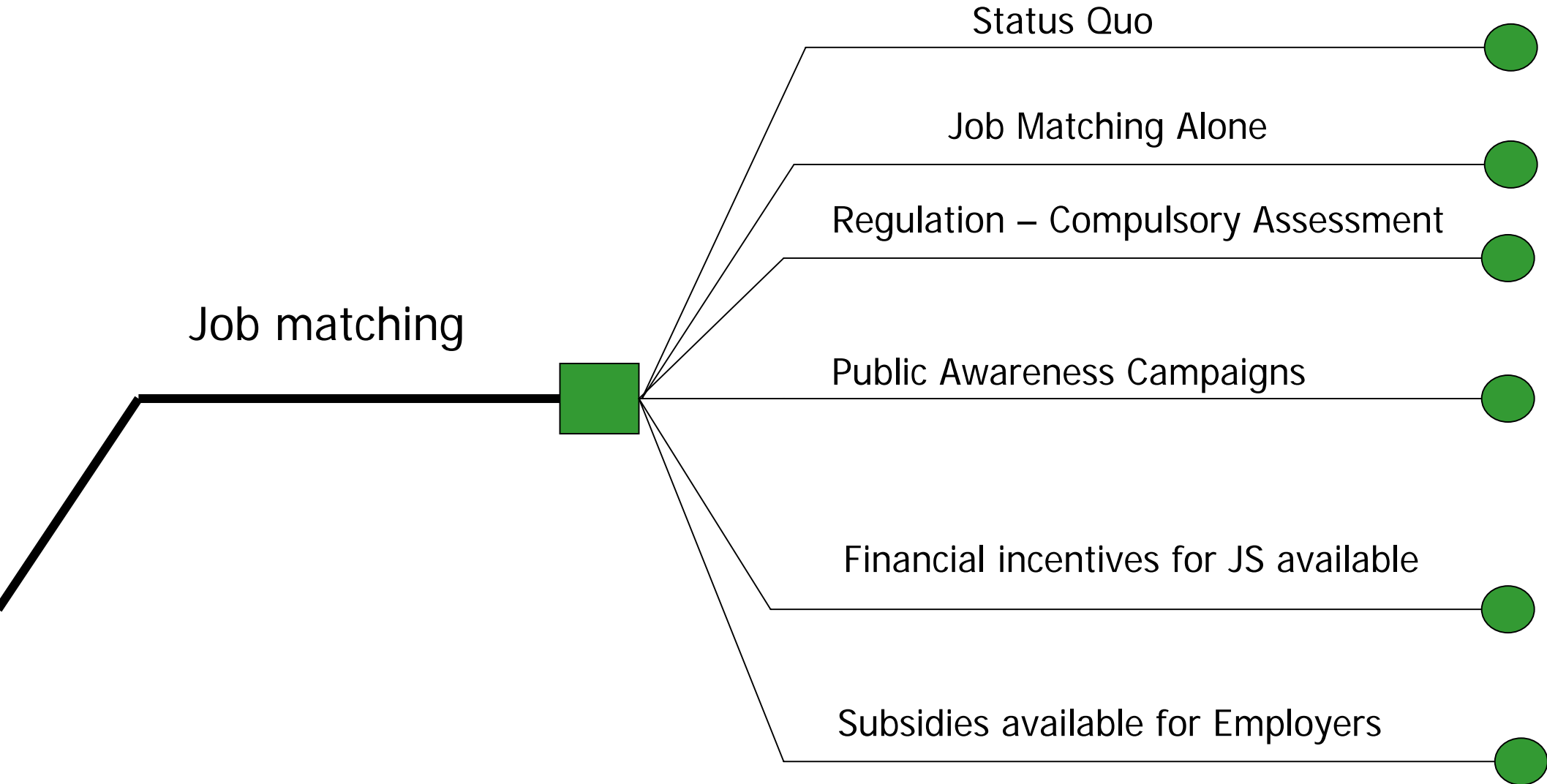
- Regulation
- Financial & non-financial incentives
- Awareness raising
- Training and other support

## Example actions to promote uptake

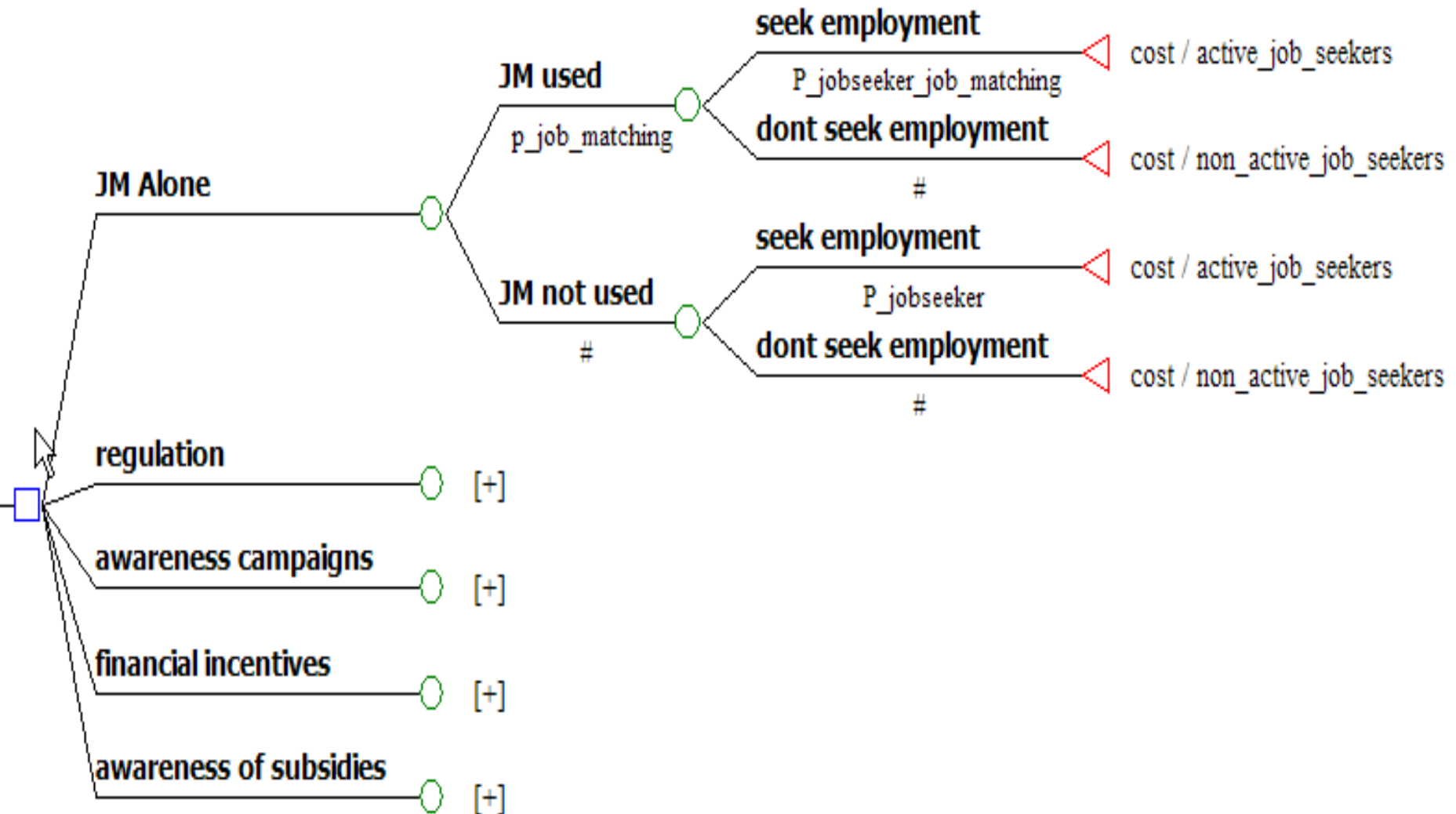
Target Group	Example Intervention(s)	Actions to promote uptake
Jobseekers	Job Matching Vocational Rehabilitation Supported Employment	<ul style="list-style-type: none"> <li>➔ Regulation</li> <li>➔ Awareness campaigns</li> <li>➔ Financial incentives for jobseekers</li> <li>➔ Awareness of subsidies for employers</li> </ul>
Employers	Promote Boardroom Commitment	<ul style="list-style-type: none"> <li>➔ Award schemes</li> <li>➔ Benchmarking</li> <li>➔ Lead by example</li> <li>➔ External evaluation</li> </ul>

## Actions to increase chance job matching leads to active jobseekers

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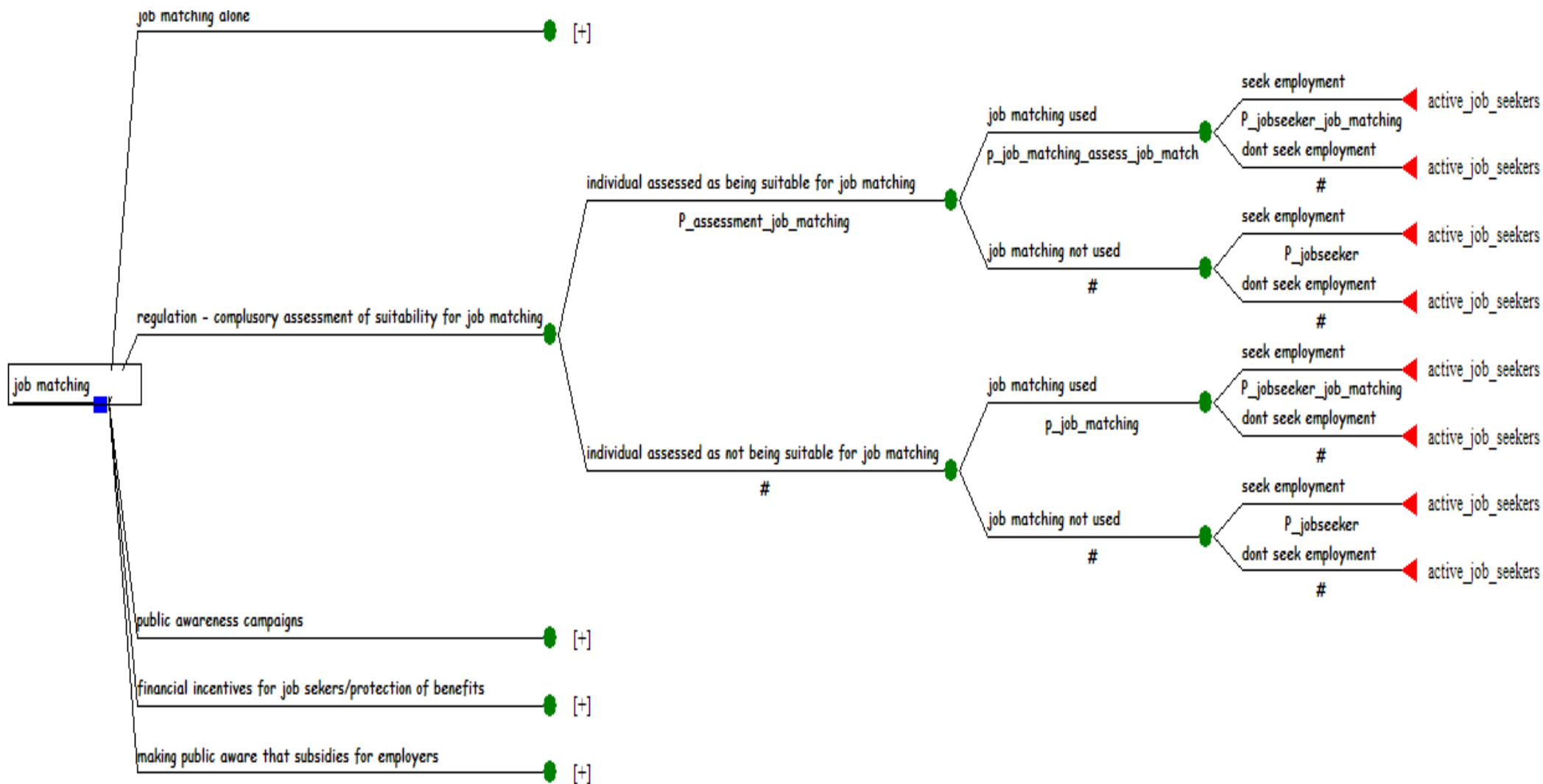


# Job Matching Pathways (1)





# Job Matching Pathways (2)



## Illustrative Examples

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- For Active Job Seekers:
  - Supported Employment; Job Matching; Positive and Supportive Families
  
- For Pro Active Employers:
  - Corporate Social Responsibility with disability focus
  - Participation in Supported Employment
  - Participation in Vocational Rehabilitation Schemes
  
- 3 Countries:
  - Ireland
  - Portugal
  - Great Britain (England, Scotland, Wales)

