



## **Employment of Persons with Disabilities, including Quotas:**

# **Policy Options Paper**

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#### 1. Introduction

This paper is prepared by MCRB and AAR Japan at the request of the Rehabilitation Department, Ministry of Social Welfare, Relief and Resettlement (MSWRR) for discussion by the Sub-Committee on Employment.<sup>1</sup> It is intended to provide suggestions on how to give effect to Chapter 10 (Employment) of the 2015 Law concerning the Rights of Persons with Disabilities with the aim of encouraging and facilitating companies to employ more persons

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<sup>&</sup>lt;sup>1</sup> The employment sub-committee was formed on 3<sup>rd</sup> Dec with the notification (98/2019) by the Chair of the National Committee on Rights of Persons with Disabilities.

with disabilities and introducing credible policy and regulatory measures for this. This will enable the Sub-Committee to make recommendations to the National Committee.

This paper also draws on desk research from international experience, and discussions held in the Multistakeholder Forums on disability and employment held by MCRB, ILO and AAR Japan in November 2017 and March 2019. It is intended as input for debate and does not represent the views of MCRB/AAR Japan's donors nor other stakeholders.

Although this paper mainly examines the option of quotas, it is important for the Committee and the Myanmar government to take into account <u>all</u> necessary measures to promote employment of persons with disabilities, regardless of whether a quota is set. Employers need to be committed to employing persons with disabilities, and to see them as an asset.

All participants at the 2017 and 2019 Forums focussed on the need to **build an enabling environment** for employment of persons with disabilities including:

- a) **awareness-raising** on the rights of persons with disabilities, and existing policies, laws and regulations outlawing discrimination. This should be targetted at government departments, businesses and the general public;
- b) **implementation of existing policies, laws and regulations** to ensure non-discrimination in particular:
  - o access to education and vocational training
  - o accessible public transport system
  - o acceleration of the roll-out of a registration process for persons with disabilities
  - combatting discrimination in recruitment, employment and promotion in all forms of employment (government, private sector and non-government)
- c) **activities and programmes to increase employability** and employment of persons with disabilities including:
  - o databases of persons with disabilities seeking jobs, job fairs and job matching
  - o programmes on skills and self-confidence, job coaching, job placement and job readiness
  - o incentives and recognition for companies which are more disability inclusive.

Practical suggestions to support these measures are contained in the bilingual Employing Persons with Disabilities – A Handbook for Employers in Myanmar (2018).

MCRB and AAR Japan believe that the above actions will significantly enhance the employment of persons with disabilities and must be pursued regardless of whether a quota is set.

# 2. Myanmar Legal and Policy Framework for Employment of Persons with Disabilities

#### Legal Framework

In December 2011, Myanmar ratified the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). Myanmar is also a signatory of the Bali Declaration on the Enhancement of the Role and Participation of Persons with Disabilities as part of the ASEAN Decade of Persons with Disabilities (2011-2020) and the Incheon Strategy to 'Make the Right Real' for Persons with Disabilities in Asia and the Pacific (2013-2022).

In 2015, the Government enacted the Law on the Rights of Persons with Disabilities to implement the UNCRPD. Chapter 10 covers "access to employment for persons with disabilities" and puts obligations on employers. The 2015 Law makes it illegal to discriminate on the grounds of disability in relation to employment. This is something many employers, both public and private sector appear to be unaware of.

The Law also provides for the possible introduction of a compulsory requirement for companies to employ a quota (percentage) of persons with disabilities. The quota level would be set by the National Committee, but the Committee has not yet done so. Failure to meet the quota could result in fines to be paid to a fund for protecting the rights of persons with disabilities. The Law also provides for the possibility of tax incentives if an employer employs more than the quota.

Chapter 8 of the December 2017 bye-laws contains provisions on promotion of employment for persons with disabilities. The roles and responsibilities of the National Committee (established September 2017) are to:

- o coordinate with government organisations, private businesses and other relevant organisations;
- facilitate the establishment of specialized vocational training schools and the inclusion of persons with disabilities in vocational training; and
- o facilitate job coach training programme, on-the-job training, and skills development training.

The employer is required to report quarterly to the township labour offices on how many employees with disabilities have been employed, as well as any vacant positions. They are also required to make necessary adjustments to 'reasonably accommodate' persons with disabilities at the workplace. The chapter also includes a detailed process explaining how an employer who cannot meet the quota should contribute a designated amount to the national/government fund for protection of the rights of persons with disabilities.

In September 2019 the UN Committee on the Rights of Persons with Disabilities adopted its Concluding observations on the initial report of Myanmar under the CRPD. Concerning Myanmar's implementation of Article 27 of the Convention on Work and Employment, the Committee (para 51) expressed concerns about:

- (a) Discrimination against persons with disabilities regarding employment, including unequal treatment in recruitment, the denial of reasonable accommodation, lower salary scales and less favourable employment benefits;
- (b) The absence of effective incentives and specific measures to promote the inclusion of persons with disabilities in the open labour market, both in the public and private sectors;
- (c) The lack of data, disaggregated by age, sex, disability and level of employment, on persons with disabilities in employment.

The recommendations of the Committee (para 52) are in Section 6 below and should be taken into account by the sub-Committee on Employment.

#### 3. Myanmar policies on employment of people with disabilities

The Myanmar Sustainable Development Plan (MSDP) (Action Plan 4.1.6) commits to enabling greater access to TVET (Technical and Vocational Education and Training) <sup>2</sup> for underrepresented groups, including disadvantaged populations and people living with disabilities. Action Plan 4.1.3 includes a commitment to expand education access.

The Ministry of Social Welfare, Relief and Rehabilitation (MSWRR), with the support of UNICEF, is drafting a national strategic plan to implement the "ASEAN Enabling Master Plan 2025: Mainstreaming the Rights of Persons with Disabilities" adopted at the 33<sup>rd</sup> ASEAN Summit in November 2018. This Masterplan builds on the ASEAN Socio-Cultural Community (ASCC) and ASEAN Economic Community (AEC) Blueprint, particularly the ASEAN Enabling Master Plan's key action points (AEC 9, 10, 11 and ASCC 25, 26).

The Myanmar National Strategy for Development of Persons with Disabilities (2016-2025) links to the MSDP. One of the prioritized areas is employment. The National Strategy outlines that there is a need to recognize the persons with disabilities in various sectors to enable persons with disabilities to participate equally in society through:

- o Interagency cooperation with all relevant organisations
- Empowerment of persons with disabilities and Disabled Peoples' Organisations (DPOs)
- Providing training to bring about skillful and qualified disability experts
- o Developing disability inclusive infrastructures, practices, systems and policies in Myanmar
- Ensuring full participation of persons with disabilities in social, political, cultural, economic and public sectors of the nation
- Ensuring job placement and upgrading of the vocational training sector for persons with disabilities
- Increasing job opportunities for persons with disabilities based on capacities

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<sup>&</sup>lt;sup>2</sup> http://www.tvetmyanmar.gov.mm/en/training-schools/

#### 4. Feasibility and effectiveness of introducing a quota in Myanmar

The question of whether or not Myanmar should adopt a quota for employment with persons with disabilities, and if so, how, needs to be addressed by the National Committee, in order to implement Chapter 10 of the Law. While the trend in ASEAN is generally towards having a quota, there is no evidence that this is more effective than not having one, in terms of getting persons with disabilities into meaningful employment (see Annex).

