

PEOPLE WITH DISABILITIES – A POTENTIAL LABOUR FORCE

Manea Ludmila-Daniela

Mihalcea Lucean

Faculty of Economics and Business Administration

"Dunarea de Jos" University of Galati, Romania

manea_danielaludmila@yahoo.com

Abiding human rights for all citizens is a core value shared by all democratic societies. Ensuring the welfare of all European citizens, without any discrimination, is currently a main EU objective. "European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe" starts from the reality of a number of approximately 80 million people with disabilities, that range from mild to severe, who exist in the EU. The poverty level of these individuals with disabilities is 70% higher than the average, which is partly due to their limited access to employment.

Keywords: people with disabilities, labour force, sheltered employment, safety

JEL Code: E 24, J01, J7

1. Introduction: Diagnosis regarding the employment of people with disabilities in Romania

Abiding human rights for all citizens is a core value shared by all democratic societies. Ensuring the welfare of all European citizens, without any discrimination, is currently a main EU objective. "European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe" starts from the reality of a number of approximately 80 million people with disabilities, that range from mild to severe, who exist in the EU. The poverty level of these individuals with disabilities is 70% higher than the average, which is partly due to their *limited access to employment*.

The general objective of the European Disability Strategy 2010-2020 is to provide to individuals with disabilities the capacity of enjoying equal and full rights and of getting involved in the social and economic life in Europe. The strategy is based on eliminating barriers in eight main areas of actions: accessibility, participation, equality, employment, education and training, social protection, health, and external action¹.

Concerning employment, the strategy admits that workplaces ensure economic independence, promote personal achievement and provide the best protection against poverty. Nevertheless, the employment rate of the people with disabilities is estimated to be around 50% in the European Union.

OCDE² is estimating that in northern countries the employment rate reaches 52 to 54% (Sweden, Finland, Switzerland), 50% in Luxemburg and 40-45% in Norway, UK and Holland. In Ireland less than a third of the people with disabilities have a job whereas in Poland the percentage is even smaller, below 20%. The European Commission aims at taking action between 2010 and 2020 to increase the number of individuals with disabilities that succeed in getting a job through the development of social entrepreneurship, of employment initiatives both on the open labour market and in sheltered workshops. The Union will use the Social European Fund to implement active policies on the labour market, to make workplaces more accessible, to set up employment agencies, structures for support and in-house training.

Concerning the incentives for employing individuals with disabilities, Romania has adopted the so-called quota system which forces employers with more than 50 employees to hire individuals with disabilities in a percentage of at least 4% of the total number of employees. (Art. 78 (2)). The system is applied in most European countries, among which France and Germany. Further following a model similar

¹ Institute for Public Policies, *Diagnosis on the employment of people with disabilities in Romania*, Study, Timișoara, 2011

² OECD. (2006). *Sickness, Disability and Work: Breaking the Barriers. Vol.1: Norway, Poland and Switzerland*. OECD Publishing; OECD. (2007). *Sickness, Disability and Work: Breaking the Barriers. Vol. 2: Australia, Luxembourg, Spain and the United Kingdom*. OECD Publishing; OECD. (2008). *Sickness, Disability and Work: Breaking the Barriers. Vol. 3: Denmark, Finland, Ireland and the Netherlands*. OECD Publishing.

to the French and German one, the Romanian legislation determines the employers who do not hire individuals with disabilities in a percentage of 4%, to choose between:

1. paying monthly an amount of money to the state budget, representing 50% of the gross national minimum wage multiplied by the number of jobs that were not offered to people with disabilities;
2. buying products or services from authorised protected units, in partnerships, offering an amount of money equivalent to the amount owed to the state budget in compliance with the conditions stipulated in paragraph a).

After adopting these legislative provisions, statistical studies show that Romania occupies together with Bulgaria, the last place in the EU in employment of people with disabilities. Moreover within the context of the current economic crisis and financial difficulties that the Romanian government has been facing in ensuring a balanced budget, public budget cuts have been made for the entire social sector, including people with disabilities.

Only 4.2% of the individuals with disabilities in Romania had a job on 31 March 2012, representing 0.13% of the total population in Romania³: out of 681.558 individuals with disabilities, only 28.826 were employed⁴.

