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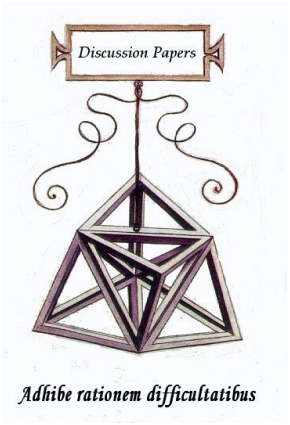

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How do different policy combinations affect the labour market attachment of disabled individuals? A review of the literature

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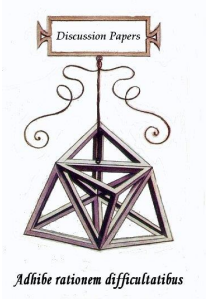


Asya Bellia

How do different policy combinations affect the labour market attachment of disabled individuals? A review of the literature

Abstract

The disability policies of different OECD member states have been converging since 1990, with benefits getting progressively less generous, a tightening of eligibility criteria and increased emphasis on active labour market policies. Literature on the impact of reduced benefits and activation policies on the employment of disabled people is inconclusive. However, most of it analyzes either active or passive policies. The present work focuses instead on the combined effect of different policies on disabled people's labour market attachment. Google scholar was used as a search engine and snowballing allowed to find additional papers. The literature was then scanned for relevance. Northern European welfare regimes are the most effective at employing disabled individuals, with Anglo-Saxon and Eastern European regimes are at the other hand of the spectrum. The Danish model of flexicurity has a negative impact on the labour market attachment of disabled individuals, but the Dutch model does not. The employment chances of disabled people increase with national employment rates. Conclusions can be drawn about which policy mix would increase the labour market attachment of disabled people with residual work capacity

Keywords: Disability, Welfare regimes, Flexicurity, Labour market attachment

JEL: I14, J08, J38, J70

Introduction

Disability policy must reconcile two potentially contradictory goals: labour market integration and income security. Disabled people must be empowered to engage in gainful employment, but they must also be provided with means to achieve an adequate standard of living, even if they are less productive than their nondisabled counterparts or unable to work[1]. The disability policies of different OECD member states have been converging since 1990, with benefits getting progressively less generous, a tightening of eligibility criteria and increased emphasis on active labour market policies (OECD, 2010; Scharle, 2015). The literature on the effects of reduced benefits and activation policies on the employment of disabled people is inconclusive. Some papers find that generous benefits act as a disincentive to work, others find no effect. Active Labour Market Policies (ALMPs) are sometimes found to increase employment chances. Most of the literature analyzes either active or passive policies, and there are no literature reviews on the effect of different institutional arrangements on the labour market participation of disabled individuals. The present work aims to fill this gap in the literature, by answering the following research question: "Which policies, combined, boost employment among disabled individuals?".

Methodology

Google scholar was used as a search engine and keywords related to welfare systems, disability, health and employment were entered. Snowballing allowed to find additional papers and discover the branch of the literature which analyzes the impact of flexicurity on the employment outcomes of disabled people. The literature was then scanned for relevance. Papers on health selection were onlyincluded if disability was taken into consideration as well. Papers that only analyzed the effect of one policy (e.g. employment protection) were excluded, as were those which focused on macroeconomic factors, such as economic recession. Several papers noted differences in employment rates across countries and tried to explain them referring to different institutional arrangements, but only those which explicitly considered institutional characteristics among the explanatory variables were included in this review. This process resulted in the selection of 14 papers which fall in three categories.

Works belonging to the first category address the issue of how different welfare systems (Esping-Andersen, 1990) affect employment outcomes of disabled individuals, either directly or indirectly. The advantage in cross-country comparisons between different systems lays in the persistency of such institutional arrangements, that are relatively stable over time. The main drawback stems from the fact that countries with different welfare systems differ in other respects as well, so that results need to be interpreted with some caution. Furthermore, comparing welfare systems does not allow to estimate separately the effect of active and passive policies on employment outcomes, as countries with generous benefits also invest heavily in Active Labour Market Policies (ALMPs) and vice versa.