The Committee needs to consider:

- a) Whether a quota will be a credible and effective policy measure for Myanmar, based on international experience and local context?
- b) What are the prerequisites for a successful quota, and are they are in place?
- c) If a quota is introduced, employers should apply it to specifically:
  - o the public sector, including
    - o the armed forces
    - state owned enterprises
    - education
  - o the private sector, including
    - o large companies and their sub-contractors
    - small and medium sized enterprises (SMEs)<sup>3</sup>
  - the non-government sector such as international and local non-government organisations (NGOs)
- d) What should the level of quota be?
- e) When/how should it be introduced?
- f) Should there be alternatives to direct employment to allow employers to fulfil the quota, such as. contributions to organisations supporting persons with disabilities and to disabled people's organisations (i.e. led and run by disabled people themselves).
- g) Should there be sanctions/fines? If so, what?
- h) Should there be incentives? If so, what?
- i) How to avoid/prevent corruption and fraud in a quota system?

#### How many persons with disabilities in Myanmar would be helped by a quota?

Myanmar's 2014 census showed that persons with disabilities aged 15-64 years are less likely to be participating in the labour force compared to those without a disability. Only 47.2% of those with a mild walking disability participate in the labour force, compared to 67.6% of those without a disability, a 20% gap.

A compulsory quota can only be applied to those in formal employment. The 2015 Labour Force Survey (LFS) identified around 5.2 million of the population as being in formal employment. However, the majority of these will be in the public sector.

<sup>&</sup>lt;sup>3</sup> There are 12 different employee thresholds in the Myanmar SME Law alone, and these are not consistent with the definition of 'small' in the Myanmar Companies law.

Furthermore, most companies in Myanmar are SMEs. For the purposes of this paper, we guesstimate that there are 1.3 million workers in the public sector<sup>4</sup> and 1,500,000 workers in large private sector enterprises which have more than 100 employees and NGO employment. Of these 1.1 million are in the garment sector, mostly in Yangon<sup>5</sup>.

Applying a 2% guota to these figures (2.8 million) would mean that 26,000 persons with disabilities could find formal employment in the public sector, and 30,000 in large private sector organisations, that is a total of **56,000** persons with disabilities.

These figures are given only as a rough estimate. Further research is needed on:

- numbers of the jobs in public sector, and in larger organisations above a certain threshold (and locations).
- how many persons with disabilities are already employed by the public sector and large private sector organisations, and in what capacities and locations
- how many persons with disabilities are in self-employment and informal employment
- Preferences of persons with disabilities for employment and concerns.

#### Numbers of job seekers with disabilities

Some organisations, including AAR Japan, Myanmar Independent Living Initiative (MILI), Myanmar Physically Handicapped Association (MPHA), Myanmar Federation of People with Disabilities (MFPD) and Shwe Minn Thar Foundation Myanmar, maintain databases of those with disabilities whom they are helping or have helped to get into work. In recent years they have helped around 556 persons with disabilities to find employment, with more than 861 jobseekers currently on their database (see Figure 1).

These figures show that there are only a small number of job seekers who are actively seeking help from such organizations, possibly due to resource limitations and geographical scope of these organisations

The 2014 Census data, and in particularly Appendix 1, Table A 1.15 of the Thematic Report on Labour 6 provides more detailed data on the number of persons with mild, and moderate/severe disability in ordinary households, and whether they are employed, unemployed or inactive. Persons with disabilities are classified by Seeing, Hearing, Walking and Remembering difficulties. The census notes that most persons with disabilities are employed in primary industries (agriculture, forestry and fishing) but also notes that for persons with disabilities, much of the information about industrial sector was not provided so further industry analysis would be misleading<sup>7</sup>.

<sup>&</sup>lt;sup>4</sup> In the 2014 Census, 1,347,086 people reported working as a 'government employee' Thematic Report on Labour Force", Volume 4G 2014 Census p XIV.

<sup>&</sup>lt;sup>5</sup> https://investmyanmar2019.com/garment-industry-cmp/myanmars-garment-industry/

<sup>&</sup>lt;sup>6</sup> "Thematic Report on Labour Force", 2014 Census

<sup>&</sup>lt;sup>7</sup> Page 106, Ibid

Figure 1 Number of job seekers/persons employed in recent years, based on information from the main organisations offering training and coaching services to persons with disabilities

Organisation	Job Seekers	Employed (Private Sector)	Year
Association for Aid and Relief Japan (AAR	131	120	2016
Japan)	114	107	2017
	115	105	2018
Myanmar Independent Living Initiative (MILI)	103	50	2016 - 2019
Myanmar Physically Handicapped Association (MPHA)	70	50	2010 - 2019
Myanmar Federation of Persons with Disability (MFPD)	75	37	2016 – 2019
	75	23	2016
Shwe Minn Tha Foundation (Myanmar)	85	19	2017
Silwe Willin Tha Foundation (Myaninar)	45	23	2018
	48	22	2019

Table 3.6 of this thematic report (reproduced as Figure 2 below) analyses their activity status compared to the population without disabilities. Data is contained in Table A 1.16 of the report. This shows that while persons with disabilities are employed in public and private sector organisations, this is at a lower rate than the population with no disability. However, where they are active in the labour market, they are more likely to be an employer themselves, or an 'own account worker'.

Figure 2 2014 Census data on type and degree of disability by activity status

17.5 0 9.4 9.0 2 3.1 0.3 0.1 23.9 44.7 6.1 0.1 4.5 1.5 6.2 0.4 1.7 25.3 37.8 8.6 3.6 4.2 1.3 8.8 5.7 1.3 6.7 0.3 0.2 1.2 14.4 1.8 0.3 13.6 33.9 5.7 9.0 0.1 2.5 12.1 1.2 14.4 1 1.8 0.3 13.6 33.9 5.8 0.4 0.1 2.5 Percentage of persons aged 15-64 in conventional households by type of disability by degree of disability by sex by activity status, 2014 Census\* 9.1 16.2 97 9.0 1.7 2.0 33.6 0.3 7.2 0.8 4.7 5.3 97 2.4 2.3 21.5 38.1 6.7 1.2 8.3 7 12.7 5.8 11.3 18 4.3 23.5 8.0 0.3 1.4 38.5 6.4 0.3 1.9 23.0 4.7 3.0 1.8 29.4 7.3 4.2 1.9 4.4 0.8 0.3 No disability 8.1 2.9 0.5 14.4 1.4 4.5 0.7 0.3 5.3 24.9 4.0 8.1 2.9 0.5 14.4 1.4 4.6 0.5 0.3 5.2 Pensioner, retired, elderly person Pensioner, retired, elderly person are presented in Appendix 1, Table Al.16. Contributing family worker Contributing family worker Employee (government) Employee (government) Employee (private, org) Employee (private, org) Own account worker Own account worker Did not seek work Did not seek work Full-time student Full-time student 14.8 Household work 9.6 Household work Other Inactive Other Inactive Sought work Sought work Other active Other active III, disabled III, disabled 49.6 2.8 1.0 0.3 2.4 6.0 0.2 0.2 19.5 3.4 9.0 2.1 9 36.7 3.6 4.7 0.1 0.2 1.2 3.0 0.2 0.2 41.6 0.1 Moderate/ Severe disability derived 1.8 6.0 0.4 0.1 31.2 33.9 3.6 0.2 2.7 3.4 1.5 8.6 5.0 0.3 24.5 42.9 9.0 12.1 1.2 0.2 0.1 The absolute numbers from which the percentages in this table have been 5.4 14.4 1 1 0.3 13.8 33.9 0.5 0.1 2.5 1.8 13.6 34.0 5.5 0.3 0.1 12.2 1.2 12.2 1.2 14.4 0.3 14.9 2.6 0.7 0.4 1.6 1.2 39.1 20.4 0.2 6.2 4.2 1.8 2.3 9.0 1.6 42.7 0.2 3.1 8.3 0.5 1.2 29.7 9.9 31.0 8.0 0.3 1.0 28.4 3.9 0.4 5.6 0.9 1.5 13.0 14.2 3.0 1.2 2.7 10.2 4.5 21.0 3.3 0.5 1.6 34.6 0.3 3.0 0.5 1.4 5.3 4.0 4.0 8.2 14.6 4.3 0.7 0.3 25.0 29.2 8.1 2.9 9.5 14.5 1.4 4. 0.4 0.3 Pensioner, retired, elderly person Pensioner, retired, elderly person Contributing family worker Contributing family worker Employee (government) Employee (government) Employee (private, org) Employee (private, org) Own account worker Own account worker C) Wall Did not seek work Did not seek work Full-time student Full-time student Household work Household work Other Inactive Other Inactive Sought work Sought work Other active Other active III, disabled III, disabled