In Romania, people with disabilities represent a *significant labour force*, which unfortunately is not used to its maximum limits in order to record the best results and output. Employers are somehow reluctant when it comes to hiring people with disabilities, because of the stereotypes and prejudices that widely circulate in our society and that underestimate these people's capacities and aptitudes to perform activities of any type. People with disabilities represent 3.2% of the population of Romania, forming a social group, which requires special attention concerning labour market integration with major consequences upon the rate of poverty and social exclusion.

2. Access and actual involvement of people with disabilities on the public sector labour market

By law, in Romania the main steps to ensure the labour market access of people with disabilities seem to have been already taken, both on the public and on the private one. Unfortunately, working practice and expertise, studies, and reports of national and international organizations show that the current situation in Romania is not a pleasant one regarding the integration of the disabled into the labour market.

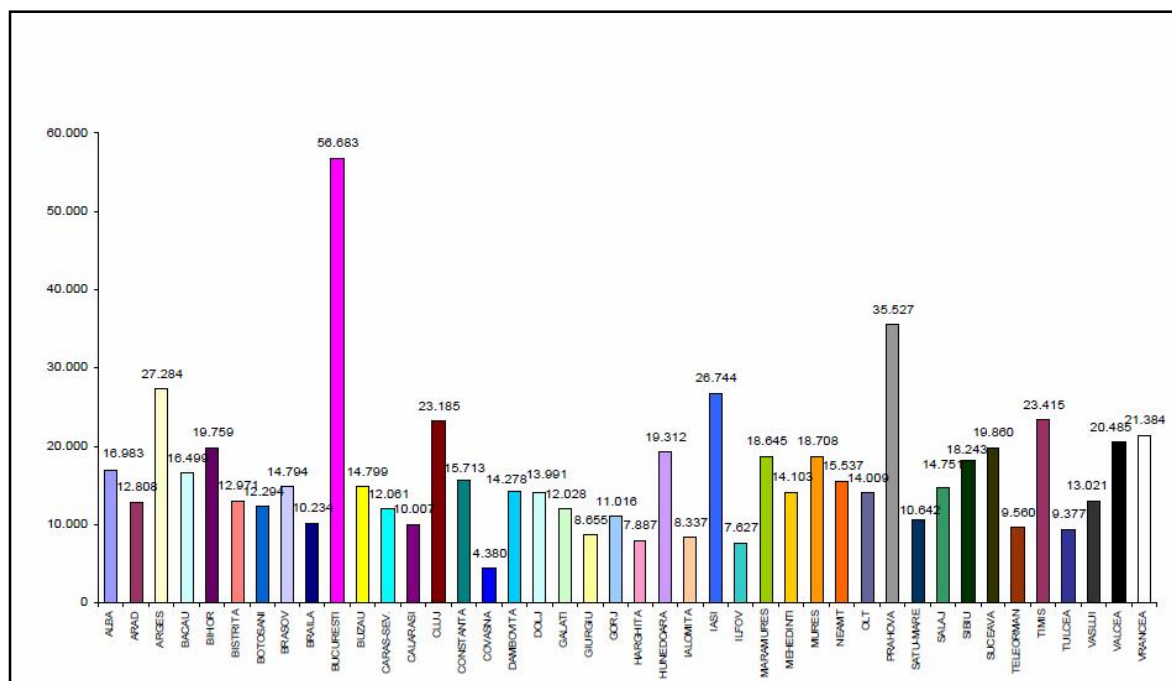


Chart no. 1.1. The share of individuals with disabilities employed on the county level on 31 March 2012⁵

³ According to the information available on the site of the *General Directorate of Services for People with Disabilities*, on March 31 2012: <http://www.anph.ro/tematica.php?id=13&idss=41>

⁴ <http://www.anph.ro/tematica.php?id=13&id>

⁵ Ministry of Labour, Family and Social Protection - <http://www.mmuncii.ro/pub/imagemanager/images/file/Statistica/Buletin%20statistic/2012/DGPPH%20trim%20I%202012%20site.pdf>

This aspect reveals that a legislative framework aiming at stimulating and achieving the integration of the disabled into the labour market is virtually inefficient and useless, even harmful, unless certain strategies, policies and programs are adopted and applied that support through various educative, ethical, economic, social etc. mechanisms the real and effective inclusion into the labour market of the people with disabilities.