Works in the second category analyze the impact of flexicurity on the labour market attachment of disabled individuals. Comparisons between countries that share many

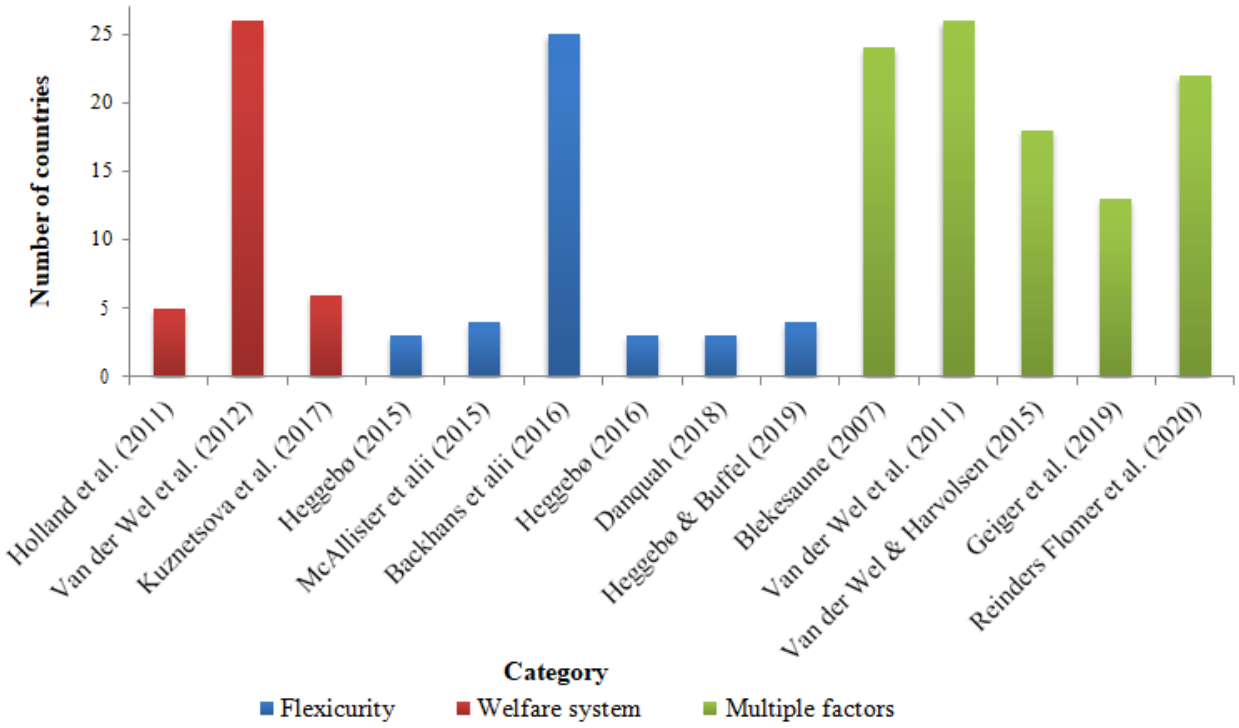
[1] https://read.oecd-ilibrary.org/social-issues-migration-health/transforming-disability-into-ability_9789264158245-en#page16

similarities but have differentlevels of employment protection (such as Denmark, Norway and Sweden) allow to disentangle the effect of a flexible labour market on employment, where disabled people are concerned.