Census data in Figure 3 shows 72,773 persons with disabilities who are either seeking jobs or are full time students (over 15) who potentially will seek jobs after study (52,814). If full time students are excluded, the total number of job seekers with disabilities was 19,959.

Table 3.6

Figure 3: Number of population aged 15-64 in conventional households by type of disability by degree of disability by two activities

		Male		TOTAL	
Type of Disability	Mild disability	Moderate or severe disability	Mild disability	Moderate or severe disability	
Visual impairment					
Sought work <sup>8</sup>	3,863	490	2,225	238	6,816
Full-time student <sup>9</sup>	5,743	1,075	7,424	929	15,171
Hearing impairment					
Sought work	1,796	532	952	257	3,537
Full-time student	4,314	933	3,847	830	9,924
Walking impairment					
Sought work	2,641	664	1,038	268	4,611
Full-time student	4,397	1,794	3,889	1,237	11,317
Difficulty in remembering or concentrating					
Sought work	2,605	853	1,162	375	4,995
Full-time student	7,287	2,157	5,403	1,555	16,402
Total 'sought work'					19,959
Total full-time students					52,814

The 2014 census data gaps for employment and activity of persons with disability underline the need for more research into:

- how many persons with disabilities are already in the labour force and in which organisations, including public sector and private sector;
- what their skills, location and employment preferences are;
- how many are seeking jobs and how many will enter the labour force in coming years; and
- whether a quota system for formal employment is appropriate to address those (given that it will mostly apply to large employers in urban areas), and if so at what level.

 $<sup>^8</sup>$  'Sought work' is defined as 'Not employed, available for work and looking for work'  $^9$  "Thematic Report on Labour Force", 2014 Census pp 182-183

#### What are the pre-requisites for establishing a quota system?

Before considering whether a quota system should be introduced, particularly one with penalties, it is important also to analyse the enabling environment, and identify and take action on the gaps that needs to be addressed to increase employment of persons with disabilities. Discussions in the 2019 Multistakeholder Forum identified a number of issues that need to be addressed to introduce a credible quota system:

Issue	Required or Desirable?		Status				
Early life/Education							
Registration of persons with disabilities	Required		The 4 <sup>th</sup> meeting of the National Committee in July 2019 discussed registration <sup>10</sup> and MSWRR and UNICEF announced that they would jointly draft categories of classification subject to approval by the Ministry of Health and Sports <sup>11</sup> . Since mid- 2019, pilot assessment questionnaires for registering persons with disabilities were being tested in Hlaingthaya township, Yangon Region, Nyaunglaypin Township, Bago region, and Hpa-an Township, Karen State. <sup>12</sup> As part of the pilot project, the National Committee on the Right of Persons with Disabilities and Ministry of Social Welfare Relief and Resettlement conducted 'Teacher Training on Disability Assessment and Registration' in Hlaingthaya on 16-19 Dec 2019.				
Accessible primary and secondary	Required		2014 Census reported 4.7 million children aged 5-9 years, of whom 11,000 had moderate and 11,000 children had severe disabilities and a further 3.9 million children between 10-13 years of whom 10,600 had moderate and 9,400 with severe disabilities.  Currently, around 67% of children with disabilities do not attend school (compared to 19% without disabilities). In 46 cases, children with disabilities were refused admission to schools. On 24 July 2019, Minister of Education emphasized the need for an inclusive mainstream education system. <sup>13</sup> This academic year, (2018-2019) there are 843 children with disabilities in primary, 352 in middle and 86 in high school (total: 1281) in Kachin, Mandalay, Sagaing and Yangon. <sup>14</sup>				

<sup>&</sup>lt;sup>11</sup> Myanmar President Office <u>Three-stage process to identify persons with disabilities for pilot project</u> 6 Dec 2019. <sup>12</sup> MSWRR (2019) <u>လူမှဝန်ထမ်း၊ ကယ်ဆယ်ရေးနှင့် ပြန်လည်နေရာချထားရေးဝန်ကြီးဌာန</u>.

<sup>&</sup>lt;sup>13</sup> MITV Rights Of PWD: Coordination Meeting Held For Drafting National Action Plan 28 April 2019.

Tertiary level training and skills						
Tertiary level Technical and Vocational Training and Education (TVET) and skill development	Required	kills	Since 2018, applications from persons with disabilities are accepted at government TVET schools to mainstream persons with disabilities access vocational training, but outreach is needed through DPOs to persons with disabilities. In June 2019, the Ministry of Industry discussed with the Department of Rehabilitation about opening a vocational training school to offer basic industrial training for persons with disabilities. Mobile training service will also be provided. They intend to start with 30 trainees for 2 weeks starting with electrical training, welding, and fixing motorcycle used in farming. The budget will mainly come from the Ministry of Industry. Department of Rehabilitation is responsible to recruit trainees with disabilities and ensure their safety and accessibility to the			
Sufficient qualified disabled candidates	Required		training. <sup>15</sup> Since persons with disabilities are discriminated in education, 10 <sup>th</sup> standard or graduate degrees are often a requirement for formal employment. If there are insufficient candidates under a quota system with penalties, employers will resent being forced to pay a fine for failure to find candidates with basic qualifications.  Alternatively, employers should be encouraged to rethink requirements for minimum paper qualifications and focus on ability.			
Accessible w	orkplaces					
Accessible transport particularly in urban areas	Required		Ministry of Construction has proposed a pilot project on accessibility for persons with disabilities in public places including gardens and central markets in Naypyidaw. <sup>16</sup> MFPD has discussed accessibility for different categories of disabilities.			
Assistive technology: particularly Unicode/MM Screen reader Jobseeker Database	Required for visual impairment  Desirable		A Unicode font screen reader is in beta-testing <u>(see myanmaratc.org)</u> . Users in Yangon are starting to use it, but it still needs to be improved to be user friendly, and has not yet reached remote areas. Furthermore, despite recent campaigns to switch to Unicode, many Myanmar use Zawgyi font which is not screen-readable.  Some local groups maintain databases (see above).			
Job coaching and support	Desirable		Limited services are offered by AAR Japan, SMTF, MPHA, MFPD, MILI, and TLMM.			