The chart presented above shows that any municipal hall or any sector from Bucharest did not manage to hire the minimum of 4% individuals with disabilities as required by law. The share of individuals with disabilities is extremely low in case of local authorities, town halls such as Alexandria, Brăila, Buzău, Piatra Neamț, Satu Mare, Sfântu Gheorghe, Tulcea, Vaslui where there is not even a single person with disabilities hired. Focșani records the highest share of individuals with disabilities that are employed – 2.26%. However this percentage is not even close to the minimum of 4% required by law

Taking into account the maximum number of positions that local authorities can have according to the existing law, we can say that overall, on the level of all town halls, to which the City Hall of Bucharest Municipality is added, as well as those of its sectors, the share of people with disabilities who are employed is of 0.45% of the total number of employees, almost 9 times lower than the law requires. This aspect reveals that public local authorities chose to pay significant sums of money to the state budget and not to hire people with disabilities for whom there are activities which they can perform successfully.

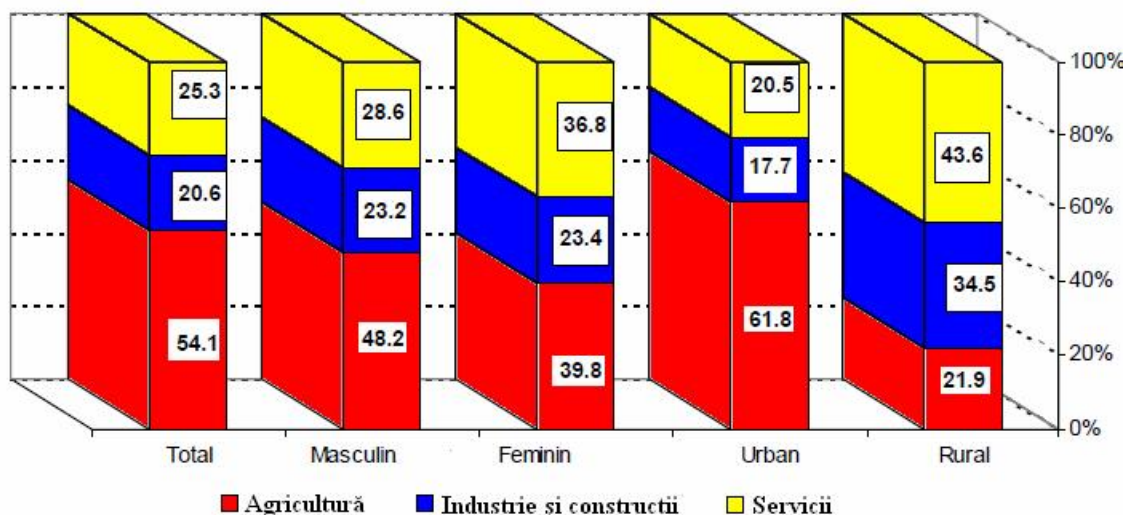


Chart no. 1.2. Structure of employed people with disabilities on sectors of activity of the national economy for the second trimester 2011⁶

On national economic activities, the majority people with disabilities are employed in (54.1%). A percentage of 13.3% of the disabled who are employed, work in manufacturing industry, 7.0% in commerce 5.3% constructions, and the rest of activities recording values below 5% each (chart no. 1.2.).

In comparison, only 24.3% of the population without disabilities works in agriculture, whereas activities such as those related to manufacturing industry and commerce record higher values (19.2% respectively 13.9%).

Important for assessing workplace conditions and possibilities for professional career development of the individuals with disabilities are the position and activities they have to perform. Thus the most common positions held by individuals with disabilities who are employed in the public sector are those of *referent, counselor or assistant*. In addition to these, individuals with disabilities are employed on skilled or unskilled positions as workers, special inspector, shift telephone operator, security guard, janitor, chief service, etc.