# Assumptions

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- One year time period
- Only costs to public purse included
- No assumptions made about longer term job retention
- All people with disabilities of working age and capable
- Employers with more than 50 employees only included

## Avoidable costs of disability

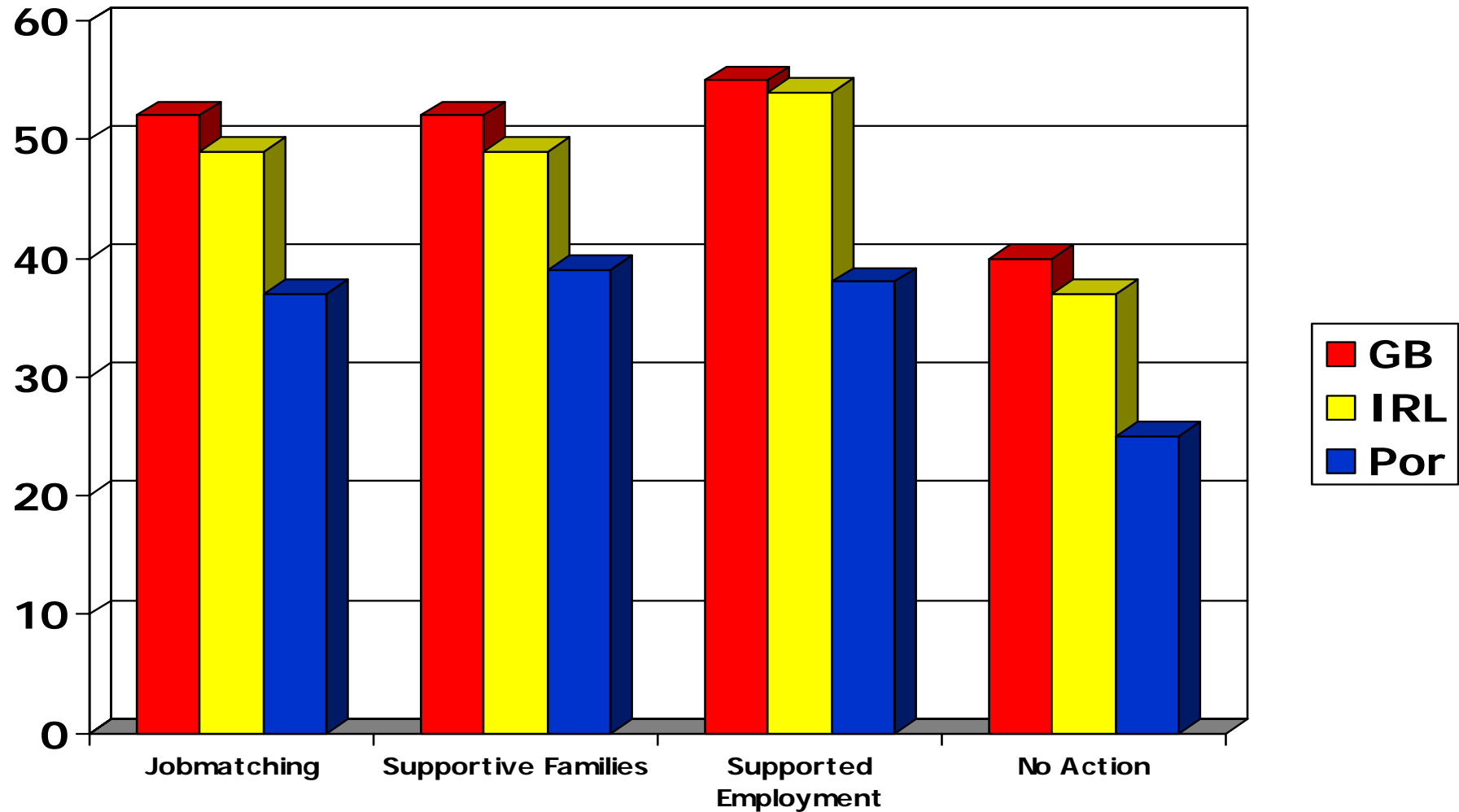
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	Additional people with disabilities who could participate in labour market	Cost of avoidable income related disability benefits (€'s millions)	Estimated Productivity Losses (€ millions)
Ireland	113.000	€720	€3,283
Portugal	172.000	€ 666	€1,232
Great Britain	1.246.000	€ 6,220	€19,887

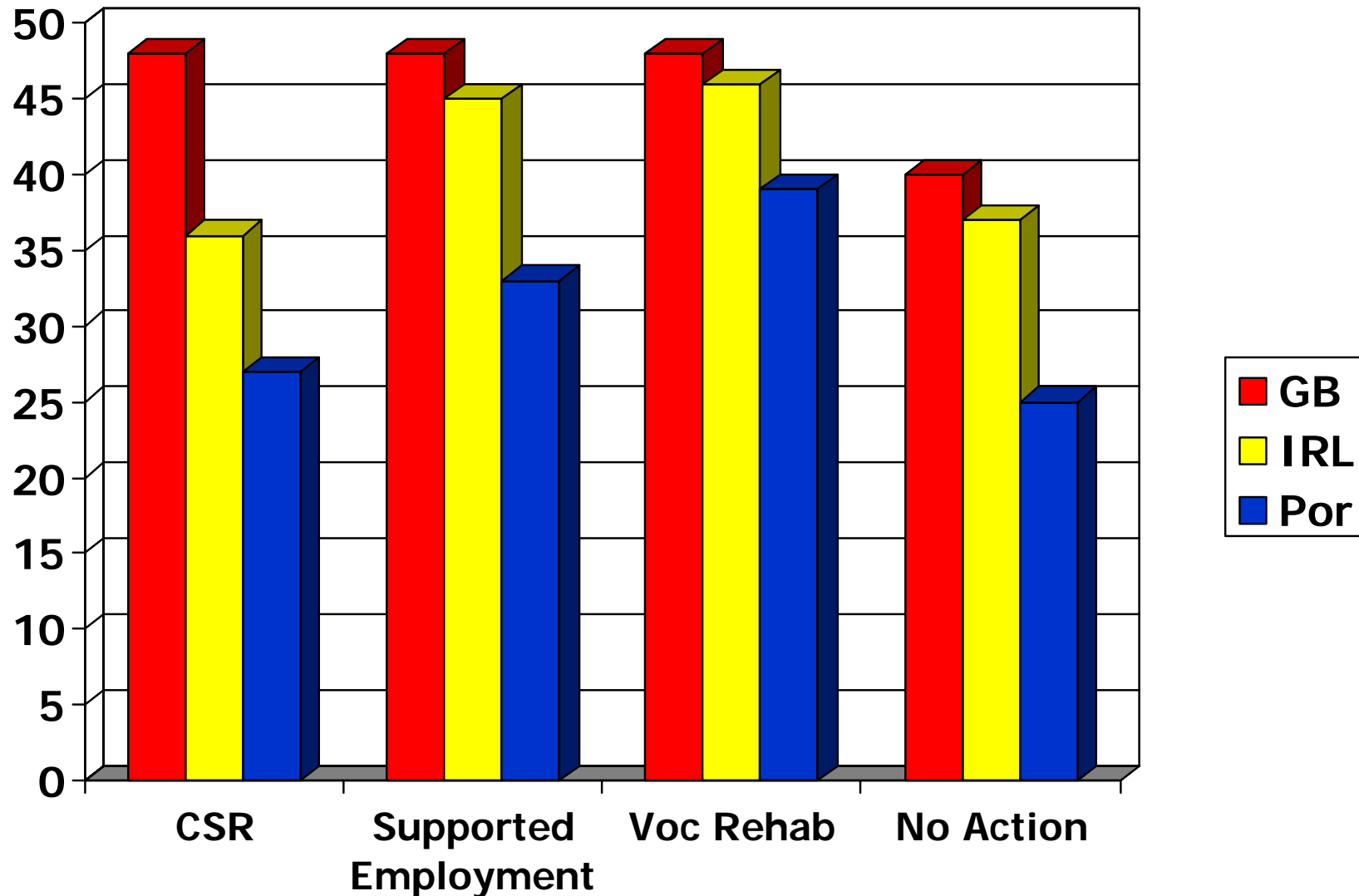
Sources:

Statistical Yearbook of Portugal 2006;  
 Office of National Statistics (GB), 2007;  
 Central Statistical Office (IRL), 2004