 $<sup>^{15}</sup>$  Minutes of 1st meeting of the Employment Sub-committee in Naypyidaw on 6th Aug 2019.  $^{16}$  Facebook page, *Prof Win Myat Aye*, 25 June 2019.

Societal and	Desirable	At the 2019 Forum identified cultural barriers including		
cultural		over-protective family members discouraging persons with		
change		disabilities from going out to work		

#### 5. An incentive based approach in Myanmar?

#### Tax

Chapter 10 of the Law, Article 35(c) provides for the National Committee to coordinate with relevant tax and other authorities to arrange tax exemptions on donations from overseas, not for profit import of equipment for persons with disabilities, products made by persons with disabilities or of products made from businesses set up by persons with disabilities. It also provides for the option of companies and other organisations obtaining tax relief if they exceed a specific quota of employees with disabilities.

The experience of other countries in Annex shows a variety of exemptions and deductions including costs of wages, training, costs of providing 'reasonable accommodation' etc. However, experience shows that tax exemptions are not always effective as an incentive, and depend on their design and the size and location of the employer. Furthermore, given low levels of tax compliance in Myanmar and inconsistency in application of tax law, an approach based on tax exemptions may not be successful in Myanmar in incentivizing employment of persons with disabilities or businesses established by them.

Research is needed with businesses in Myanmar on what measures, if any, would incentivise greater employment of persons with disabilities.

In the meantime, the option of tax incentives should be discussed with the Internal Revenue Department, particularly in light of the forthcoming revision to the Income Tax Law.

#### Other forms of incentives

Other incentives used in countries with quotas include grants and subsidies for taking on employees with disability, training and equipment subsidies, reduced social security payments, greater access to loans and land, and even questionable incentives such as temporary immunity from labour law inspection and reduction of minimum wage.

Recognition of good performance in the form of awards or buyer preferences is another form of incentive. In Bangladesh, buyers in the garment sector have actively sourced from suppliers with their own targets for employing persons with disabilities.

#### 6. How do other countries promote employment of persons with disabilities?

A short overview of other countries' approaches is in the Annex based on online research and experience shared at the 2017 and 2019 Multi-stakeholder Forums.

In all countries, the employment rates of persons with disabilities are lower than for the non-disabled persons population. Some countries have compulsory quotas, which is perceived as taking on a 'charity-based' approach towards disability. Others do not, and some cases claim to adopt a 'rights-based' approach with legislation focused on non-discrimination<sup>17</sup>.

Much of mainland Europe and some Asian countries have quotas, and in some cases with a penalty. Germany introduced the quota system in 1919 to support disabled war veterans and war victims. Most Scandinavian and Anglophone countries do not have a quota but opt for an approach based on non-discrimination and various forms of support or incentives, and active labour market measures such as job training.

Neither approach is fully successful at ensuring employment of persons with disabilities. For example, of the two countries with a stronger record in employing persons with disabilities, one (Japan) has quotas, and one (Australia) does not. There were controversies in both countries recently related to disability laws, where it was found that laws were being misused, abused and/or ignored. The UK, without a quota has an employment rate of persons with disabilities as 51.7%, one of the highest in the world.

Experience shows that although quotas can increase numbers of people employed, they do not necessarily lead to fulfilling employment, particularly if employers employ them in stereotypical low-skill work to 'tick the box', or they are employed in 'sheltered workshops'. Quotas also contribute to disability-related stigma, and the attitude that if employers must be forced to employ them, they must be unemployable. Some quota systems are prone to creating 'fake employment', where persons with disability are put on the payroll but do not actually work.

In many countries with quotas and penalties listed in Annex, the majority of companies choose to pay a fine rather than recruiting persons with disabilities. This is therefore perceived as a further tax burden.

In countries where funds from penalties are passed on to disability associations, these associations grow dependent on receiving these funds. They therefore have an incentive to retain a quota system even if it is failing to provide quality jobs for persons with disabilities.

Penalties – and incentives - also open up opportunities for corruption for example, through faking disability certification of employees.

<sup>&</sup>lt;sup>17</sup> iGlobal Law, London-based Law Firm, <u>The World and Disability: Quotas or No Quotas?</u>, December 11, 2013.

#### 7. Implications for Myanmar: Options for the National Committee

The Committee needs to consider whether to proceed with preparations to adopt a quota system in Myanmar, or defer this, possibly temporarily until a better enabling environment is in place. The UN Committee on the CRPD has **recommended** that:

- a) Myanmar adopt and implement laws and policies to eliminate discrimination against persons with disabilities, including the denial of reasonable accommodation in employment in the public and private sectors to ensure the provision of individual accommodations, and provide adequate training to employers;
- b) Take effective affirmative action measures to increase the rate of employment of persons with disabilities particularly women and youth with disabilities, in the open labour market, and promote measures to ensure that the open labour market is inclusive and accessible; and
- c) Provide, in its next periodic report, data disaggregated by age, sex, disability and level of employment on the progress made over time in inclusion of persons with disabilities in employment in the public and private sectors.

The UN does not take a view on whether quotas are necessary, but encourages effective affirmative action to fulfil the rights of persons with disabilities with regards to employment.

To achieve this, the National Committee has two overall choices:

#### Option 1: Defer quota system and focus on enabling environment

- Defer action on setting a quota until a later date and focus on the various actions necessary
  to improve the enabling environment for employment of persons with disabilities (see
  Introduction) specifically:
- a. **awareness-raising** on the rights of persons with disabilities and existing policies, laws and regulations outlawing discrimination. This should be targetted at government departments, businesses and the general public;
- b. **implementation** of existing policies, laws and regulations to ensure non-discrimination in particular:
  - access to education and vocational training
  - o accessible public transportation
  - acceleration of the roll-out of a registration process for persons with disabilities
  - combatting discrimination in recruitment, employment and promotion in all forms of employment (government, private sector and non-government)
- c. activities and programmes to increase **employability** and employment of persons with disabilities including:
  - o databases of persons with disabilities seeking jobs, job fairs and job matching
  - more training program on skills, job placement, job readiness, job coaching and self-confidence
  - o incentives and recognition for companies which are more disability inclusive (without tying this to their exceeding a specified quota)

# Option 2: In addition to improving the enabling environment, conduct a consultation on introducing a quota system

Employers in the public and private sector currently have little awareness about disability and their obligations not to discriminate. In order to explore the feasibility of implementing a quota system in Myanmar, a thorough structured and open 'Green Paper' style public consultation is needed with employers (businesses and NGOs) and DPOs. Based on international good practice, such a consultation should probably take around a year e.g. preparation; six-month consultation (including communication and public meetings; review and consolidation of answers.