3. Sheltered employment – workplaces for people with disabilities

Establishments or sheltered workshops (*sheltered employment*) are especially designed to provide support to the individuals with disabilities, either independent firms or divisions within firms, usually providing services related to social and professional training; these are regulated in most European countries, however over the last years, political policies focused on integrating the disabled into the open

⁶http://www.emplonet.ro/wp-content/uploads/2012/03/Ocuparea-persoanelor-cu-dizabilitati_trII_2011_ro_engl.pdf

labour market, the segregated employment in these units being applied when the type or severity of disability prevents employment⁷.

Nevertheless the importance of these establishments is higher as they are regarded as an intermediate step towards finding a workplace on the labour market, but the transition rate is low in most countries. Norway is the only country where the transition rate is significant, over 30%. In Ireland, where sheltered workshops are an important form of employment both in number of beneficiaries and in sums of money from the public budget, significant efforts have been made to improve the transition rate by setting a definite period of time when a person can work in a sheltered workshop and pay special attention to the training component. Similarly, in Holland, companies have been encouraged to set up sheltered workshops. Even so the transition rate toward the open labour market still remains below 10% in Ireland and below 4% in Holland.

Within this framework, we can ask ourselves whether these sheltered workshops are actually a second market or an intermediate form of employment, the two may stir up a conflict. The limited period of employment in these establishments can stimulate the transition toward a common workplace for some, but it can also bring about artificial problems for others, who due to the type or severity of disability cannot work in the labour market⁸. The current legislative framework in Romania requires the setting up of sheltered workshops in order to facilitate access of people with disabilities to the *professional career development* by providing *training opportunities, professional retraining, etc.* Among the requirements that an entrepreneur must meet in order to set up a sheltered workshop, we mention the requirement that at least 30% of employees to be made up of individuals with disabilities. According to the Institute of Public Policies, this percentage is too small to determine the achievement of the objective for which these establishments were designed, and to avoid any unwanted abuses. A minimum of 50% individuals with disabilities out of the total staff would be in an initial stage desirable in each sheltered workshop. According to the information provided by the General Directorate of Services for People with Disabilities, a number of 479 sheltered workshops carry out their activities in Romania. Nevertheless the number of individuals with disabilities that are employed is very small, only 1% of the total number of employees with disabilities works in sheltered workshops, the rest of them being employed in the open labour market.

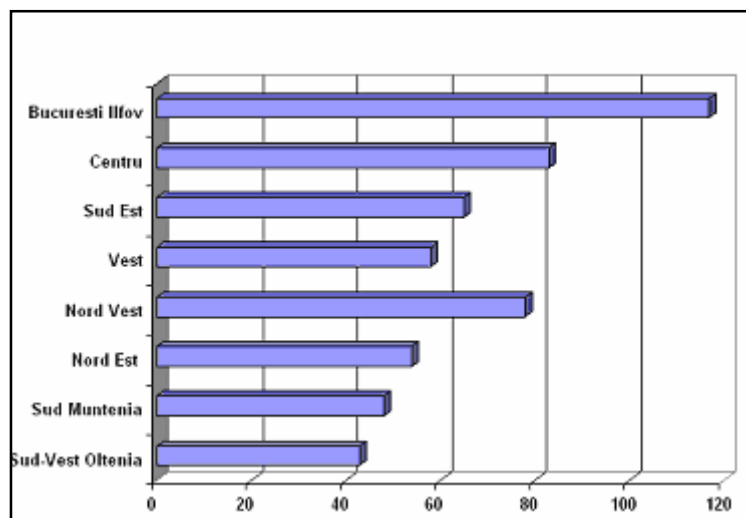


Chart no. 1.3 Distribution of sheltered workshops on development regions in the first semester of 2012⁹

This system has not witnessed a significant development in Romania, due to the lack of financial facilities to compensate for the possible loss of competitiveness. Sheltered workshops work in most cases as a secondary labour market. Their obligation to develop training or recovery related services is not

⁷ European Commission (2009) *Mid-term Evaluation of the European Action Plan 2003-2010 on Equal Opportunities for People with Disabilities*. Final Report.

⁸ *Low access of people with disabilities to labour market*. Report drawn up by the experts of the Romanian Academic Society and the Motivation Foundation, p.9

⁹ Institute for Public Policies Bucharest – *Diagnosis on the employment of people with disabilities in Romania*

regulated, and therefore these are provided by only a few establishments that have voluntarily set this objective, especially those affiliated to organizations of people with disabilities¹⁰.