# Jobseeker activation rates

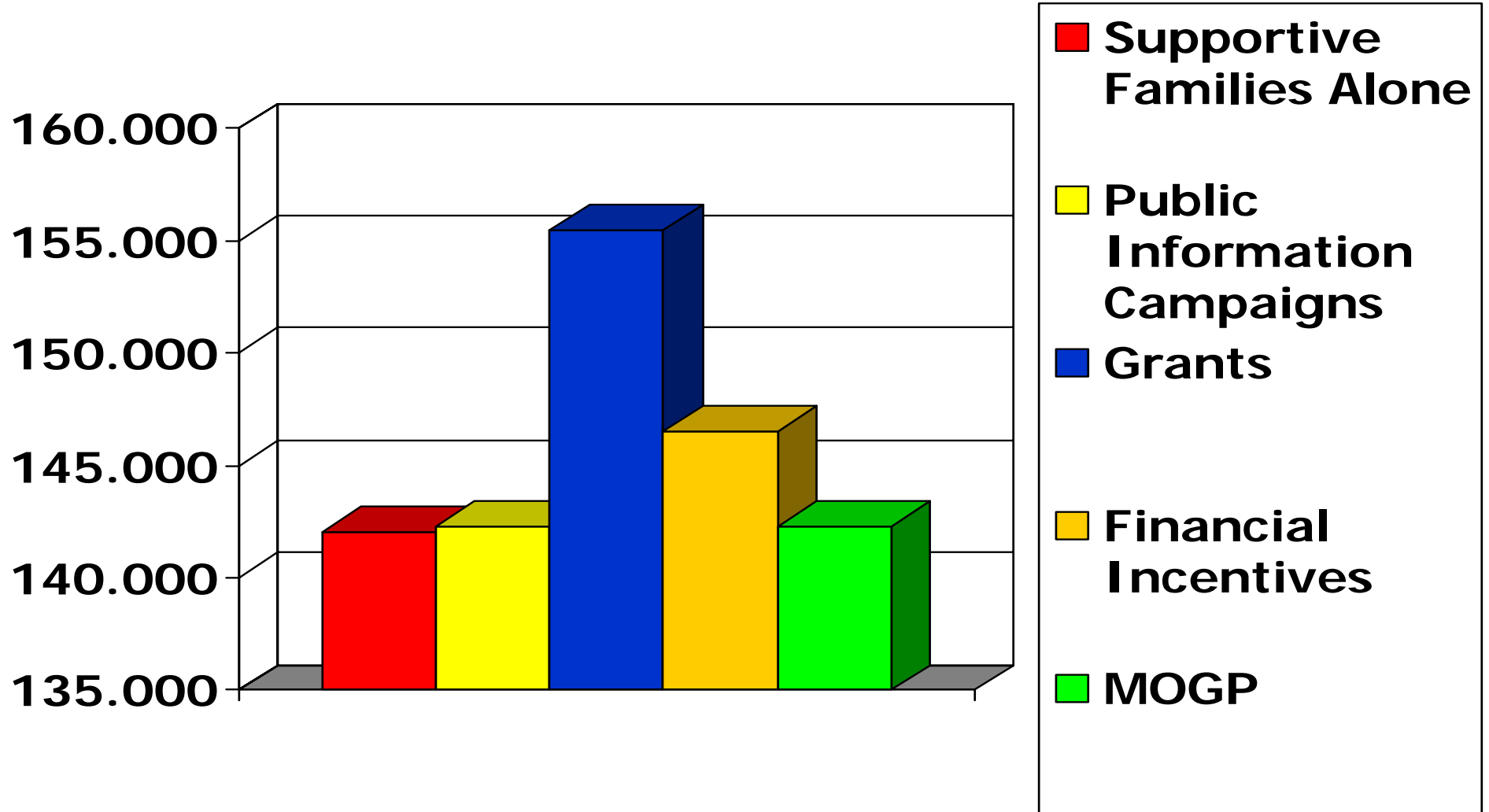


## Employer proactive recruitment rates



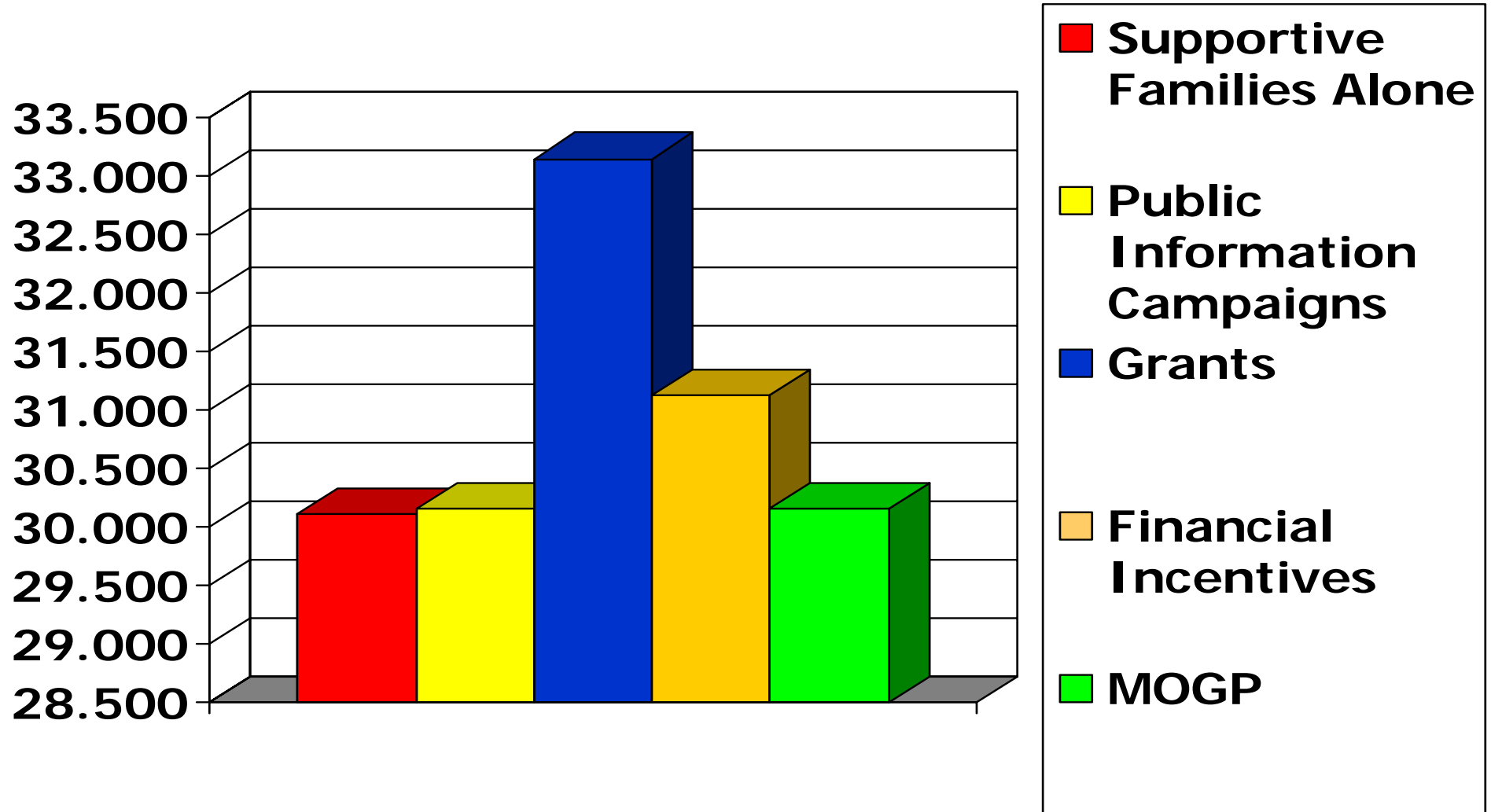
# Jobs Gained – Positive Families (Great Britain)

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# Jobs Gained – Positive Families (Ireland)

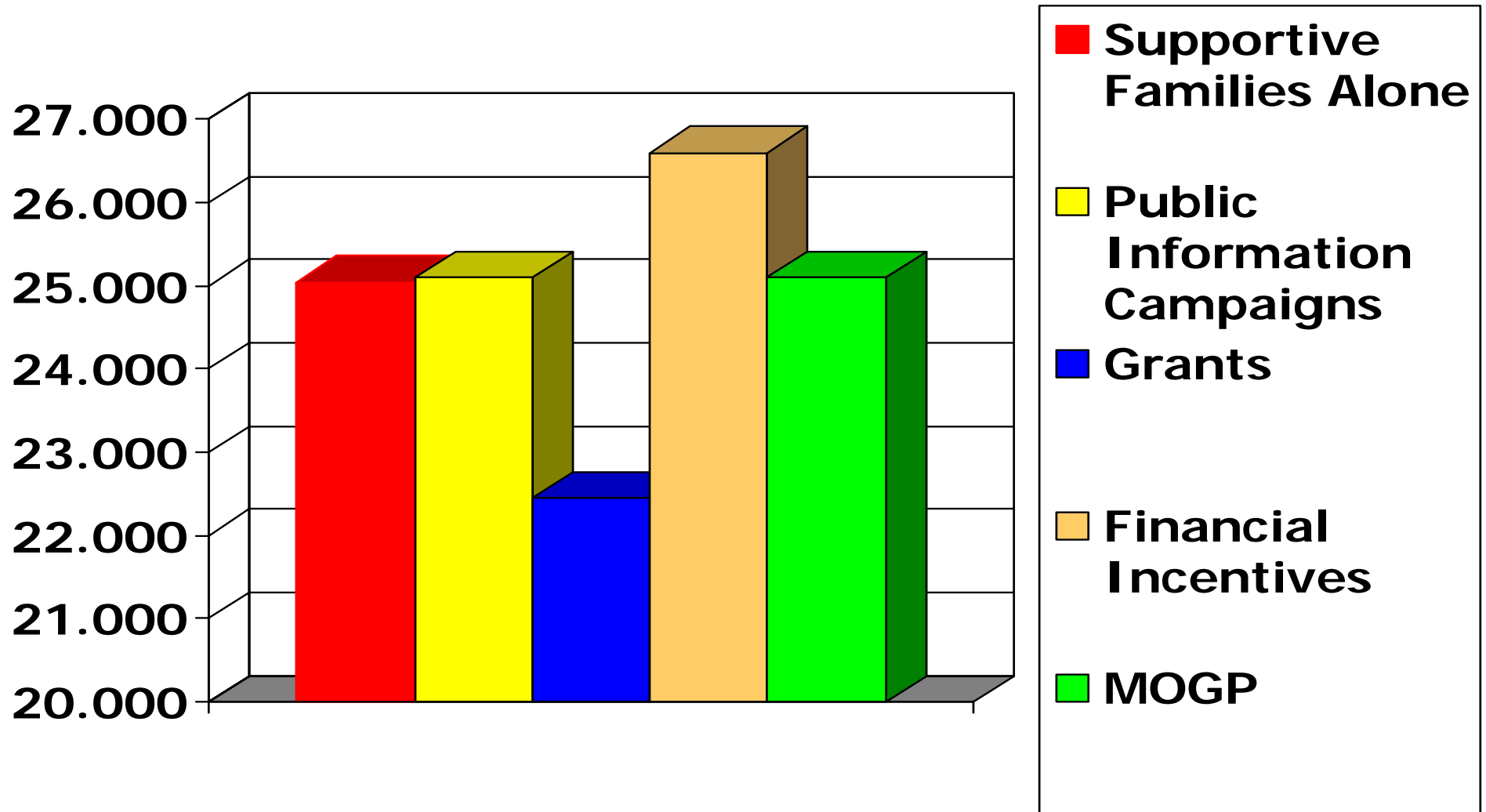
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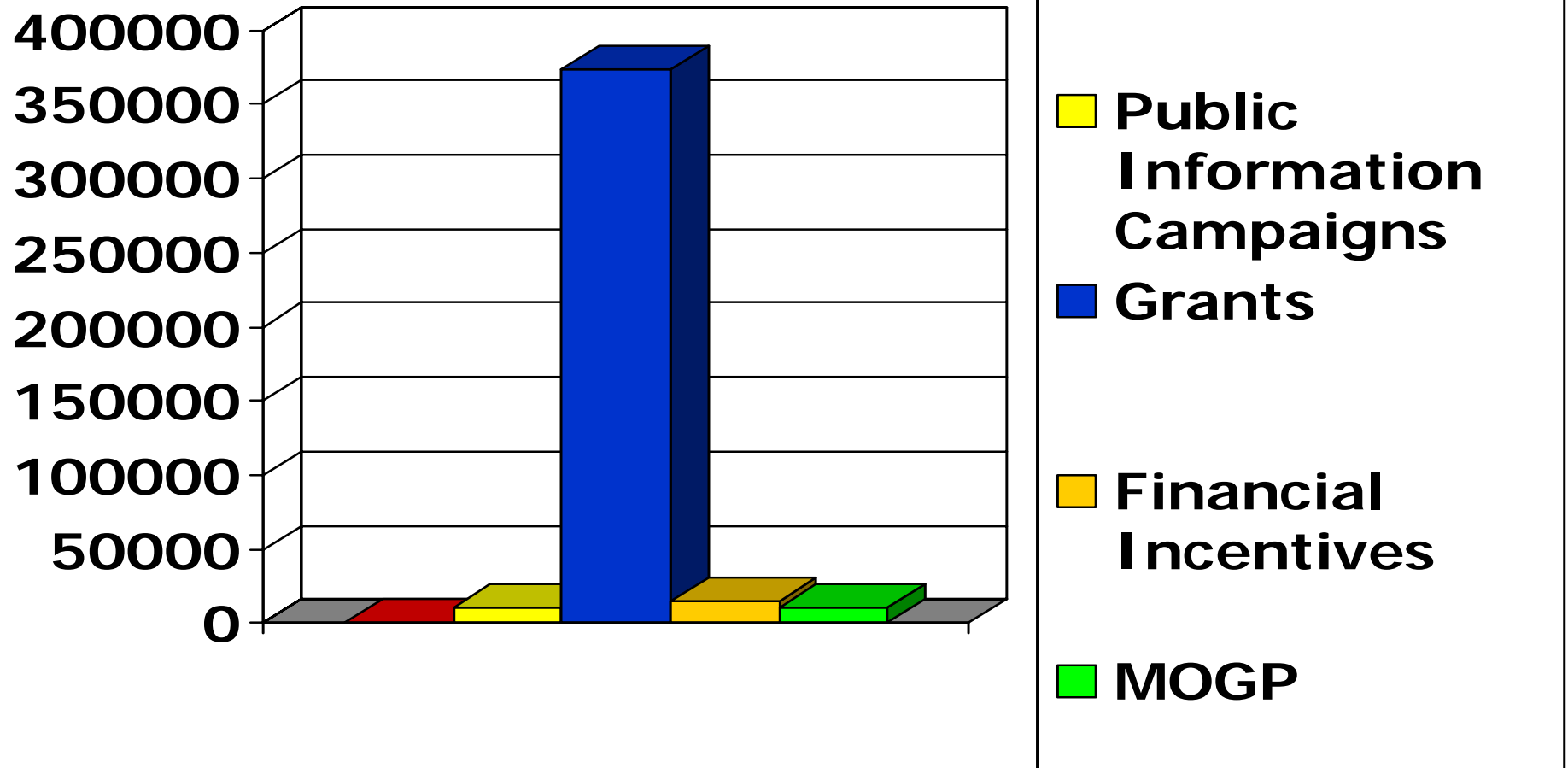
# Jobs Gained – Positive Families (Portugal)

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# Cost of Implementation Positive Families (Great Britain) (‘000s)

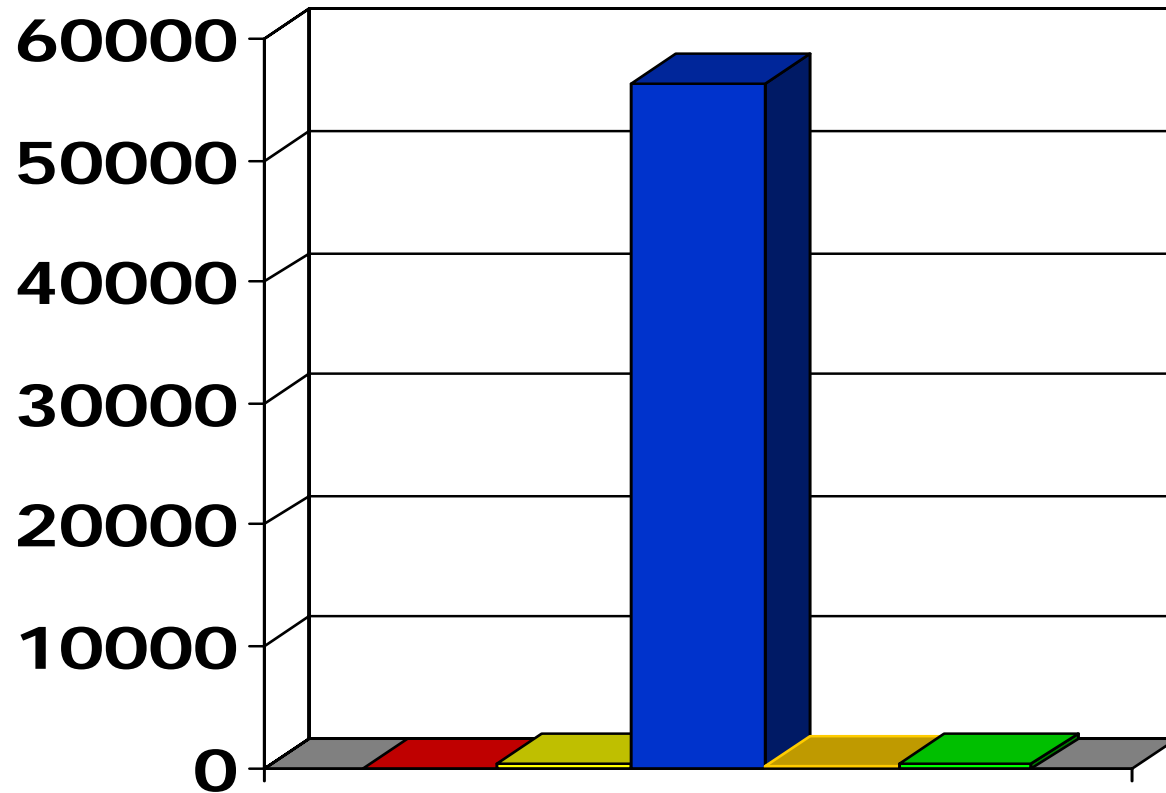
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# Cost of Implementation Positive Families (Ireland)