Table 1 Synthesis of selected literature

Source	Research interest	Main findings
Blekesaune (2007)	Employment chances of disabled people	High employment rates increase employment chances of disabled people. The disability related employment gap is widest in the UK
Holland et alii (2011)	Employment chances of disabled people depending on education	The employment rate of disabled people is low in theUK and Canada, while the disability related employment gap is high. The opposite is true in Nordic countries, Disabled people with low education are at a disadvantage.
Van der Wel et alii (2011)	Odds of non-employment among disabled people depending on education	The social investment perspective is supported over welfare scepticism
Van der Wel et alii (2012)	Odds of non-employment among disabled people depending on education	The odds of non-employment among disabled people with low education are highest in Anglo-Saxon and Eastern regimes.
Heggebø (2015)	Employment chances of disabled people depending on education	There is health selection in Denmark, not in Norway or Sweden
McAllister et alii (2015)	Job retention & recruitment among disabled people depending on education	Flexicurity does not increase labour market attachment among disabled people with low education.
Van der Wel & Harvolsen (2015)	Employment commitment among disadvantaged groups.	Employment commitment is higher in more generous and activating countries.
Backhans et alii (2016)	Pathways to Return to Work for disabled people	Either flexibility or (better) security increases RTW, as long as the employment rate is high
Heggebø (2016)	Recruitment chances of disabled people or people in poor health depending on education	Recruitment likelihood is higher in Denmark than in either Norway or Sweden, but only for disabled people and people in poor health with high education
Kuznetsova et alii (2017)	Employment chances, benefit take-up & ability to make ends meet among disabled people	Nordic countries perform better than Baltic countries, but gender inequality is higher
Danquah (2018)	Likelihood of temporary employment among disabled people	Temporary employment among disabled people is more likely in Sweden, where temporary contracts are more widespread.
Geiger, Böheim & Leoni (2019)	Predicted employment among older people in poor health	Employment among older people in poor health In unaffected by disability policy reforms.
Heggebø & Buffel (2019)	Unemployment, inactivity and transitions in activity status among disabled people or people with poor/deteriorating health	Flexicurity has no impact on labour market outcomes of disabled people, people in poor or people whose health worsens.
Reinders Flomer et alii (2020)	Employment chances of disabled people	Neither generosity, nor activation affect the employment chances of disabled people, which increase with facilitation measures in daily life andsheltered employment. Supply-side activation measures are associated with reduced employment likelihood.

Figure 1 *Scope of the literature by category*



Lastly, the effect of several country level factors on disabled people's likelihood of holding a job is estimated. Chief among them are benefits and active labour market policies, but macroeconomic and demographic factors are taken into account as well. This makes it possible to understand which policies are actually effective when it comes to boosting the employment chances of those disabled people who are actually able to work, while not putting the disabled individuals who cannot hold a job at risk. The literature is summarized in **Table 1** and ordered chronologically. The literature spans thirteen years, from 2007 to 2020, with the greatest number of articles published in years 2015, 2016 and 2019. While a few scholars only contributed one work (e.g. Blekesaune, 2007), most contributed more, often with co-authors.

The histogram in **Figure 1** illustrates the number of countries each paper takes into consideration. Papers on flexicurity have the smallest geographical scope on average, with several of them including only the three Scandinavian countries. Works comparing different welfare systems include more countries, but are much fewer in number. Papers on multiple country level factors have the greatest geographical scope. Literature investigating the effect of welfare systems, flexicurity and multiple factors on the labour market attachment of disabled people will be reviewedin separate sections.

Welfare systems

Welfare regimes in Northern Europe are characterized by high benefits and high investments in ALMPs, while Anglo-Saxon and Eastern European regimes are at the opposite and of the spectrum, with Southern European and Bismarckian regimes occupying an intermediate position (Esping-Andersen, 1990; Ferrera, 1996).