There should be specific questions about the feasibility and desirability of different measures, reflecting international experiences. The consultation should seek view on preferences and feasibility on:

- Level (%) of quota
- o Applicability e.g. to which parts of the public and private sector.
- o Timeline for introduction
- Options for incentives
- Options for penalties
- Reporting requirements
- Monitoring and options for review

AAR Japan and MCRB could support the Sub-Committee in developing the 'Green Paper' for such a consultation, but additional development partner support is also advisable.

Whichever option is pursued, the National Committee will need to gather data disaggregated by age, sex, disability and level of employment on inclusion of persons with disabilities in employment in the public and private sectors.

# 8. ANNEX: Summary of Quota/No-Quota approaches in other countries

This Annex is based on online research undertaken by MCRB in August 2019.

Quota	% public	% private	Penalty	Incentives	No quota				
Asia-Pacific									
Japan	2.5	2.2	Υ	Υ	Singapore				
Korea	2	2	Y	Υ	Hong Kong SAR				
China	1.5	1.5	Y	Y	Bangladesh				
Thailand	1	1	Υ	Y	Brunei				
Malaysia	1	1	?	Υ					
Laos	?	3	Y	Y					
Cambodia	2	1	N	Υ					
Philippines	1	0	N/A	Υ					
Indonesia	2	1	Y	?					
Vietnam	?	2-3	Y	?					
India	3	0	N/A	?					
Nepal	5	4	?	?					
Elsewhere									
France	6	6	Υ	Υ	UK				
Germany	5	5	Y	Υ	USA				
					Australia				

#### **Asia-Pacific Countries**

## Japan (Q)

Since 1960, Japan has a quota system in place for private companies, government and local authorities. The Japanese government ratified the UN Convention on the Rights of Persons with Disabilities in 2014.

The quota rate for employment is 2.5% for the public and 2.2% for private sector. The estimated employment rate for persons with disabilities in the private sector is 7.9% 18.

#### Incentives since 2009 include:

- When employers establish/arrange working facilities or equipment for persons with disabilities (e.g. sign-language interpreter, workplace in-house personnel and job trainers), subsidies are provided to reduce economic burdens on the employer and promote continued employment of persons with disabilities.
- o Tax benefits are provided to employers who employ persons with disabilities.
- o For large companies with subsidiaries, the Special Subsidiary System means that when an employer establishes a subsidiary that favours persons with disabilities employment, they can be counted as 'filling the quota' for their parent company when calculating employment rates of persons with disabilities. Subsidies are also provided to incentivize employers to establish these special subsidiaries.
- Special Reduction of Minimum Wage: If employers obtain a permit from the director of Prefectural Labour Standards Office, they can pay wages lower than the minimum wage to persons with disabilities who are regarded as persons whose capacity to work is significantly low due to mental or physical disabilities.

A penalty for breach is in place for employers with more than 100 regular workers: a monthly fine of 50,000 Yen (470 USD) per person below the quota. A limited-time special abatement is applied for employers with more than 100 but not exceeding 200 regular employees. Each employer is obliged to submit an annual employment report of persons with disabilities. If the employment rate is lower than the minimum quota (percentage), the employer must meet with the director of the local public employment service and create a 2-year plan to employ more persons with disabilities. Name of companies that cannot meet the mandatory quota after the 2-year plan are disclosed to the public, but this rule does not apply to the government sector.

However, media reports suggest that the quota system is not always working well in practice. It was recently revealed that some agencies and ministries had falsified quota percentages since the 1960s, by filling their databases with names of retired and deceased people to attain the required quota percentage.<sup>19</sup>

<sup>&</sup>lt;sup>18</sup>Japan Times, National News, Jiji, <u>Number of people with disabilities working at Japanese firms tops 500,000 for</u> first time, April 10 2019.

<sup>&</sup>lt;sup>19</sup> Nikkei Asian Review, Politics <u>Japan ministries inappropriately included 3,700 people to meet disabled quota</u>. 22 October 2018.

## South Korea (Q)

There is a 2% quota of total regular staff in the public sector. Currently in the private sector, the quota applies only to businesses with more than 300 employees.

The Korea Employment Promotion Agency for the Disabled (KEPAD) provides vocational rehabilitation services for persons with disabilities to receive vocational training in a disability-sensitive environment and prepare persons with disabilities to enter the competitive labour market. However, these facilities are of less benefit to those with severe disabilities.

Korea has had an Anti-Discrimination Act against Disabled Persons since 2008. However discrimination against disabled persons is widespread, and conglomerates such as Samsung, SK, GS, and Hanjin, are still reluctant to hire disabled workers even though the Act has been applied<sup>20</sup>.

The quota system has created conflict between employers and persons with disabilities. According to KEPAD, over 50% of companies in the private sector do not comply with the quota.<sup>21</sup> Businesses argue that the quota is too heavily based on punishing employers with a fine if they do not meet the quota, and allowances or subsidies are too small to act as an incentive to companies. The current penalty is a fine of 812,000-1,352,230 Won (USD 670-1,114) per month for each disabled person that falls short of the mandatory employment rate.

Employment services for persons with disabilities are mostly managed by non-profit organizations in Korea. However, their outcomes are less than expected due to the lack of economic incentives and autonomy. NGOs receive 80-100% of their budget from the Korean Government and are therefore not independent.<sup>22</sup> The sizes of sheltered workshops are small; their average number of disabled employees is less than 30 people.

# China (Q)

The China Disabled Persons' Federation (CDPF), also known as the State Secretariat of the State Council Working Committee on Disability is a national large-scale organization aimed at safeguarding the rights of persons with disabilities. CDPF is involved in assisting related departments to formulate and implement employment policies for persons with disabilities. It instructs local governments in disabled people's employment and promotes diversified employment modes for them.

A total of 9.42 million registered disabled people of working age were employed in China as of December 2017 out of a 17.55 million persons with disabilities of working age registered with the CDPF. However, this is only 6.5% of the country's estimated 85 million disabled

<sup>&</sup>lt;sup>20</sup> Comparing Employment Quota Systems for Disabled People Between Korea and Japan Asian Journal of Human Services, VOL.10, 12 February 2016.

<sup>&</sup>lt;sup>21</sup>Lessons from the 2017 International Disability Employment Forum in South Korea Seoul Business Disability Forum, 19 September 2017.

<sup>&</sup>lt;sup>22</sup>South Korea – Welfare law for Persons with Disabilities. Disability Rights Education & Defense Fund, the Welfare Law for Persons with Disabilities, by the Ministry of Health and Welfare Republic of Korea, Amended as Law No.4179, promulgated on 30 December 1989.

citizens, according to the CDPF, and often in stereotypical professions such as massage and piano tuning are for visually impaired people.

China enacted an employment quota system in 2008 which requires public and private companies to reserve at least 1.5% of their positions for persons with disabilities. The quota does not apply to companies under three years old and with a workforce of less than 20.

If companies fail to meet the quota, they have to pay into a fund called the Baozhang Jin. The necessary amount varies according to location, but the majority of companies choose to pay into the fund. Reluctance to train disabled staff and integrate them into the company structure is a commonly cited reason for this, but the fact that few companies choose to take advantage of the Baozhang Jin's exemption is one of the root causes of China's low disabled employment rate.