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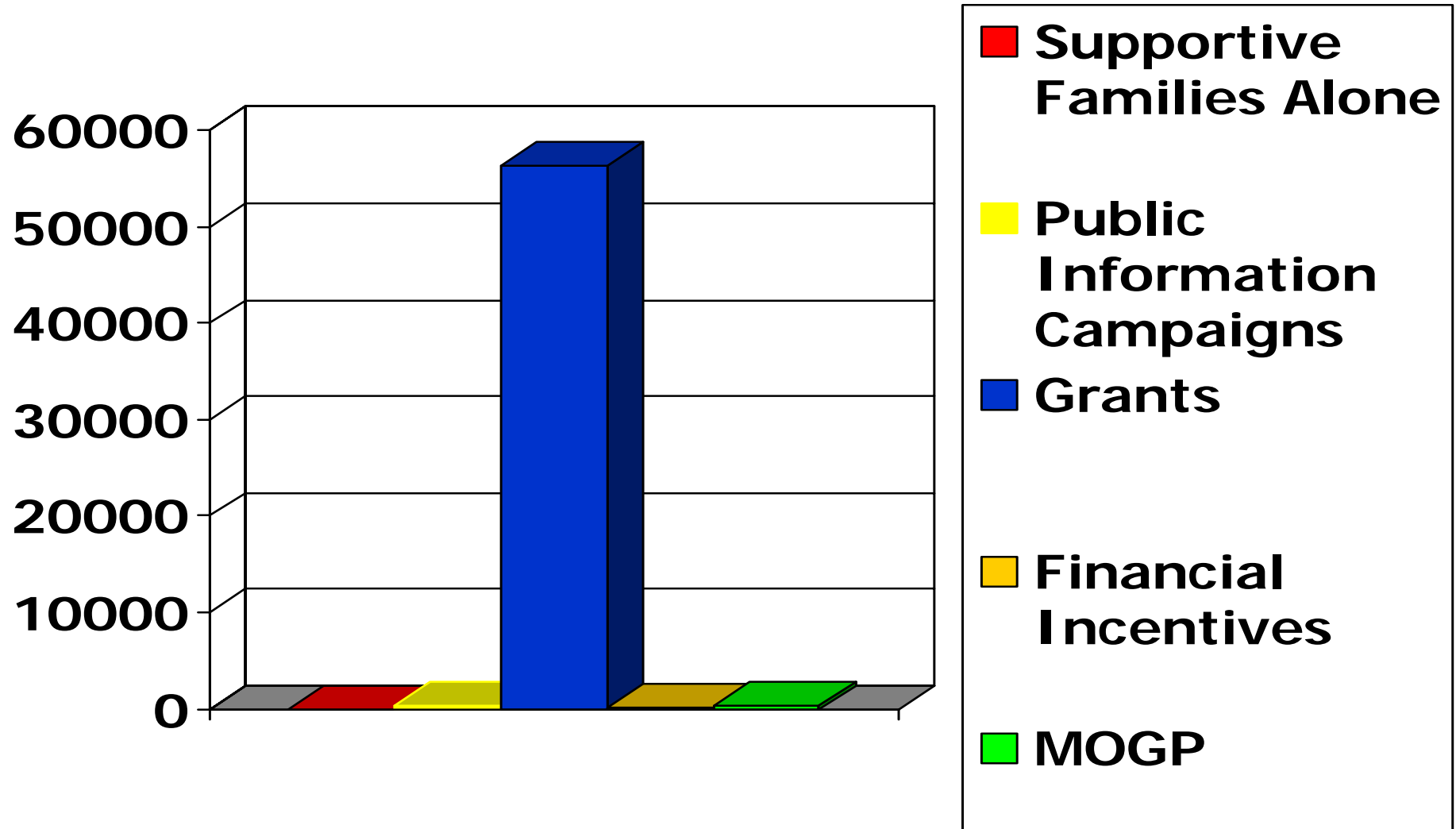
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- Supportive Families Alone
- Public Information Campaigns
- Grants
- Financial Incentives
- MOGP

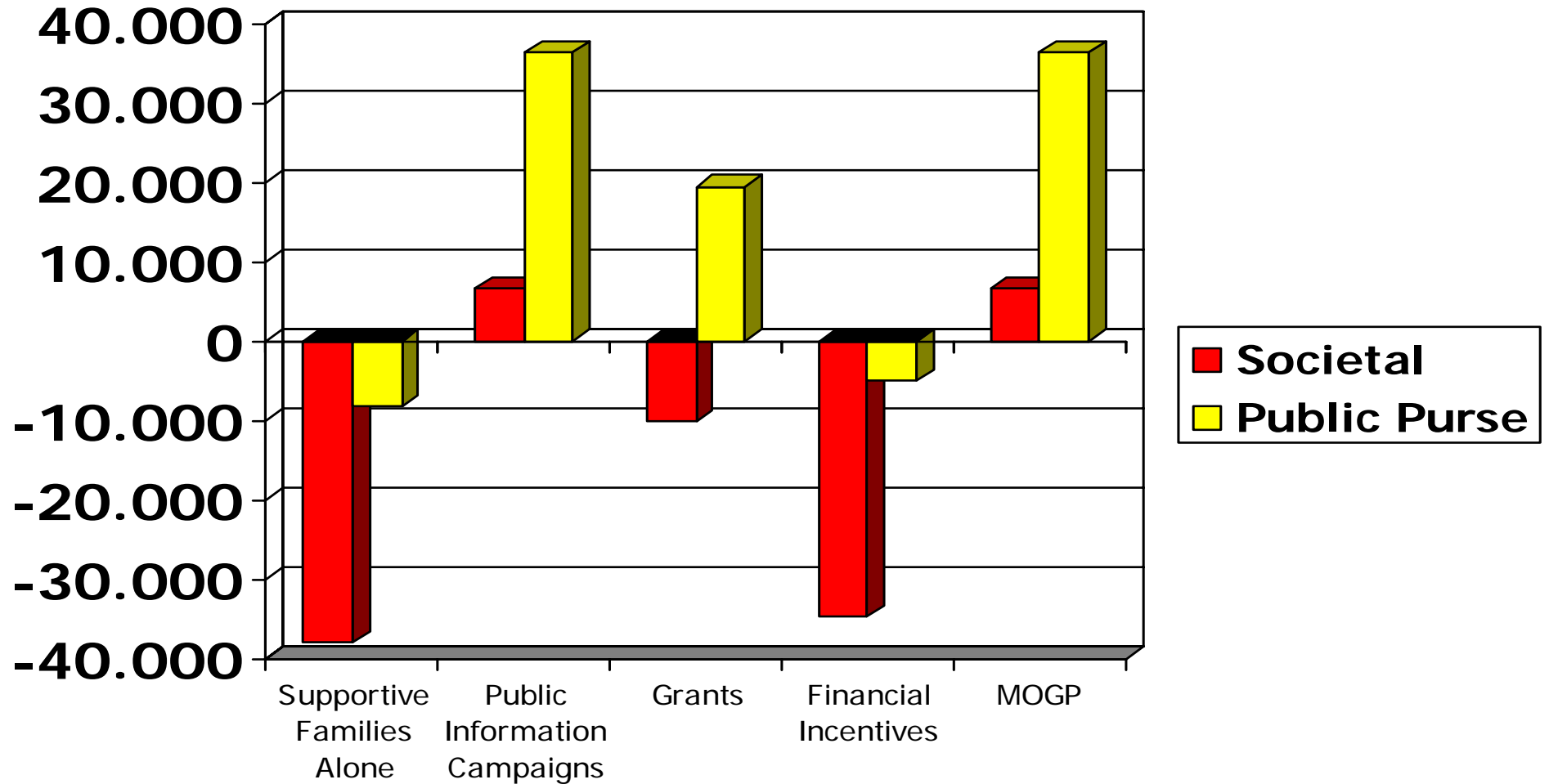
# Cost of Implementation Positive Families (Portugal) (‘000s)

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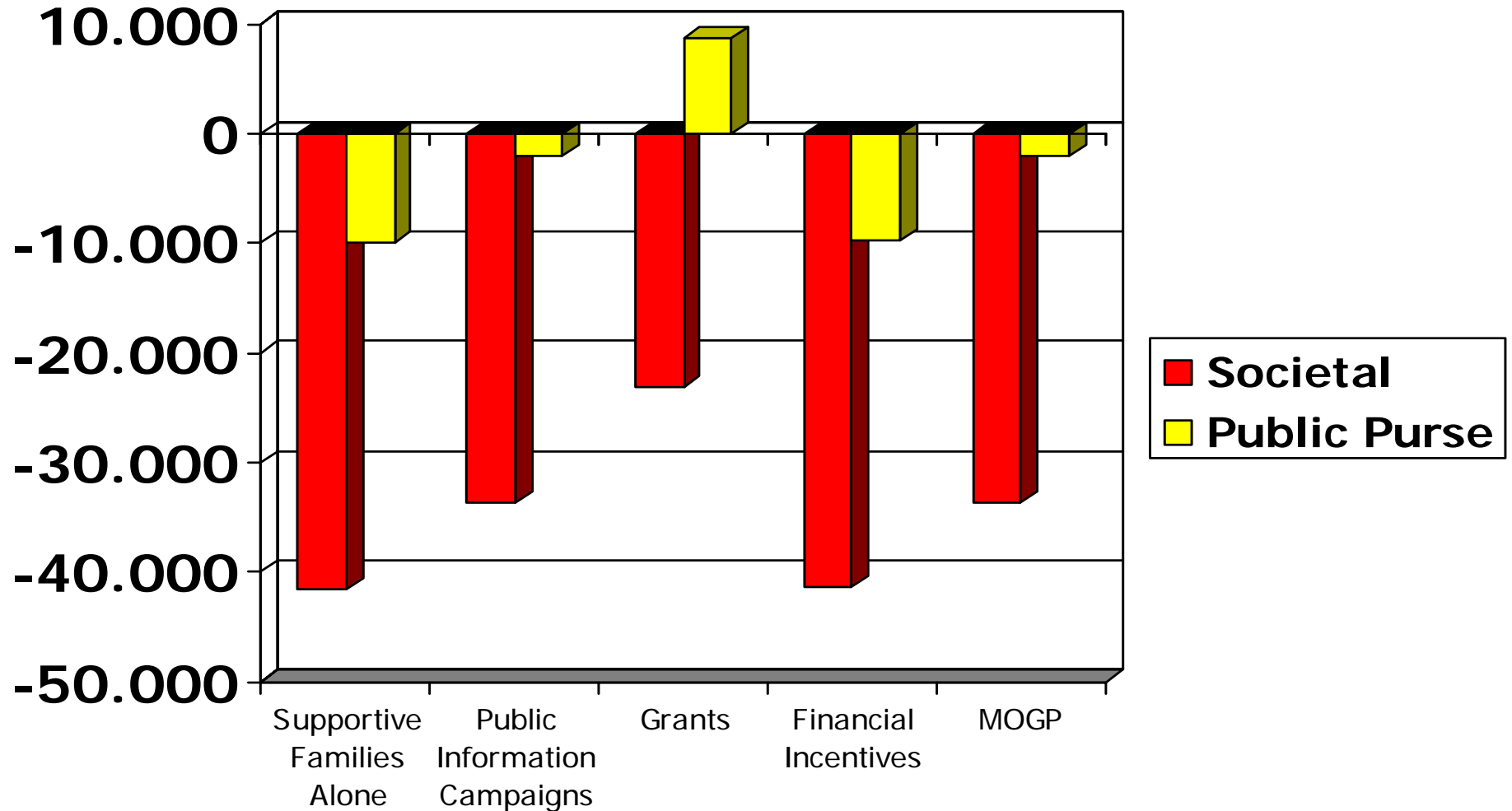
# Cost per job gained from promoting positive families (UK) (€'s)