Holland et al. (2011) formulate the following hypotheses: 1) Greater flexibility and labour market deregulation will result in higher employment rates for disabled people and for those with low education, 2) High decommodification will represent a disincentive to work for disabled people, 3) Investments in ALMPs have a positive impact on the employment rate disabled people. The authors use data from national surveys for year 2005 conducted in Canada, the UK, Denmark, Norway and Sweden. People are classified as having a limiting longstanding illness (LLI), i.e. being disabled, if they have chronic health conditions which limit them in daily activities or work. Individuals with low education are identified using the ISCED-97 classification (Organization for Economic Co-operation and Development, 1999). Hypotheses 1 and two are not supported. 1) A flexible labour market has no effect on the employment chances of disabled people and individuals with low education. 2) Disabled people have higher employment chances in countries characterized by more generous welfare systems. Hypothesis 3 is partially supported. 3) In Sweden and Denmark, which have high investments in ALMPs, disabled people fare better than in Canada and the UK. However, the employment rate of disabled is higher in Norway than in the UK, despite similar investments in ALMPs as a percentage of GDP. This suggests that ALMPs aimed at improving the working environment such as those pursued in Norway might be more effective than the supply-side policies the UK focuses on.

Van der Wel Dahl & Thielen (2012) compare the effect of different welfare systems on the employment prospects of disabled people, people with low education or both, stratifying their analyses by gender. The authors use EU-SILC data from 2005. Education is a categorical variable taking three possible values (low, medium, high) based on ISCED-97. Individuals have a Limiting Longstanding Illness (LLI) if they report a chronic condition which limits them in activities people usually do. Inequalities in the likelihood of non-employment based on disability and/or education are smallest in the Scandinavian regime, particularly for women. The regimes that performed worst, with the highest odds of unemployment for people with LLI and low education, are the Anglo-Saxon and Eastern regime. The Southern regime performed better than the Scandinavian regime in terms of absolute and relative inequalities in education.

Kuznetsova et al. (2017) compare the employment outcomes of disabled people in Nordic and Baltic countries, with the aim of understanding how effective different welfare systems are in granting disabled people the right to work (The United Nations, 2006, art. 27). The countries selected for the analyses are Estonia, Latvia, Lithuania, Denmark, Norway and Sweden. The data comes from EU-SILC, 2011. Disabled people have chronic conditions which limit them in activities people usually do. The authors take three outcome variables into consideration: employment, benefit take-up and ability to make ends meet. Disabled people in Baltic countries have lower employment rate, lower benefit take-up and a reduced ability to make ends meet compared to their Nordic counterparts. Disabled women have reduced employment chances compared to men overall, but this gap is considerably narrower in Baltic countries.

Flexicurity

The concept originated of flexicurity in the Netherlands, where employment protection for part-time workers was increased in the mid-90s. The Danish flexicurity model, on the other hand, combines reduced employment protection with generous benefits and an increased emphasis on ALMPs (Bekker & Mailand, 2018). Literature focusing on Scandinavia and that including other European regions are discussed in separate subsections.

Scandinavia

Heggebø (2015) investigates whether people in poor health are more likely to experience unemployment during an economic crisis and if Denmark, Norway and Sweden differ from one another when it comes to health selection. The author uses EU-SILC panel data for Denmark, Norway and Sweden, years 2008 to 2010. The outcome variable is an unemployment dummy. Poor health is measured by Limiting Longstanding Illness, a variable which identifies respondents with chronic conditions limiting them in "activities people usually do" for six months at least. Findings reveal health selection in Denmark, but not in Norway and Sweden.oreover, young people are more prone to unemployment in these two countries than in Denmark. The author notes that Danish flexicurity could explain health-based exit from employment. However, it might be the case that weaker employment protection resulted in more people with LLI being hired in Denmark when labour demand is high.

Heggebø (2016) hypothesizes that people with poor health have higher chances of gaining employment in Denmark compared to other Scandinavian countries, since employers can fire them quite easily if they are not a good fit for the job. He uses EU-SILC data for the period 2008-2011. Poor health is measured in two alternative ways: 1. low self-rated health, 2. limiting long-standing illness (LLI) . The variable "most recent change in employment" is used as a proxy of job recruitment. The Danish flexicurity model does not benefit people with poor health and/or LLI, for several reasons. Firstly, hiring probability is high only among highly educated people with poor health or LLI. This result is no way related to higher labour market flexibility, since the Danish labour market is more flexible only when it comes to low skilled workers. What is more, the interaction term between poor health and low education is greater in magnitude in Denmark than Sweden. Secondly, the employment rates of people with poorhealth or LLI found in Denmark are similar to those of Sweden, which experienced worse economic conditions. Thirdly, the health penalty is highest in Denmark. Finally, the higher recruitment probabilities of people with poor health or LLI in Denmark are due to temporary contracts being more widespread in general and an increased likelihood of being unemployed during economic downturns.

