

Disability Rights Commission, Wales

**Response to Economic Development Committee
Inquiry**

Economic Inactivity

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Introduction

The Disability Rights Commission (DRC) was created by statute in 1999. The Commission has a statutory duty to work towards the elimination of discrimination against disabled people and to promote equalisation of opportunities. The Commission also has a formal role in promoting good practice and to keep under review the workings of the Disability Discrimination Act

The Commission has given itself the mission of seeking to achieve a society in which all disabled people can participate fully as equal citizens.

Economic 'inactivity' and disabled people

Disabled people and people considered as 'long term sick' make up the largest proportion of 'economically inactive' people in Wales. Any attempts to tackle economic inactivity cannot ignore the challenge of engaging disabled people with the world of work and building the confidence of those that have been absent from the labour force for a significant period.

However, in tackling economic inactivity, we should be careful not to stigmatise disabled people not engaged with the world of work. This negative stereotyping has often occurred when reforms of Incapacity Benefit are discussed.

Almost half the disabled people in the United Kingdom of working age and currently deemed economically inactive have a desire to enter or return to work (according to research undertaken by Disability Alliance). Efforts to enhance skills and self-esteem may foster this desire amongst others although we recognise that doing so is a labour intensive process where short-term outcomes are harder to achieve.

Labelling people wishing to work as 'economically inactive' seems to be both negative and counterproductive. Many of the barriers

preventing entry/re-entry into employment are the responsibility of society and not disabled individuals. These include;-

- A relatively low wage economy making the transition from 'incapacity related' benefits into work a risky process
- Relatively poor attainment of educational and vocational qualifications by disabled people
- Limitations in transport and the built environment which reduce the scope of labour force mobility
- Similarly people also risk losing the social services support they receive and in some cases their housing by taking jobs. This is especially problematic for people with fluctuating conditions who may lose their 'floating funding' from their local authorities in taking up employment(
- The need to organise health and independent living packages which also limit the potential for relocation
- Available and attainable work is seldom located where the largest proportion of disabled people live
- Workplace discrimination and prejudice and fear of this based on previous experience.

It is also important to recognise that many 'economically inactive' disabled people who have little prospect of entering or re-entering the labour market (for reasons of age or severity of impairment) contribute enormously to their immediate circles of influence and their communities. They might do so for example through volunteering, pursuing an interest, or undertaking informal care enabling other family members to seek employment.

It is regrettable that economic indicators seldom recognise these 'informal' contributions to society by disabled people. The Treasury could be encouraged to place an 'economic value' on such contributions. This has already been attempted in relation to costing the value of informal care and the role of managing a household.

Engaging with the world of work - the facts

Economic inactivity figures are measured in relation to the whole population. On this basis, disabled people are nearly twice as likely

to be economically inactive. (44% as compared to 78% - 'Disabled for life – Attitudes towards, and experiences of disability in Britain, Department of Work and Pensions Research Report 2002)

Of the working population in Wales, 23% are considered to be disabled people as compared to an UK average of 18%. Between the late 1970s and the mid 1990s, the proportion on Invalidity (then Incapacity) Benefit doubled in Wales ('An overview of the Welsh labour market - Jones, Jones & Sloan, from Contemporary Wales 2003) . This is likely to be partly attributable to the decline of heavy industry and the emergence of industry related impairments such as physical impairments and respiratory conditions. Several commentators have noted a 'laissez faire' approach by Governments and GPs alike towards the claiming of Invalidity/Incapacity benefits in this period.

Concentrating more efforts in retaining and retraining disabled people immediately after the demise of these industries would have increased the likelihood of re-engagement with the world of work. The legacy of this 'laissez faire' approach was that many people were left to 'wither on the vine' of the Incapacity Benefit' system. Subsequently, fuelled by low self-esteem, many who first became economically inactive through physical impairments have also developed mental health problems. Meanwhile increasing numbers of new IB claimants have mental health problems from the outset.

With the notable exception of some enlightened schemes (such as the Shaw Trust's Personal Advisor Scheme), few concerted efforts have been undertaken to increase work readiness amongst long-term IB claimants (those on the benefit for 4 years or longer). Most Government initiatives have focused on new benefits claimants whilst they have been marketed as initiatives to tackle IB dependence in totality. This has dashed the raised expectation of support from long-term claimants and generated a needless culture of fear of stigmatisation amongst claimants who cannot presently engage with the world of work. Sensitivity in this policy area is paramount. 50% of claimants have been in receipt of IB for four years or longer (from research undertaken for the Shaw Trust by Dr Kevin Fitzpatrick).

Given the economic profile of Wales, it is unsurprising that inactivity rates amongst those aged 50+ are especially high. Interestingly, Wales has the highest proportion of working aged people aged over 50 but the lowest proportion in work compared to England and Scotland (Jones, Jones, & Sloan). Many in this group would be classified as having long-term illnesses or impairments. Given that an European Directive tackling employment discrimination for older workers is due for implementation in 2006, finding creative ways of engaging older people in the workplace is likely to be more of a challenge in Wales than elsewhere. The disincentives from taking up work by older workers on IB are especially acute.

Perhaps more surprising is the distinction in inactivity amongst younger people aged 16-24 where there has been a 12% rise in Wales as compared to virtually no change in England and Scotland (Jones & Sloan).

The geographic concentration of economic 'inactivity' in Wales is also of major concern. Five of the eight local authority areas in Great Britain with the highest proportions of Incapacity Benefit claims are located in the S Wales valleys (statistics obtained from the House of Commons library) In one Job Centre Plus area in S Wales for example, 1100 were on Job Seekers Allowance whilst 13,000 were on IB (Fitzpatrick quoted in Shaw Trust research). These 5 areas are all located in Objective 1 areas. A failure to effectively address the level of IB claiming in these areas is likely to have a detrimental effect on achieving one of the key measurement outputs in Objective 1 (namely increasing GDP). Reducing the GDP differential between Wales and the rest of Great Britain is also identified as a key indicator in the economic plan for Wales.