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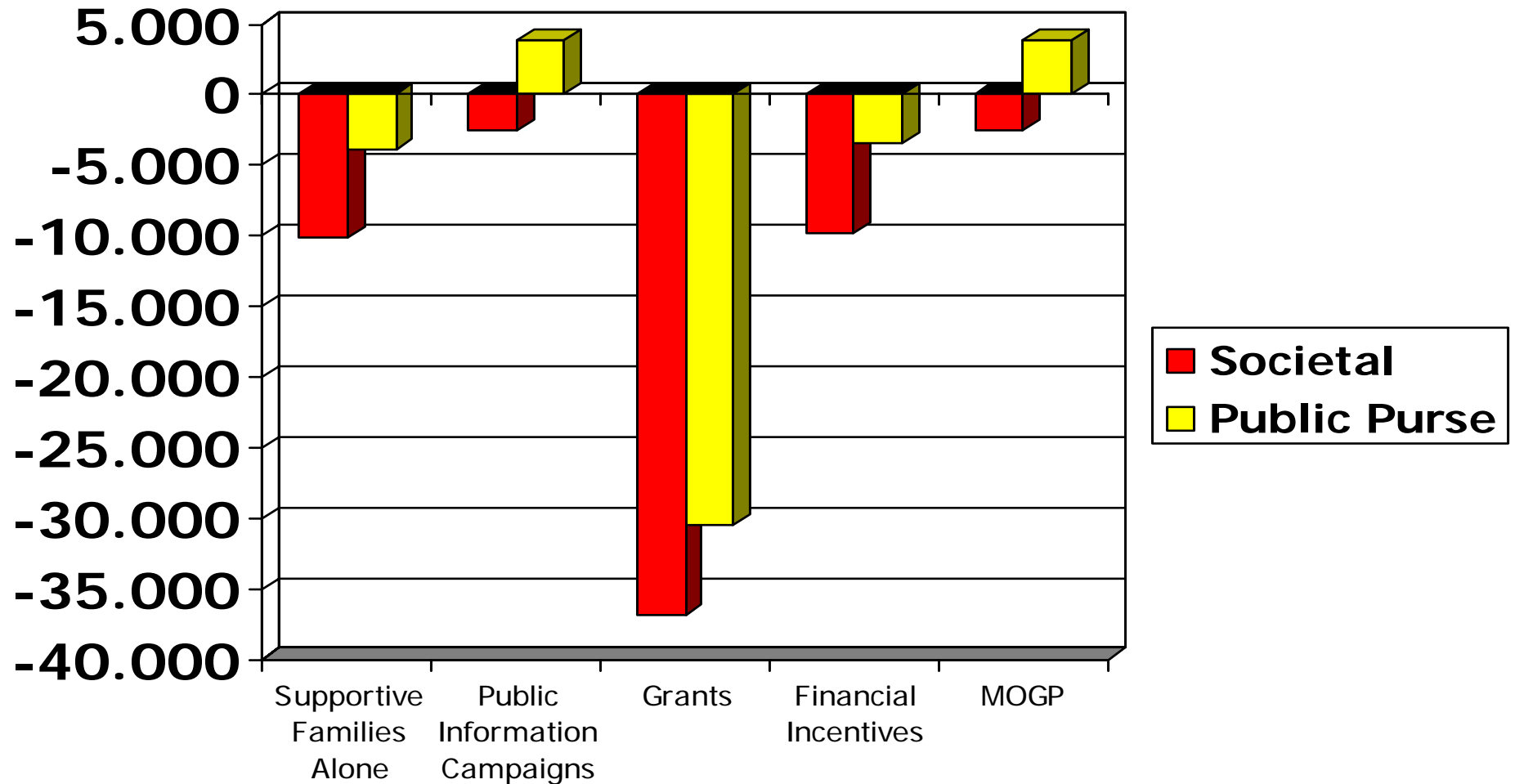
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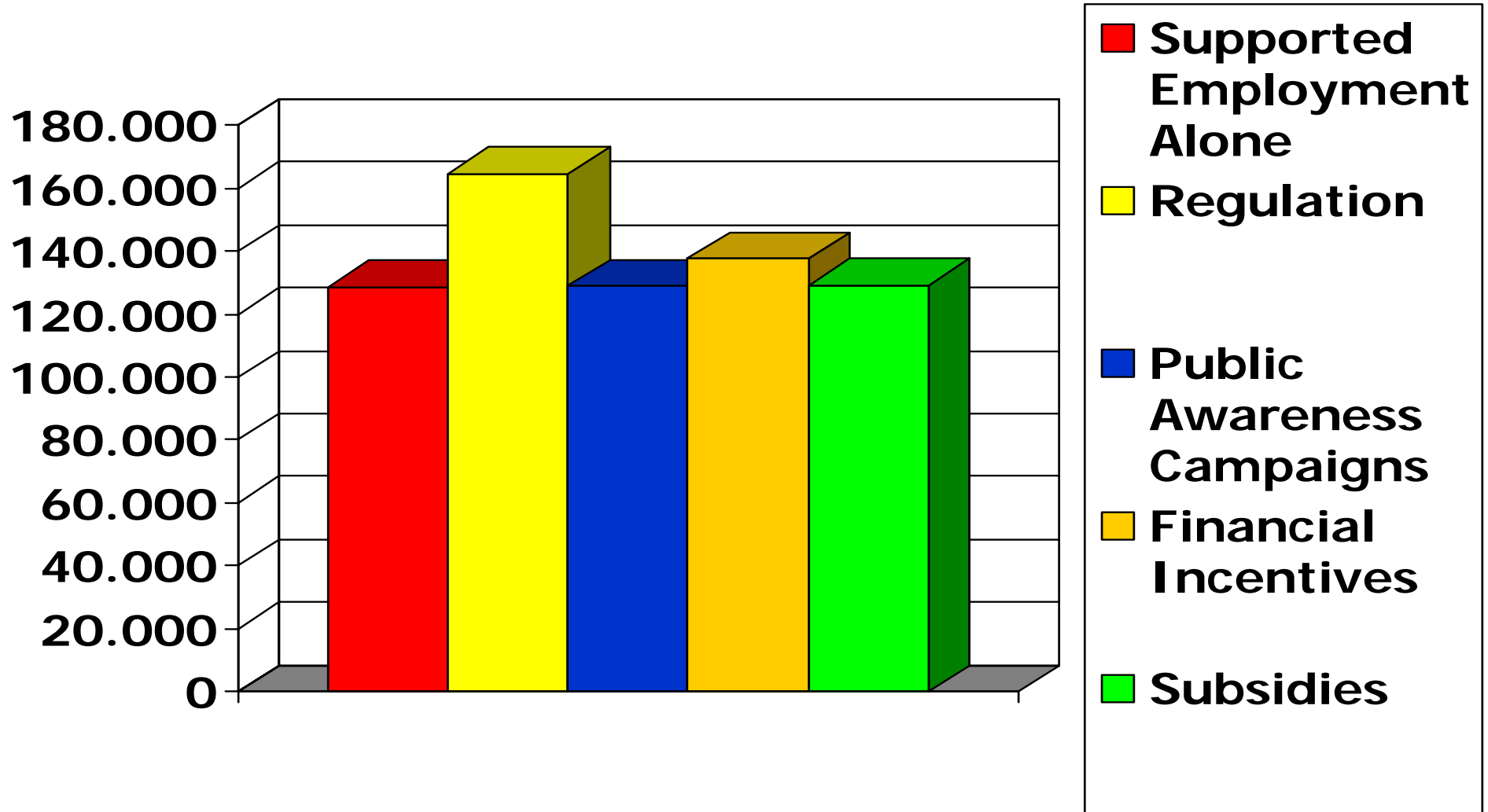
# Cost per job gained from promoting positive families (Portugal) (€'s)

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# Jobs Gained – Supported Employment (Great Britain)

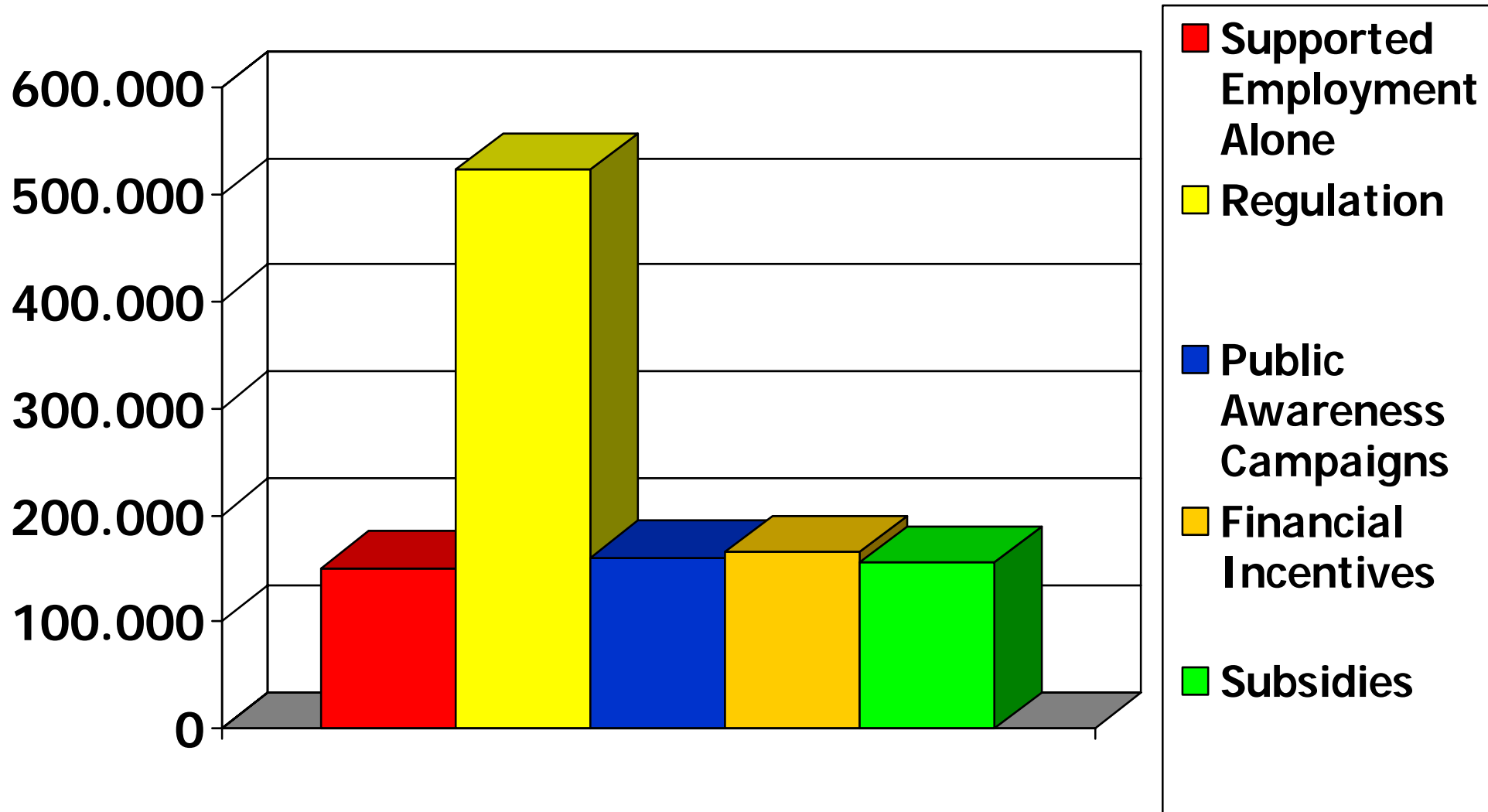
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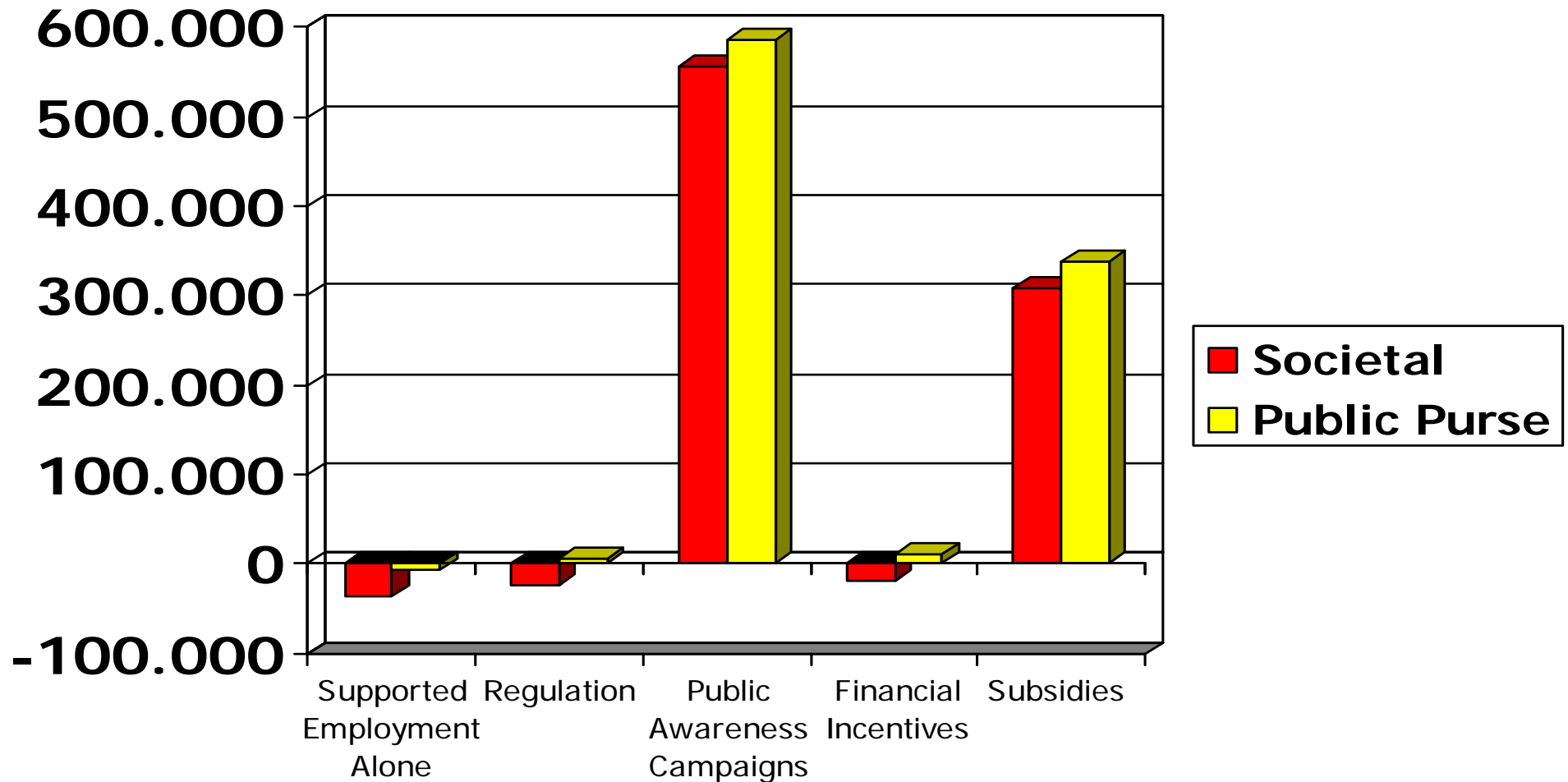
# Cost of Implementation Supported Employment (Great Britain) (‘000s)