Danquah (2018) investigates the phenomenon of health selection into temporary employment in the Scandinavian context, testing the following hypotheses. H1) Workers with limiting long-standing illness are more likely to hold a temporary contracts. H2) Specific LLIs (i.e. allergies, neck and back pain, muscular and joint pain in the arm/hand, muscular and joint pain in the leg/foot, severe headache, stomach and digestion related conditions) associated with health selection into temporary work. H3) The prevalence of temporary contracts is

higher among young employees with LLI. H4) Health selection into temporary work is expected to be higher where temporary contracts are more widespread.–The hypotheses of Danquah (2018) are partially supported. When poor health is measured by LLI, it is indeed associated with a higher likelihood of temporary contracts specifically in Sweden, where such contracts are more widespread. When allergies, neck and back pain, muscular and joint pain in the arm/hand, muscular and joint pain in the leg/foot, severe headache, stomach and digestion related conditions are taken into consideration, however, there are no clear patterns across countries. A possible explanation is that the selected conditions may be easier to conceal during job interviews compared to paraplegia, blindness or other visible disabilities. Finally, young workers have greater chances of holding a temporary contract, but there are no differential effects on workers with LLI depending on age.

Europe

McAllister et al. (2015) investigate whether flexicurity is associated with higher retention or recruitment of individuals with LLI and low education. Furthermore, theyattempt to determine which characteristics of flexicurity, if any, lead to better employment outcomes for disabled people with low education. The authors compare the two flexicurity countries (Denmark and the Netherlands) to the UK and Sweden respectively. Employment protection for regular contracts presents considerable cross-country variation, but it is fairly stable over time. EPR is highest in the Netherlands, closely followed by Sweden. Denmark scores higher than the UK when it comes to EPR, even though employment protection for regular employees has been gradually increasing inthe British labour market from 2005 to 2010. Employment protection of temporary workers (EPT) has been dropping over time both in Nordic countries and in the Netherlands. Investments in both active and passive labour market policies have been falling since 2000 everywhere but in the UK, where they were extremely low to begin with. Sweden is characterized by the lowest inequalities in employment outcomes both by LLI and by education. The UK presents the widest gap in employment rates by LLI, but there is not much difference in employment outcomes by education. The employment rate gap between people with and without LLI is considerable in the Netherlandsas well, while it is wider in Denmark than in Sweden. Overall, flexicurity has no effect on the labour market attachment of disabled people with low education.

Backhans et al. (2016) hypothesize that flexicurity will translate into a higher Return to Work (RTW) rate for low educated people with activity limitations compared to both rigid labour market combined with high security and low social security accompanied by a flexible labour market. The authors use EU-SILC panel data from 2005 to 2010, adding national employment and unemployment rates as controls. Policy indicators on the four pillars of flexicurity (labour market flexibility, life-long learning, active labour market policies, social security) are only available for OECD countries and year 2008, therefore the analysis is restricted to 21 countries. Two different policy combinations lead to high RTW for disabled people with low education, if national employment rates are high. One includes high investments in ALMPs and security benefits for the elderly, in a context where people with activity limitations are mostly employed in the public sector. This policy configuration yields a RTW rate of 27% and has been adopted by all Scandinavian countries, as well as the Netherlands. The UK, Estonia and the Czech Republic adopted a slightly less successful (RTW = 19%) policy mix, where

both employment protection and welfare generosity are low. Thus, flexicurity is not really necessary when it comes to improving the RTW rates of disabled people with low education, as either flexibility or security are enough as long as employment is high.