Humanity and Inclusion<sup>23</sup> noted that being hit with penalties stimulated requests by businesses on how to better accommodate employees with disabilities, but mostly from multinationals with operations in mainland China or joint ventures rather than Chinese businesses, who tend to opt for the penalty payment.

Preferential policies that exist for disabled workers in China include tax breaks and/or exemptions. However, the ease with which companies can qualify for these benefits varies, with eligibility often hinging on either the size or the location of the company.<sup>24</sup>

## Hong Kong Special Administrative Region (SAR) (NQ)

Hong Kong SAR does not have a quota and the government has no plans to introduce one<sup>25</sup>. Approximately 2% of the HK civil service employees are believed to have a disability (not including colour blindness). The Government's policy objectives are to "provide skill training and support services for persons with disabilities to enable them to take up productive and gainful employment in the open market on the basis of their abilities rather than disabilities; provide assistance for employers; and strive to promote an inclusive society".

Government measures include vocational rehabilitation and training services, job matching services in the open market, and offering financial incentives to employers. The Labour Department (LD) has a Work Orientation and Placement Scheme to provide allowances for employers of persons with disabilities. An eligible employer who employs a person with disabilities is entitled to a maximum monthly allowance of \$5,500 for the first two months of employment. After the first two months, the employer is entitled to an allowance equivalent to two-thirds of the actual monthly salary paid to the employee concerned, subject to a ceiling of \$4,000 per month, for a maximum payment period of up to 6 months.

<sup>24</sup> Briefing by Dezan Shira & Associates| <u>Hiring Disabled Workers in China: Incentives and Challenges</u>, 26 April 2016.

<sup>&</sup>lt;sup>23</sup> Previously known as Handicap International.

<sup>&</sup>lt;sup>25</sup>Government of Hong Kong Special Administrative Region Press Releases, <u>written reply by the Secretary for</u> Labour and Welfare, June 7, 2017

The Social Welfare Department, through implementing the Support Programme for Employees with Disabilities<sup>26</sup>, provides employers of persons with disabilities with a subsidy for procuring assistive devices and carrying out workplace modification works, with a view to helping employees with disabilities to enhance their work efficiency. The subsidy is capped at a maximum support level of \$20,000 in respect of each employee with disabilities. A grant of up to \$40,000 may be provided for employers in case of special needs.

The Hong Kong Government introduced the following 3 pilot schemes in 2016-17 to further encourage employment of persons with disabilities:

- (a) raising the maximum level of disregarded earnings for disabled recipients under the Comprehensive Social Security Assistance Scheme from \$2,500 to \$4,000 per month;
- (b) providing an additional monthly subsidy of \$5,000 for Higher Disability Allowance recipients who are in paid employment and have met other requirements such as income limit, so as to enable them to hire carers to assist them in travelling between their home and workplace and carrying out activities in their workplace; and
- (c) engaging non-governmental welfare organisation by LD to offer professional psychological and emotional counselling services for disabled job seekers in need, so as to alleviate their emotional problems arising from their disabilities or personal/family issues, and help them concentrate on job search and settle down in their new jobs as soon as possible.

## Singapore (NQ)

Singapore does not have a compulsory quota. There are a number of incentives in place to increase employment for persons with disabilities. The estimated employment rate for persons with disabilities is 4.88% although there is not enough research on employment of persons with disabilities to provide accurate data.

According to a recent article by Channel News Asia, 3 out of 10 Singaporeans with a disability are currently in employment. Singapore's main incentives are in the <a href="https://example.com/Third-Enabling Masterplan-2017">Third Enabling Masterplan-2017</a> a five-year national plan with a \$400 million budget on employment & caregiver support for persons with disabilities. Graduates from <a href="https://example.com/Special-Education-schools">Special Education schools</a> are matched to special training programmes. <a href="https://example.com/Special-Education-schools">Special working groups</a> involving people from the public and private sector have also been established because of the Masterplan.

A <u>guide</u> was launched in June 2019 by an agency, SG Enable in collaboration with the Ministry of Manpower (MOM) to help companies integrate employees with disabilities. The 30 million <u>Open Door Programme</u> is also an incentive<sup>27</sup> that gives employers grants to send staff with disabilities for training or to create a user-friendly workplace, encouraging bosses to hire persons with disabilities providing:

<sup>&</sup>lt;sup>26</sup> Government of Hong Kong, <u>Services and Support for Persons with Disabilities</u> June 2019.

<sup>&</sup>lt;sup>27</sup> The Straits Times, Janice Heng \$30 million Job Scheme to help the Disabled, April 27, 2014.

- On-the-job Training Grant to support employment and retention of persons with disabilities
- Job Redesign Grants to support re-designing of jobs
- o Purchases of equipment and workplace modification
- Training Grant for skills upgrading of persons with disabilities and training of employees with no disabilities
- Recruitment and Job Support Services
- o Full subsidy for attending SG Enable's Disability Management Workshop

Special Employment Credit (SEZ) is also available to employers. Employers will receive up to 16% of the wages of workers with disabilities. Workfare Training Scheme supports employers to send their workers for training. The training grant covers 95% Absentee Payroll (no dollar cap). Employers can benefit from this when they enroll their employees in any of the courses that are supported or accredited by Singapore Workforce Development Agency.

## Thailand (Q)

Persons with disabilities are stigmatised when trying to find employment, because having a disability is widely believed to be related to bad karma. In July 2019, it was reported that the unemployment rate among the general population averaged around 1% for the past nine years, but that the unemployment rate among persons with disabilities is over 70%.<sup>28</sup>

Both public and private organisations with more than 100 employees are mandated to hire persons with disabilities in the ratio of one disabled person to every one hundred regular employees or a 1% quota.

Compliant employers and business owners are entitled to tax relief as prescribed by the law. In special cases, where the organisation's workforce consists of 60% or more disabled employees (employed for more than six months in the fiscal year), a total tax exemption can be claimed.

However, if the qualified organisations do not meet the government regulations, they are required to contribute to the State Fund for Rehabilitation of Disabled Persons Fund on an annual basis. The contribution amounts to the minimum wage a disabled worker would have been paid. Any delays in payment will result in imposing an interest rate of 7.5% per year (calculated from the amount that was not remitted to the Fund).

Problems associated with implementing the guota in Thailand have been:

- o the Thai government passed disability laws and related regulations without sufficient study;
- o lack of universal design/accessibility in Thailand
- o family overprotection of disabled members

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<sup>&</sup>lt;sup>28</sup> Bangkok Post, Anna Gambles, <u>Disability Inclusive Employment Policies: an opportunity not a handicap for employers</u>, 15 July 2019.

There are a variety of associations providing support to persons with disabilities in Thailand<sup>29</sup>. However, these associations are financially dependent on the charity sector.

## Malaysia (Q)

Despite various efforts made by the Malaysian Government to enhance employability of Malaysian nationals with disabilities through 1% quota allocations in the public and private sector and the founding of *'Pusat Latihan Perindustrian dan Pemulihan'* (PLPP) to train persons with disabilities to align their skills with market needs, government initiatives were implemented in a "lukewarm manner" <sup>30</sup>. The majority of persons with disabilities remain unemployed. Currently, the employment rate for persons with disabilities is 0.7%-0.8%, out of 445,000 registered persons with disabilities. However, the number of persons with disabilities could be much higher, because registration is voluntary.