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# Cost per job gained from promoting supported employment (UK) (€'s)

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## Supported Employment – Public Purse

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Cost Per Job Gained	JM Alone	SE + Regulation	SE + Awareness Campaigns	SE + Financial Incentives	SE + Subsidies
GB	Cost Saving	€6,276	€586,141	€2,218	€337,210
IRL	Cost Saving	€1265	€120,861	Cost Saving	€65,659
Portugal	Cost Saving	€7,986	€126,423	Cost Saving	€71,415

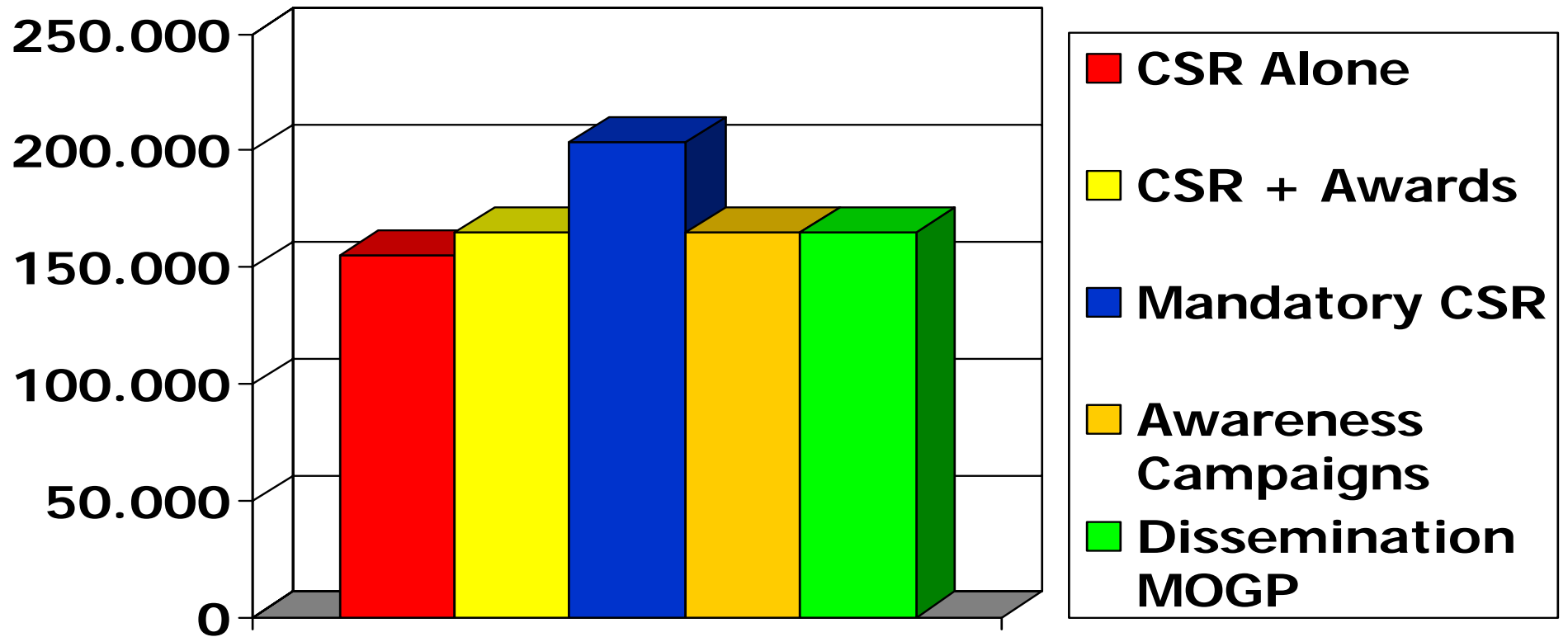
## Job Matching – Public Purse

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Cost Per Job Gained	JM Alone	JM + Regulation	JM + Awareness Campaigns	JM + Financial Incentives	JM + Subsidies
GB	Cost Saving	€12,586	€55,072	€2,218	Cost Saving
IRL	Cost Saving	€29,710	€450,271	€12,221	€736
Portugal	Cost Saving	€28,110	€419,809	€16,432	€9,981

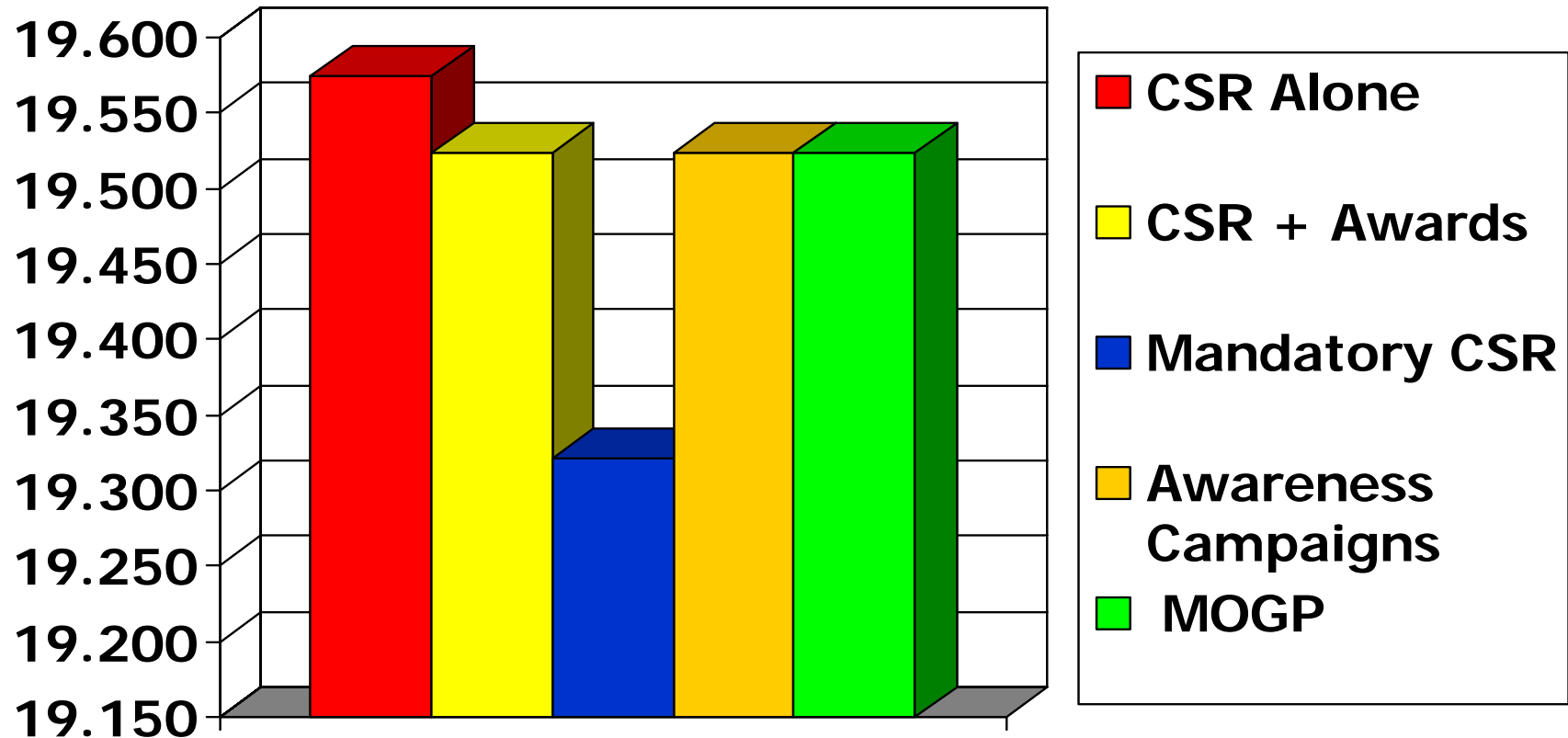
# Jobs Gained – CSR (Great Britain)

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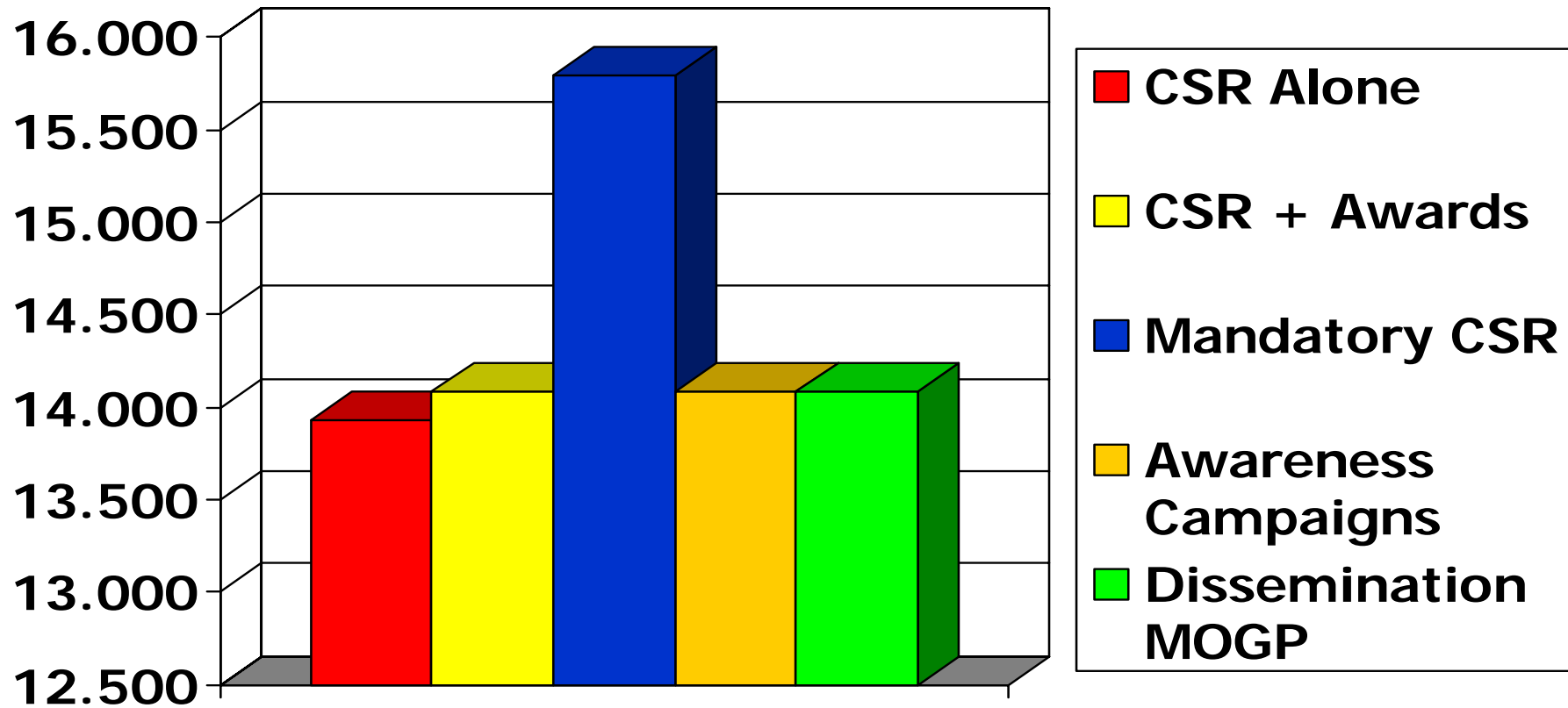
# Jobs Gained – CSR (Ireland)