Interventions to increase self-esteem of disabled people and their work readiness are most welcome. The Government has also taken measures to reduce the disincentives to work take-up within the benefits system (although the low wage, lower skill economy in parts of Wales is proving especially problematic in this context).

However, employers, advisors, and a range of services indirectly associated with employment opportunities need to instigate changes too.

A survey by Leonard Cheshire Foundation. Microsoft and totaljobs.com for the whole of the UK found that three quarters of the 1,000 employers interviewed claimed to have no work opportunities for disabled people. A half of these claimed that their line of work was 'unsuitable' for disabled people. A number of false assumptions about disability are likely to be at play. (Interviews undertaken in 2002). An analysis of the ONE programme in 2001 should that only 37% of employers would consider employing a person with a mental health problem.

A survey of young disabled people aged 16-24 (GB wide, December 2002) commissioned by NOP for the DRC revealed that disabled young people were twice as likely to have no academic qualifications. A fifth had been actively discouraged from taking GCSEs.

Tackling inactivity through work readiness - some solutions

Co-ordinating action

One difficulty facing the Welsh Assembly Government is that many of the interventions that need to be contemplated to reduce economic inactivity are reserved matters for Westminster. In relation to the functions of the Employment Service and Benefits Agency and the need for a consistency of support, this is quite understandable. Tackling disability discrimination in employment and within employment support services is also a reserved matter.

However, the acuteness of the challenge of economic inactivity in the valley areas of Wales especially and the provision of assistance for mid to long-term claimants of IB have not been tackled in a systematic way or afforded the necessary priority.

We recommend the committee to ask WAG to raise concerns over economic inactivity and its economic impact in Wales with the Secretary of State

The Commission has been encouraged to learn of the co-operation that already exists between the Economic Development Committee and counterparts on the Welsh Affairs Select Committee.

We recommend that further co-operation between the two committees is needed on economic inactivity amongst people wishing to enter/re-enter the labour force. This should cover reserved matters such as employment and benefits policies, as well as devolved matters impacting on employability poverty, transport, education, and health/independent living which are devolved.

Rolling out the pilots

There have been numerous pilots looking at engaging disabled people with the world of work. Coverage within Wales has been variable, as have the success rates. However, the Commission has been especially impressed with the approach and early outcomes of the 'Pathways to Work' programme undertaken by Job Centre Plus in Bridgend and RCT. This project addresses work readiness amongst relatively new IB claimants

We recommend that committee members view this project either as part of this enquiry or within its anti-poverty remit. Pressure could also be applied to roll-out the project both geographically (to other valley areas) and in terms of depth of support (covering mid-term IB claimants)

Enhancing self-esteem

The Commission applauds the work of Potentia in encouraging self-employment and business start-ups by disabled people. We are also aware of the increasing role played by Broker Cymru in providing practical support in this area. However, there seems to be a void in the area of enhancing self-esteem amongst disabled people so that they feel more confident of taking up the opportunities offered by Potentia and others.

We recommend that the committee calls on the WAG to consult on a potential programme to enhance the self-confidence of disabled people and provide enhanced support services in engaging with the world of work.

Continuity of support

One of the key barriers facing disabled people entering work is the lack of continuity in support regimes. Support in schools is provided via the SEN statement. The small proportion of disabled people entering higher education can obtain a Disabled Students Allowance. Some entering further education are not entitled to this allowance and have to rely solely on the colleges to provide support. Once in work, disabled employees can obtain support through the Access to Work scheme. This Scheme is of critical importance but has its deficiencies. These were pointed out by the Commission in our submission to the Commons Work and Pensions Select Committee enquiry - Employment for All. However, there is no support for work placements. Neither is there any support in accessing technology at home to assist in the development of work readiness. We understand that support is available for home provision of this sort in England already but not in Wales

We recommend that the Committee bring together all agencies involved in the continuity of technical and practical support for disabled people in education, job searching, and employment.

We further recommend that organisations like IT Wales are involved in devising a strategy of providing technical support in the home for disabled people wishing to engage in the world of work. A network of technical experts should also be established to support the installation of home-based equipment

The qualifications void

Attainment of qualifications by disabled young people is still unacceptably low and we were most concerned to note the high proportion of disabled people discouraged from taking the most basic qualifications.

We recommend that the Committee brings this matter to the attention of the Minister for Education and Lifelong Learning citing the impact this has on potential entry of disabled people into further and higher education, and the increasing need in the Welsh economy to fill skilled vacancies.

Enhancing business support networks

Changing the culture and behaviour of employers to ensure that they are actively recruiting disabled employees is also of critical importance. For example, business advisors involved in the excellent WDA SME Equalities Projects have played a crucial role. In October, the small firms threshold within the Disability Discrimination Act will be removed. This means that firms employing less than 15 staff will be covered by the employment obligations of the Act (those employing more than 20 then 15 have been covered since 1996)

We recommend that the committee calls on WAG to ensure that disabled people and employers in Wales are aware of their current and forthcoming duties under the DDA. We suggest that adequate support be provided to the WDA SME Equalities project and other business advice agencies to undertake this work.

Achieving concerted change

The next major campaign that the Commission will launch in October will be on enhancing entry to the world of work for disabled people.

Given it's remit to address issues of economic inactivity and tackling poverty, we hope that the Committee will endorse and provide practical support to the campaign and encourage the WAG to do so/

only their current benefit levels, but also their housing. Housing benefit, funded by local authorities, covers supported housing and is jeopardised by employment. Some people moving from supported housing to independent living receive 'floating support' -