According to the Inland Revenue Board of Malaysia, employers are entitled to a double deduction of remuneration paid to disabled workers. The employee must be registered with the Department of Social Welfare. A company can also benefit from a double deduction for expenses spent for training employee with disabilities, under the Training Programme conducted in Malaysia that is approved by the Minister of Finance, as well as Training Programme conducted by any approved training institution.

An amount equal to the amount of expenditure incurred by any equipment necessary to assist any disabled person employed by an employer in the production of gross income from the business is entitled to remuneration, for example a refund is given for lowering the height of a workbench or constructing a wheelchair ramp.

## Laos (Q)

There is a lack of data concerning the current status of employment of persons with disabilities. However, according to the law, a 3% quota is reserved for persons with disabilities in the private sector. 0.84% was the estimated employment rate for persons with disabilities in 2009, according to the ILO. Private sector employers can apply for tax reduction/exemption, and businesses that meet the required quota have greater access to loans compared to businesses that do not meet the quota. Businesses that meet the quota are also given greater access to choose which land to utilize or lease as appropriate places for their employees.

Meanwhile there is a financial levy on all private sector employers who fail to meet quota. Most employers opt to pay the penalty.

# Cambodia (Q)

The quota reserved for persons with disabilities is 2% public, and 1% private. However, the actual employment rate for persons with disabilities is said to be very low. Discrimination and

<sup>29</sup> Bangkok Post, Tanyatorn Tongwaranan, <u>Employment quotas for the disabled don't always work.</u>
 <sup>30</sup> World Academy of Science, Engineering and Technology International Journal of Humanities and Social Sciences Vol:6, No:6, <u>The Role of the State towards Employability of Malaysian PWDs – Myth or Reality?</u>, June 2012.

low educational skills continue to be the main impeding factors. Another issue is that the law is not enforced and there are no penalties for non-compliance, so most employers fail to meet the quotas and there are no consequences.

Tax incentives are provided for employers as well as skill training by international organisations. A Business Advisory Council was established in collaboration with international and local organisations for placement and training programmes of persons with disabilities in 2001. The National Center for Persons with Disabilities (NCDP) is said to provide counselling, goal setting, and job seeking skills training, as well as job placement services for persons with disabilities.

# Philippines (Q)

The Philippines has a 1% quota reserved for persons with disabilities in the public sector. There are currently no penalties for non-compliance. While there is no private sector quota requirement, private companies are encouraged to reserve at least 1% of their job positions to persons with disabilities if they have more than 100 employees.

In terms of incentives for businesses, employers can receive tax deductions; up to 50% of the total amount paid back from salaries and wages given to a employee with disabilities. This is in addition to the 25% additional tax deduction to gross income already granted to employers that hire persons with disabilities at the apprentice or learner level. If a private business has to modify physical facilities to provide reasonable accommodation for persons with disabilities, additional deduction from their net income, equivalent to 50% of direct costs will be granted by the Department of Labor and Employment.

Also, Labour Secretary Silvestre Bello said that companies that hire persons with disabilities who constitute not less than 1% of their work would be granted one year of immunity from inspection for compliance with labour laws. This comes with a caveat however: companies could still be charged with violation of labour laws if they are later found to have breached them.

# Indonesia (Q)

While Indonesia has a **2%** public and **1%** private quota reserved for persons with disabilities in employment, there is no publicly available data on employment rates. However, labour force figures shared in a 2015 study, showed that unemployment rate for persons with disabilities is estimated to be 80% despite financial levies supposedly in place for private sector employers who fail to meet quota.<sup>31</sup>

# Brunei Darussalam (NQ)

While the Special Education Unit has proposed introducing quotas, thus far there are none. Of the 6,506 persons with disabilities registered with the government, only 56 were able to find full-time employment, representing a employment rate for persons with disabilities in the

<sup>&</sup>lt;sup>31</sup> Preliminary Study by the Institute for Economic and Social Research – Universitas Indonesia <u>Persons with Disabilities (PWD) and Labor Force in Indonesia: A Preliminary Study,</u> 2015.

government sector of less than 0.6%. Given that the United Nations estimates that up to 12% of any given population comprises persons with some form of disability, applied to Brunei's 2016 population of 423,196, this places the actual number of persons with disabilities in the country at more than 50,783 this year, more than five times the registered figure.

The Ministry of Development launched a booklet in 2018: 'Different Abilities Design Guidelines' to incentivize employers to urge government, businesses and CSOs to work together to build a more inclusive society for persons with disabilities, starting by making buildings more accessible.

## Vietnam (Q)

Vietnam has a quota system for employment of persons with disabilities. Under this quota, all forms of businesses are required to hire 3% of their workforce as disabled employees (2% for heavy and dangerous industries such as mining, oil and gas). Companies who do not comply are subject to a fine, which is placed in a provincial employment fund for persons with disabilities and used for vocational training and employment of persons with disabilities. However, this quota and the associated Employment Fund are largely ignored.

Over the past several years eight provinces have established Employment Funds, however only three of these provinces (Quang Ninh, Hai Duong and Bac Ninh in northern Vietnam) are actually inspecting employers and fining those that do not meet the quota<sup>32</sup>.

## India (Q)

India's employment rate for persons with disabilities is very low. The National Centre for Promotion of Employment for Disabled People (NCPEDP) reported that the average percentage of employment of persons with disabilities in India was 0.54% in the public sector, 0.28% in the private sector, and 0.05% in multinational companies<sup>33</sup>. However, figures are only an estimate.

There is a 3% quota for persons with disabilities in the Indian public sector, which the Indian Supreme Court determined in 2018 must be apply to all grades (previously most employees are at low/unskilled levels, which reinforced stereotypes that persons with disabilities can only undertake menial jobs). The 3% quota is divided between 1% visually impaired; 1% hearing impaired and 1% locomotor/cerebral palsy<sup>34</sup>.

While the private sector is exempt from quotas, discrimination is unlawful. A business is legally obliged to prepare and publish an Equal Opportunity Policy (EOP) for persons with disabilities and register it with government. An EOP must contain details regarding amenities and facilities put in place for persons with disabilities, lists of posts identified for such persons, training, promotion, allotment of accommodation and provision of assistive devices and barrier free

<sup>&</sup>lt;sup>32</sup> ILO Employment-related services for persons with disabilities in Vietnam June 2011.

<sup>&</sup>lt;sup>33</sup>Disability Advocacy Organisation from India, <u>National Centre for Promotion of Employment for Disabled People</u> (NCPEDP), 1996.

<sup>&</sup>lt;sup>34</sup>Jagran Josh news, Papi Chandra, <u>Determination & Reservation of Disabled Quota in Government Jobs</u>, 6 March 2018.

accessibility. Businesses must appoint a liaison officer for recruitment of persons with disabilities and maintain records on persons with disabilities employees. Failure to register or comply results in a monetary fine of Rs 25,000 (USD 347) and Rs1,000 (USD 14) for any continuing day of refusal to pay the fine<sup>35</sup>.