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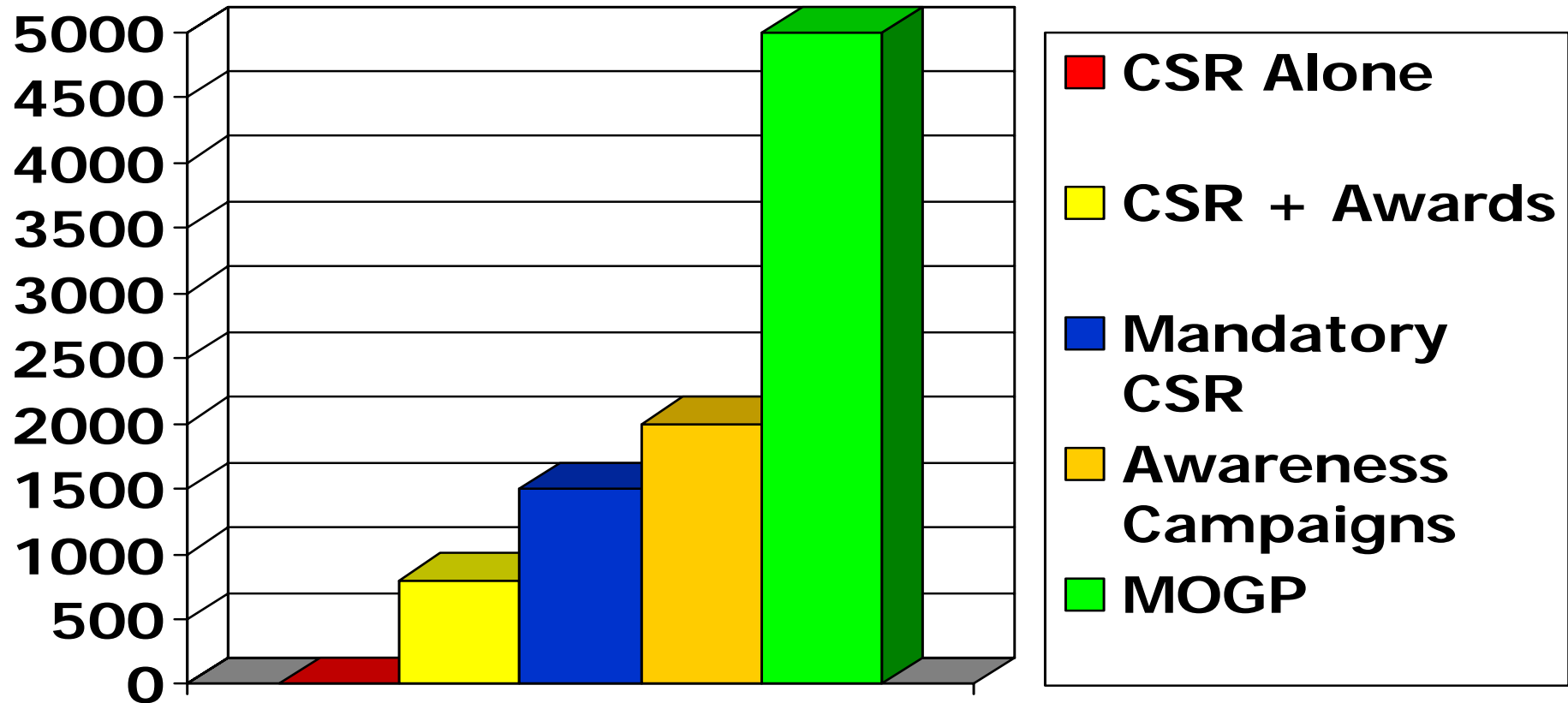
# Jobs Gained – CSR (Portugal)

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# Cost of Implementation CSR (Great Britain) (‘000s)

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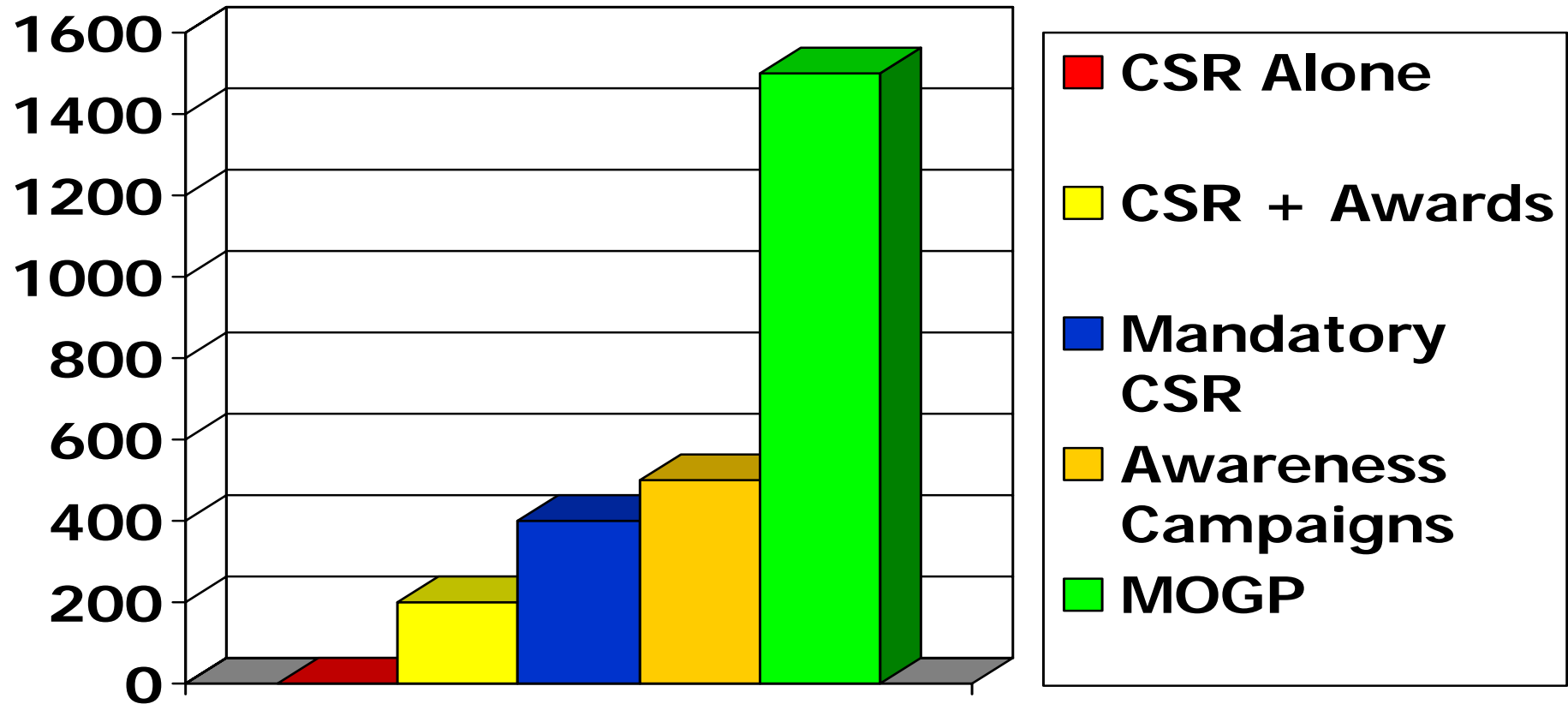




# Cost of Implementation CSR (Ireland)

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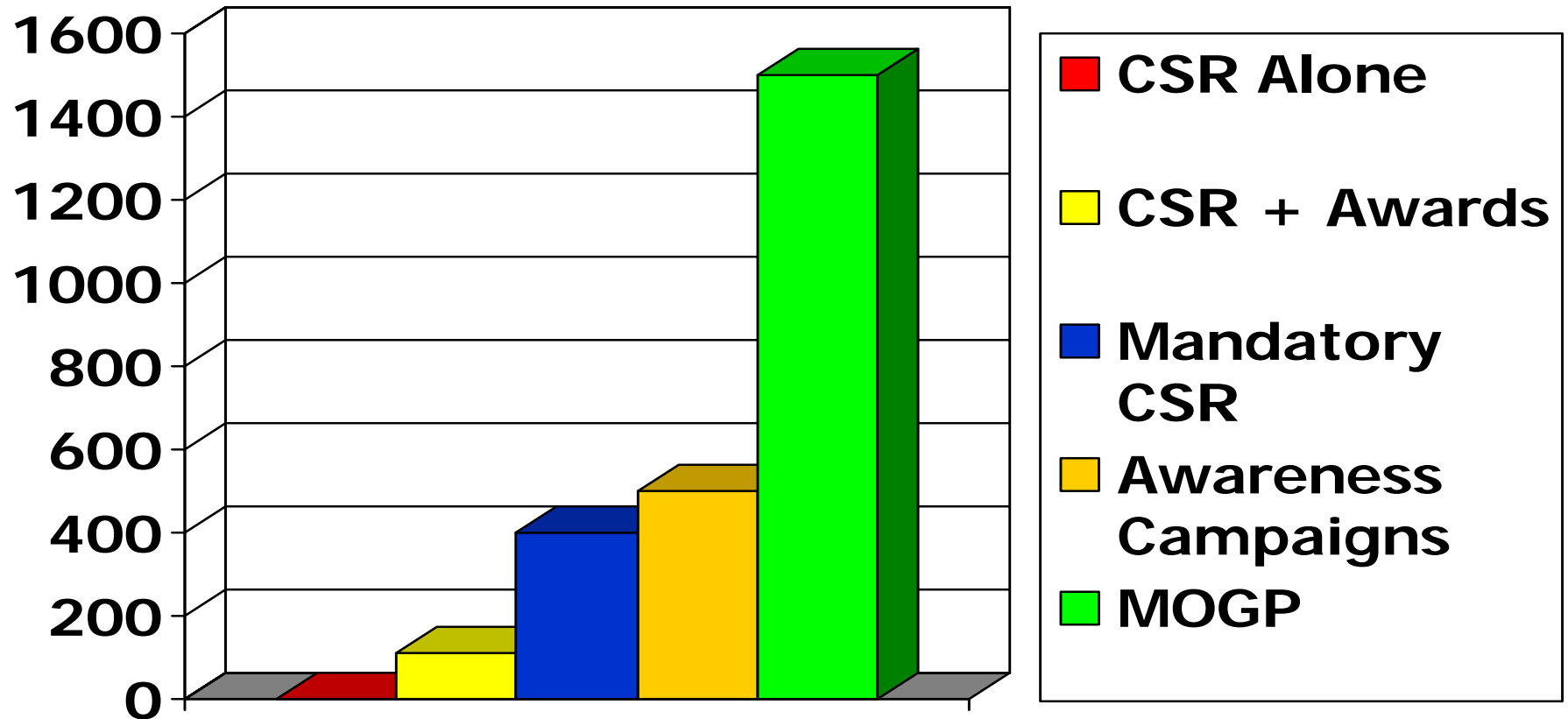
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# Cost of Implementation CSR (Portugal)