Heggebo & Buffel (2019) aim at understanding if flexicurity reduces labour market exclusion of people in poor health. They compare Norway and Belgium, both characterized by high employment protection and generous social security, to Denmark and the Netherlands respectively. The latter have the same level of social security of their neighbours, but a more flexible labour market. They use EU-SILC 2010-2013 panel data on individuals aged 16-65. Three groups are considered: people with low self-rated health, individuals with LLI and those whose self-rated health dropped. People with LLI or poor health face less labour market exclusion in Norway compared to Denmark, which is characterized by a more flexible labour market. Conversely, labour market exclusion of people in poor health or with LLI is higher in Belgium than in the Netherlands, where employment protection is weaker. Therefore, ~~it~~ flexicurity has no effect on the employment prospects of people with poor health. However, people whose health worsens are more likely to be pushed out of the labour market in Denmark and similar employment outcomes in Norway and the Netherlands might be explained by different policy combinations. For instance, in Belgium the incapacity level required in order to qualify for disability benefits is higher, said benefits are more permanent and activation measures fewer compared to the Netherlands, which might explain why the latter country performs better than the former. To sum up, flexicurity, particularly if accompanied by weak employment protection, could reduce the labour market attachment of peoplewith poor or deteriorating health.

Multiple factors

The literature in this section investigates the impact of multiple factors on the employment outcomes of disabled people. Works focusing exclusively on social policies will be reviewed separately from those which take macroeconomic factors into consideration as well.

Social policies

Welfare sceptics argue that high welfare spending labour market regulations are detrimental to society. On the contrary, the social investment perspective maintains that social policies could enhance economic growth by providing individuals with the resources they would otherwise lack. Ifone assumes that disadvantaged groups are affected by different welfare arrangements to a comparatively higher degree, welfare sceptics would expect social inequality in sickness increase with greater State intervention. On the contrary, a welfare investment perspective would welcome State intervention as a way to reduce social inequalities. Using data from EU-SILC 2005, Van der Wel, Dahl & Thielen (2011) investigate how social inequalities in sickness change as a result of State intervention. Such inequalities are proxied by the non-employment rate of people with limiting longstanding Illness (LLI) and/or low education. State intervention is measured by four policy indicators: spending on labour market policies, benefit generosity, employment protection and income inequality. Income inequality is measured by the Gini coefficient. A business cycle indicator and GDP per capita are included as controls. Higher spending in ALMPs is associated with reduced social inequalities in

sickness. The same can be said about welfare generosity, whose effect is much stronger. Employment protection decreases the odds of non-employment among people with LLI and/or low education, but this effect is very small. On the contrary, higher income inequality is associated with increased social inequalities in sickness. Therefore, the authors find support for the social investment perspective.

Van der Wel and Harvolsen (2015) use data from the European Social Survey, year 2010, to analyze employment commitment among groups with a traditionally weak labour market attachment. The social investment perspective would predict higher employment commitment among marginalized groups in more generous welfare systems. One possible reason for this is that residents might feel a moral obligation to "reciprocate" the generosity of country they live through work. On the contrary, welfare sceptics believe higher State provision to foster cultures of dependency among individuals with weaker labour market attachment. Employment commitment is captured by how much the respondents agree with the statement "I would enjoy having a paid job even if I didn't need the money". Men, ethnic minorities and people with low education are found to have comparatively lower employment commitment. Self-rated health has no effect on employment commitment, while non-employed people are more committed to work than those who are dissatisfied with their job. Furthermore, employment commitment increases with welfare generosity and greater expenditure in ALMPs. However, inequalities in commitment between people in poor health and the rest are greater in generous and more activating countries, whereas the opposite is true for educational inequalities. To sum up, Van der Wel & Harvolsen (2015) find support for the social investment perspective.