As it can be seen in chart no. 1.3., most sheltered workshops were set up in Bucharest-Ilfov development region (88), followed by the Central region (74). In contrast, the South East Oltenia development region has the fewest sheltered workshops that were established up to mid-2010 (38).

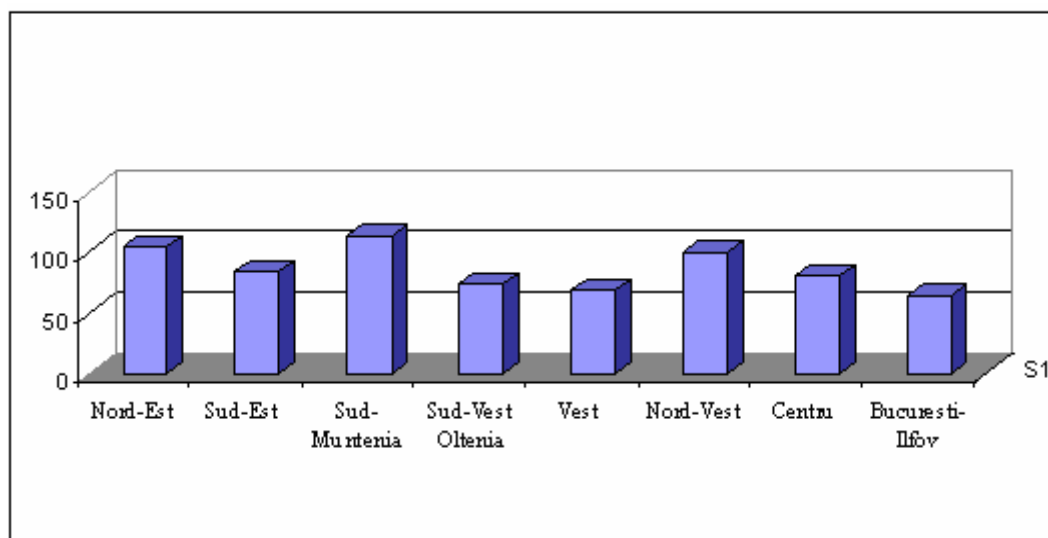


Chart no. 1.4. Distribution of sheltered workshops on development regions on 31 March 2012¹¹

As a result of the analysis of the two charts (chart no. 1.3. and chart no. 1.4.), an obvious discrepancy can be noticed between the number of individuals with disabilities that needed a job and the number of sheltered workshops established to serve their needs. The more individuals with disabilities in a certain development region, the fewer sheltered workshops, although it should be the other way around. Therefore the need for coordinating programs is obvious as well as adequate support policies and real help for the people with disabilities in order to integrate them into the labour market. To the extent that authorities will not take into consideration a coherent plan for coordinating the needs of the disabled with workplaces in sheltered workshops, losses will still be recorded both of human and economic type across the country. Moreover the potential of these establishments will not be fully exploited for the purpose for which they were set up but will be just an intelligent solution to evade taxes.

The activities carried out in sheltered workshops set up in Romania are very diverse and include the following:

- garment manufacturing, clothes ironing, stapling clothes (shirts, trousers, jackets etc.);
- specialized/general healthcare activities; other activities related to human health; counselling, treatment/home care, stress management, therapeutic massage, laboratory investigations, workplace medical care; manufacturing paper and cardboard articles; manufacturing brooms and brushes, manufacturing other products; retailing non-food commodities;
- services: cleaning houses/offices/commercial spaces, washing rugs/carpets/upholstery, vacuum cleaning and washing coaches and minivans;
- entertainment and recreation services (services related to organizing PAINTBALL and TEAMBUILDING by individuals and legal entities);
- services provided to small and medium sized companies in the following domains: personnel assessment and recruitment, planning, organization and management, project management, sales consulting;
- exterminating, disinfecting and pest control services;
- professional development training: Communication, Project Manager, Human Resource Manager, Training of Trainers; courses: Time Management, Leadership, Conflict Management, Leadership vs.

¹⁰ Low access of people with disabilities to labour market. Report drawn up by the experts of the Romanian Academic Society and the Motivation Foundation , p.10

¹¹ Counties and Bucharest General Directorates for Social Assistance and Child Protection.