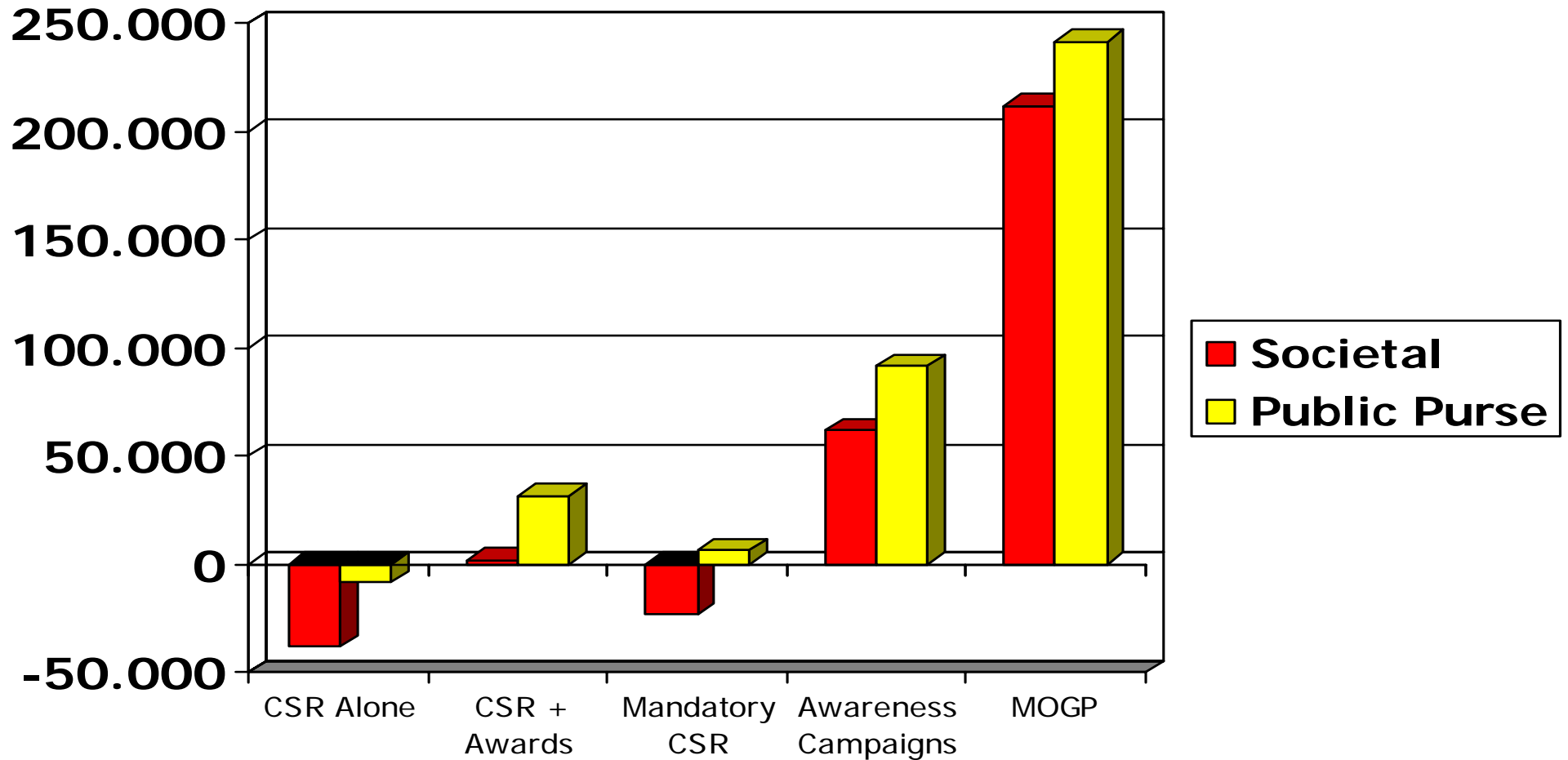
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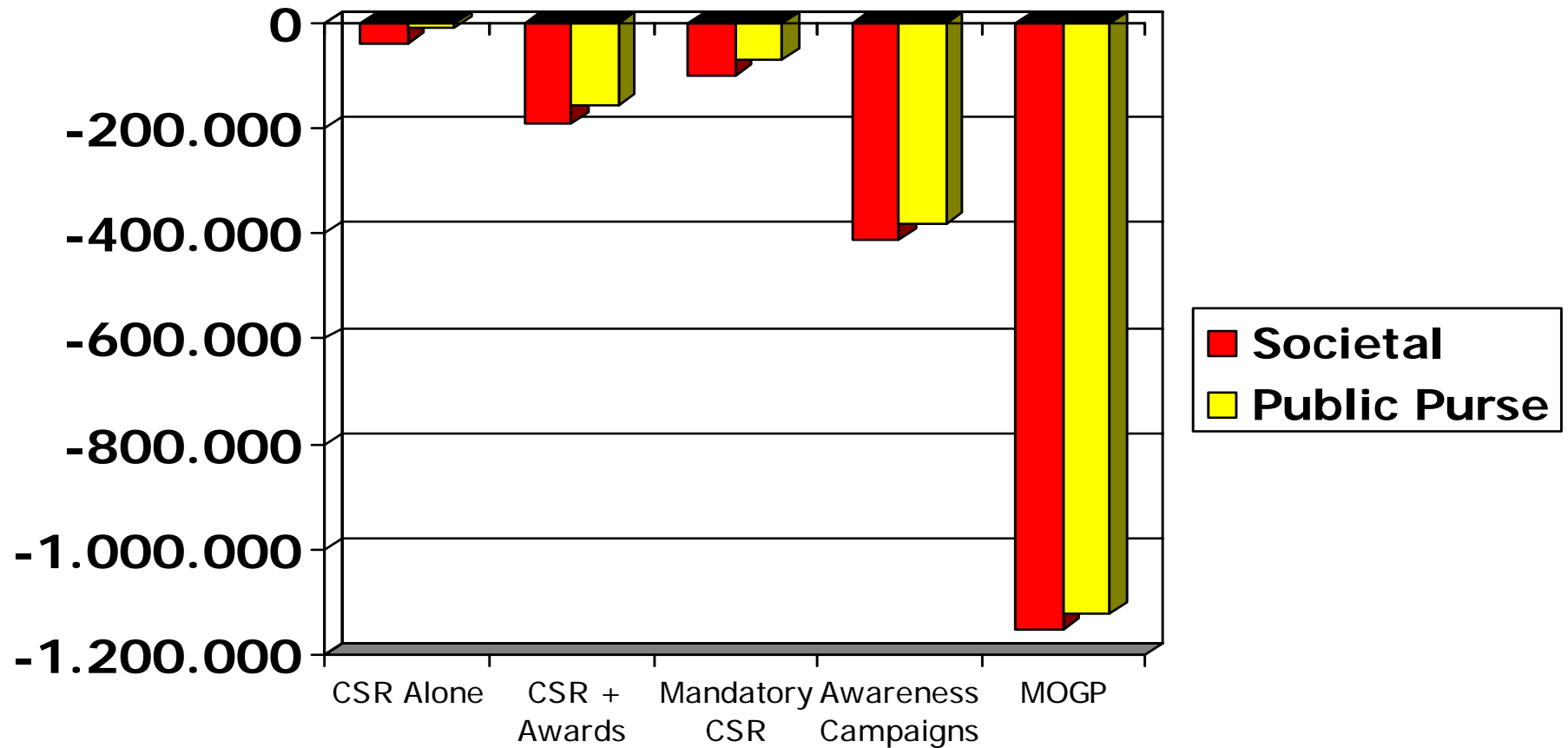
# Cost per job gained from CSR (Great Britain) (€'s)

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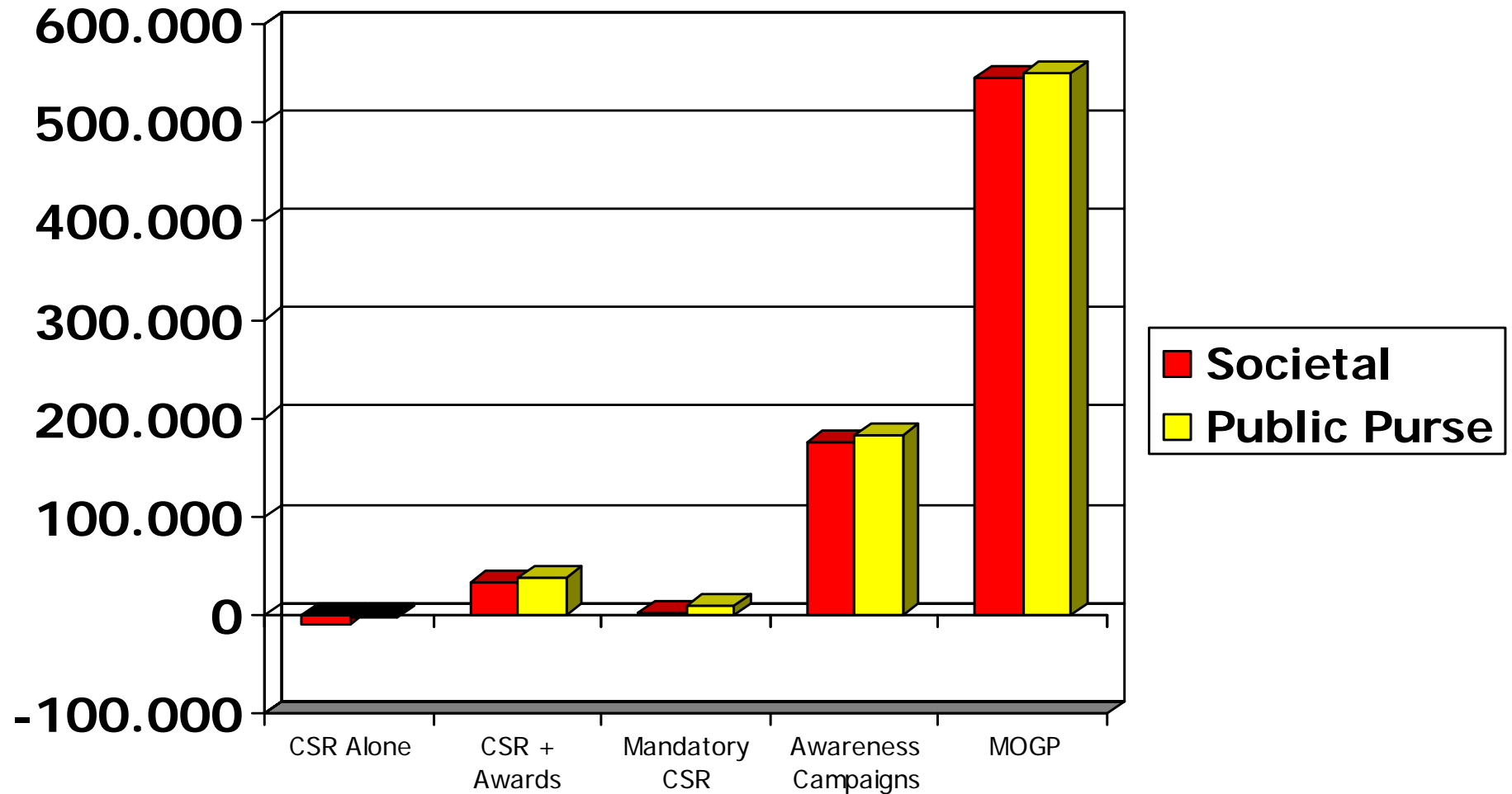
# Cost per job gained from CSR (Ireland) (€'s)

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# Cost per job gained from CSR (Portugal) (€'s)

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## Supported Employment (Employers Actions)

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Cost Per Job Gained	SE Alone	SE + Awards	SE + Social Partners	SE + Lead by Example	SE + Subsidies	SE + Penalties
GB	Cost Saving	€4,439	€16,680	€174,255	Cost Saving	€167
IRL	Cost Saving	€5,861	€15,120	€291,972	€614	€490
Portugal	Cost Saving	€11,883	€21,142	€297,994	€6,636	€6,512

## Vocational Rehab (Employers Actions)

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Cost Per Job Gained	VR alone	VR + Awards	VR + Cooperation	VR + Info Campaign	VR+ Subsidies
GB	Cost Saving	€4,438	€16,680	€85,745	€185
IRL	Cost Saving	€3,807	€11,859	€123,775	Cost Saving
Por	Cost Saving	€5,137	€10,428	€83,973	€2,138

## Sensitivity Analysis

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- Assumptions used in the model can be varied
- E.g. if probability of finding a job if active job-seeker only 10% and only 5% of job seekers active most interventions remain cost saving
- But ....may not represent good value to invest in some uptake mechanisms



# Conclusions

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Modestly effective activation policies for people with disabilities potentially not only represent **good value for money** but in many cases can be **cost saving** because the **costs of exclusion** from the labour market are so high

## Implications

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- Models are only as good as data used
- But can be adapted and tailored to local circumstances
- Significant aid in the policy making process
- Can identify potential areas for action and further evaluation

## Further potential developments

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- Additional country specific data
- Adaptation to include additional pathways
- Take account of additional evidence on effectiveness of strategies
- Take account of costs/consequences for job seekers /employers