Including macroeconomic factors

Blekesaune (2007) aims at identifying the most effective policies for boosting the employment chances of disabled people by comparing the performance of different European countries. Firstly, he investigates which dataset is most reliable when it comes to comparing disability prevalence rates across countries. Secondly, he examines the effect of a number of country-level variables on the employment chances of disabled people, including the employment rate of non-disabled people, national disability prevalence rates, national unemployment rates, commitment to compensation and integration policies and two measures of job security. In order to find the most reliable data for cross-country comparisons of disability prevalence rates, the author considers three European datasets: the Labour Force Survey (2002), the European Social Survey (2002-2003 and 2004-2005) and the European Community Household Panel (1994 to 2001). The ESS is characterized by the lowest country-level variation and the highest internal consistency, therefore it is selected for the subsequent analyses. The employment rate of disabled people is not affected by national disability prevalence rates. There is some evidence that the employment rate of disabled people is positively correlated with the general employment rate and negatively correlated with the unemployment rate. However, this correlation is zero when severely disabled people are considered. As regards job security, there is no evidence of a negative correlation with the employment rate of disabled people, but rather indication of a positive one. As for compensation and integration policies, the latter seem to be positively correlated with the employment rate of disabled

people (with a few exceptions), while there is a non-negative correlation between compensation policies and employment.

Geiger et al. (2019) acknowledge that there has been a general shift towards less generous and more activating disability policies in the last thirty years, at least in high income countries. They aim to understand the effect of such a change on the employment rate of older people in poor health, both in absolute terms and relative to their counterparts in good health. They use data from the English Longitudinal Survey of Aging, the Health and Retirement Survey (for the US) and the European Survey on Health, Aging and Retirement (waves 2004-2007 and 2012-2015). They perform Principal Component Analysis using measures of motor skills, functional disability, chronic diseases, self-reported health, body mass index and mental health. They compute separate health indicators for each country and estimates percentiles of health for each country-wave. Individuals in the bottom tertile of the health distribution are "in poor health". Geiger et al. (2019) conclude that benefit recipiency, job tenure, macroeconomic factors, changes in the nature of work and disability policy reforms cannot account for health-related gaps in predicted employment. It is important to note that the authors conflate poor health with disability. However, poor health does not make one disabled (The United Nations, 2006), meaning people with poor health are not necessarily the target of disability policies. Ignoring the difference between poor health and disability might lead to biased results.

Reinders Flomer et al. (2020) test the following hypotheses: 1) Greater investments on activation policies lead to better employment chances among the disabled population; 2) Both supply and demand side activation measures have increase the employment chances of disabled people; 3) Reduced passive benefits are associated with greater likelihood of being employed among disabled individuals; 4) More emphasis on facilitation measures in work and daily life improves the employment chances ofdisabled individuals. The analysis is organized in two steps. In the first, the hypotheses are tested using Eurostat indicators of labour market policy (2013) and social protection (2011). In the second step, OECD (2010) indicators on disability policies are used instead. The data comes from the EU Labour Force Survey of 2011. The first three hypotheses are not supported. 1) Aggregate activation measures have no significant effect on employment overall. Demand-side policies are ineffective, no matter how they are measured. 2) Disability specific supply- side policies are not statistically significant, while supply-side policies aimed at the general population have a negative effect on the likelihood of holding a job of disabled individuals. 3) Disability benefits in cash have no effect on employment. Hypothesis four is partially supported. 4) Facilitation measures in daily life increase the probability of holding a job among disabled people. As for facilitation measures in work, those aimed at helping disabled individuals find a job in the open labour market are ineffective, while sheltered employment programs appear to be successful.

Discussion

The present work aims at understanding which institutional arrangements are most effective in increasing the labour market attachment of disabled people to the labour market. Comparisons between different welfare regimes reveals that the employment rate of the target group is highest in

social-democratic systems (i.e. Northern European countries) than in either liberal or Eastern European welfare regimes. These findings support the welfare investment theory over welfare scepticism. Studies on health selection in flexicurity countries find health related labour market exclusion in Denmark, where employment protection is weaker, but not in the neighbouring countries. Dutch flexicurity, which provides higher protection for temporary workers, has no impact on the labour market attachment of disabled individuals. These results suggest that labour market flexibility might be detrimental to disabled workers and job seekers. When multiple policy indicators are taken into consideration, several works find both passive benefits and investments in ALMPs to have no effect on the labour market attachment of disabled individuals. The possibility that different policy combinations might lead to similar outcomes (Heggebø & Buffel, 2019) cannot be ruled out, but there are other possible explanations for the apparent ineffectiveness of active and passive employment policies.