Management, Personal Efficiency, SMART Management, Emotional Creativity and Intelligence, Communication and Team Work, Feedback and Assertive Communication;

- spa services;
- accommodation facilities for holidays and short periods, etc.
- bakery services
- printing services (business cards, publications, leaflets, posters, flyers, notebooks, handbooks, etc.)
- mobile teams (packages, loading/downloading products, parking line draw, maintenance, etc).

4. Conclusions

Among the various economic, social and political problems our society is currently facing, priority should be given to the integration of the disabled into the labour market since this category represents a *labour force resource* whose elimination could have adverse effects on several levels.

In this respect legislation revision is therefore needed in the view of identifying more efficient methods that would stimulate employers to offer workplaces to people with disabilities without providing the alternative of passive measures, i.e. paying certain amounts of money by the state budget, especially if these amounts are not a future resource of financing programs designed for the disabled. We can conclude that the quota system has been unsatisfactorily implemented in Romania, since it has not led to a satisfactorily level of employment for the disabled but it imposed a new tax that brings in money to the budget.

Since these revenues are included in the general budget, we do not know to what extent these funds are used for the disabled as labour market integration, as in most countries that apply the quota system.

Certain educational and professional development programs should be started both by employer and people with disabilities in order to facilitate their access to labour market to appropriate workplaces. Consequently the main factor that influences the employment of the people with disabilities is education. The lower level of education, the fewer chances of finding a job. The same applies for the rest of population but in the case of the disabled the percentage is higher.

More than 90% of those who have a disability complete only the 10th grade and do not have a job. For those with higher education this percentage drops to 40%.

Unfortunately the educational system in Romania poses serious challenges to this category of people. Integrated education is adopted by authorities as a rule but the theory is, however, rarely applied.

References:

1. Dobrota N., *Ocuparea resurselor de munca in Romania*, Editura Economica, Bucuresti, 2008
2. Nica E., *Strategii si politici de ocupare a fortei de munca in Romania*, Editura Economica, Bucuresti
3. Ponea S., *Olume diferita, o lume la fel – integrarea sociala a persoanelor cu dizabilitati locomotorii*, Editura Lumen, 2009
4. Nechita D., *The Communicative Character and Interpersonal Relationships*, The Annals of "Dunarea de Jos" of Galati, Fascicle I, Economics and Applied Informatics, year XIII, 2006, ISSN 1584-0409, pg. 85-88
6. Vilanuta, F., Nechita D., *The mutual investments in Romania + current developments and trends*, The Annals of "Dunarea de Jos" of Galati, Fascicle I, Economics and Applied Informatics, year XIX, 2013, ISSN 1584-0409, pg. 73-76
5. Institutul pentru Politici Publice, *Diagnoză a angajării în muncă a persoanelor cu dizabilități în România*, Studiu, Timișoara, 2011
6. OECD. (2006). *Sickness, Disability and Work: Breaking the Barriers. Vol.1: Norway, Poland and Switzerland*. OECD Publishing; OECD.
- (2007). *Sickness, Disability and Work: Breaking the Barriers. Vol. 2: Australia, Luxembourg, Spain and the United Kingdom*. OECD Publishing; OECD.
- (2008). *Sickness, Disability and Work: Breaking the Barriers. Vol. 3: Denmark, Finland, Ireland and the Netherlands*. OECD Publishing
7. Potrivit datelor existente pe sit-ul Direcției Generale Protecția Persoanelor cu Handicap la data 31 martie 2010: <http://www.anph.ro/tematica.php?id=13&idss=41>
d <http://www.anph.ro/tematica.php?id=13&id>
8. Ministerul Muncii, Familiei și Protecției Sociale <http://www.mmuncii.ro/pub/imagemanager/images/file/Statistica/Buletin%20statistic/2012/DGPPH%20trim%201%202012%20site.pdf>
9. <http://www.emplonet.ro/wp-content/uploads/2012/03/Ocuparea-persoanelor-cu-dizabilitati-tril-2011-ro-engl.pdf>
10. Accesul la piața muncii redus pentru persoanele cu dizabilități. Raport realizat de experții Societății Academice din România și Fundația Motivation, p.9