As regards the latter, they might be too heterogeneous across countries to be comparable. Crucially, passive policies differ not only in terms of generosity, but also entitlement criteria (OECD, 2010). Such differences may be difficult to capture with a single indicator. However, it could be argued that disability benefits are actually meant to cover the additional costs associated with disability (Zaidi & Burchardt, 2005), which disabled people incur in whether they work or not.
Concerning ALMPs, one possible explanation for their general ineffectiveness is that investments in such policies as a percentage of GDP are very low all over Europe (Pignatti & Van Belle, 2018). However, it is worth considering different types of ALMPs in order to understand why many of them do not improve the employment prospects of disabled individuals.

Let us start with supply-side ALMPs. In several countries benefit recipiency is conditional to the participation in job training programs. Refusal to participate results in the permanent loss of benefits. If participants refuse a job offer during or after completing the program, they lose any right to benefits as well (Danquah, 2018). Job training programs that are designed this way cannot be expected to be particularly effective. On the one hand, disabled people who are unable to work will keep getting benefits once they complete the program. On the other hand, participants with residual work capacity are likely to be pushed into temporary or low quality jobs (Jones & Sloane, 2010; Jones et al., 2014), with detrimental effects on their future employment prospects. Another possible explanation for the ineffectiveness of job training programs is that they are often mainstreamed, i.e. targeted to both disabled and nondisabled people. This might result in creaming (with non-disabled

candidates selected over disabled ones), competition for jobs between disabled and non-disabled people who completed the program or even training programs which are not designed so as to be accessible to disabled participants (Hästbacka et al., 2016).
I will discuss three of the most widespread demand-side ALMPs: workplace accommodations (The United Nations, 2006, art. 2 and 27), quota systems (Fuchs, 2014) and sheltered employment (Visier, 1998). In several countries, workplace accommodations need to be paid for by employers, that should then be re-funded by the Government. However, public funding is often insufficient, meaning that some of the cost for reasonable accommodations is borne by employers (Jensen et al., 2019). Various authors (Agovino et al., 2019; Barnay et al., 2019) find that employment quota systems are ineffective because non-compliance penalties are too low. In fact, raising non-

compliance penalties is associated with increasing employment rates among disabled people (Wuellerich, 2010). Sheltered employment is the only effective ALMP, suggesting that disabled people are willing to work, but (potential) employers are reluctant to recruit them and/or provide them with workplace accommodations (Bellemare et al., 2018; Ameri et al., 2018).

Conclusion

Reductions in benefits generosity and tightening of eligibility criteria have certainly not increased employment among disabled people (Barr et al., 2010), though they might have diminished it. It appears that disability benefits recipients are either not able to work, or need benefits in order to engage with the labour market. Therefore, further benefit cuts are unadvisable.

Demand-side ALMPs that give incentives to potential employers to hire or retain disabled individuals need more funding (Clayton et al., 2012), and non-compliance penalties should be increased so as to make employment quotas effective, were they are in place. Moreover, higher investments should be devoted to job-training programs, especially those targeted specifically to disabled individuals. Furthermore, mainstream programs should be designed so that participants can access them regardless of ability. In order to be effective, both mainstream and targeted job training programs must enable disabled participants to secure quality employment, rather than push them into accepting the first job they can find. Thus, benefit entitlement should not be conditional on participating in job training.

Since disabled people appear to be "last hired, first fired" (Kruse & Schur, 2003), strong employment protection will increase their employment prospects, especially during economic downturns (Reeves, 2014).

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