A 2011 academic report highlighted that the main barriers to employment for persons with disabilities were lengthy, complex procedures and deep-rooted corruption.<sup>36</sup> Where university places have been reserved for people with more than 40% impairment (for example 5% of post-graduate medical courses, up from 3% in 2018)<sup>37</sup>, fraud in disability certification was observed<sup>38</sup>.

## Bangladesh (NQ)

The Bangladesh government is currently reforming disability policies. A quota previously existed in the public sector but was removed in 2016.

Disability inclusion started in ready-made garment industry ten years ago, and it is now the most inclusive sector in Bangladesh, with companies setting their own targets for disability employment. The Centre for the Rehabilitation of the Paralyzed Bangladesh (CRP) has been instrumental in implementing an initiative to employ persons with disabilities supported by Marks and Spencer and their 70 partner factories in Bangladesh. Akhtar Furniture Academy set a 5% target for persons with disabilities in their training programs, in line with inclusion of persons with disabilities in technical and vocational training in Bangladesh. Shwapno, a retail chain in Bangladesh, has a 10% target for inclusion of persons with disabilities in their workforce.

## Nepal (Q)

The Disabled Protection and Welfare Act (1992) requires every private company that hires more than 25 employees to hire at least one persons with disabilities for every 25 employees. However, the law is not enforced<sup>39</sup>. There is a 5% quota in the civil service, at least in principle.

#### **Other Countries**

# France (Q)

All establishments both public and private, with a total workforce of over 20 employees should employ 6% disabled workers, based on medical certification by a doctor. Since 1987, the penalty is an annual contribution to a fund for the vocational integration of people with disabilities.

<sup>&</sup>lt;sup>35</sup> Kochhar & Co, <u>India: Rights of Persons With Disabilities Act - A Well Meaning Legislation Albeit With Complex Terms, Anomalies and Aggressive Penal Provisions</u>, 10 October 2017.

<sup>&</sup>lt;sup>36</sup> World Bank, Policies and Institutions for PWDs in India

<sup>&</sup>lt;sup>37</sup> Mint, Neetu Chandra Sharma, <u>Govt increases quota for disabled people for admission to PG medical courses to</u> 5% 5 March 2018.

<sup>&</sup>lt;sup>38</sup> India Times, Sunitha Rao, <u>Disability quota: only 30% of aspirants eligible</u>, 29 July 2018.

<sup>&</sup>lt;sup>39</sup>National Federation of the Disabled Nepal, Sagar Prasai, <u>Employment for persons with disabilities: a discussion on barriers, achievements and opportunities</u>, 25 July 2017.

Depending on the size of organisation, contributions can be equivalent to 600 times the minimum hourly rate per job that should be filled by a person with disability and can be tripled to 1500 times the minimum hourly rate if enterprises fail to meet the quota for 3 years consecutively. For example, failing to employ someone on \$10 per hour would cost the employer an annual fine of \$6,718 per year, and \$16,796 after 3 years. Despite of the penalties, most French employers opt to pay the annual fine. The French government ratified the UN CRPD in 2010.

Employers are supported when directly hiring disabled people and when hiring subcontractors from the sheltered sector. A bonus of \$1,790 is granted to employers who directly or indirectly hire a disabled person for over 12 consecutive months. Up to 80% of the measures taken to hire a disabled worker, including equipment and specific training, can be compensated through public funding.

## Germany (Q)

Germany scores second highest on the employment rate for persons with disabilities (first is the UK) with 45.1% in 2019 (compared to 77.4% of non-disabled persons). In the Ninth Book of the Social Code (2001), all employers with a workforce of 20 should fill 5% of their jobs with 'severely disabled' employees. However, in Germany a person has to be deemed to have 50% less capability than a non-disabled person to be viewed as severely disabled in terms of work. In 2000, the average rate of severely disabled employees was 3.7%.

If employers fail to comply with the quota, there is a monthly penalty. The further away from reaching the 5% quota, the higher this fine will be. For example, if the number of disabled workers reaches 3% (out of the required 5%), then 105 euros (118 USD) must be paid, if it is below 3% then 180 euros (202 USD) is to be paid, and if it is less than 2% then 260 euros (291 USD) must be paid. Most employers opt to pay the penalty. Employers in Germany spend around €500 million a year on fines for non-compliance with the quota.<sup>40</sup>

Revenue from penalties are used to fund an industry of training facilities, to support and assist access to means of transport and other factors that make it easier to find work. Wage subsidies also exist and other employment benefits for employers when hiring long-term unemployed people who have disabilities. Up to a maximum 70 % of wage costs are paid, for a period of up to 96 months. However, despite these incentives, an academic report from the University of Bonn suggested that there was no evidence that financial incentives had a positive long-term impact on the employment of persons with disabilities.<sup>41</sup>

Severely disabled people receive special protection against dismissal from their employers. If company operations employ 5 or more severely disabled employees, a special counsellor should be appointed.

<sup>40</sup> Seoul Business Disability Forum <u>Lessons from the 2017 International Disability Employment Forum in South Korea,</u> 19 September 2017.

<sup>&</sup>lt;sup>41</sup>Institute for the Study of Labor, Sher Verick, <u>Do Financial Incentives Promote the Employment of the Disabled?</u> August 2004.

There exists a great deal of support available for disabled people (behinderter Menschen) in Germany, from general counselling to specific institutions such as:

- Advice centres, employment integration support and apprenticeships for visually impaired and deaf people (Ausbildungsplaetze)
- Early support centres for children (Frühförderung)
- Special and integrated kindergartens (Sonderkindergarten or Förderkindergarten)
- Special schools (Sonderschulen) and special professional schools (Berufsschulen), for example for deaf pupils
- Care and accommodation grants for disabled people
- Workshops for disabled people (Werkstätten für behinderte Menschen)
- Transport services (Fahrdienste)

Institutions and services are delivered by charity organisations (such as Caritas, Diakonisches Werk, self-help groups, parent associations).

## USA (NQ)

The 1990 Americans with Disabilities Act (ADA) together with the 1973 Rehabilitation Act consider persons with disabilities as full citizens, entitled to equal rights to persons without disabilities in all activities. The ADA prohibits employers from discriminating against employees with disabilities in all aspects of employment including hiring, pay, promotion and firing. ADA protects employees under the law. Private employers with at least **15 employees** must follow the ADA. Under the Act, employers should also provide 'reasonable accommodations', based on an 'interactive process,' i.e. a dialogue with the employee about accommodations that meet that person's needs. As of July 2018, 29% of persons with disabilities are employed, which means there is an untapped pool of 10.7million people.

In 2013, a 'soft-launch' <u>private sector disability equality index</u> was introduced by the American Association of People with Disabilities (AAPD) and Disability: IN as an effective way to incentivise employment of persons with disabilities by recognizing top-scoring companies as 'Best Places to Work for Disability Inclusion.'<sup>42</sup> Similarly, state procurement experiments took place in 2013 to encourage businesses to employ persons with disabilities, resulting in six states extending procurement preferences to disability-owned businesses in state contracting businesses in the last six years (Connecticut, Illinois, Ohio, Alaska, Kansas, and Minnesota).<sup>43</sup>

'Employment First' (2017) refers to a combination of policies that prioritize employment as the first option for working-age people with disabilities. It includes jobs held by people with disabilities in workplaces where most employees do not have disabilities. In these jobs, those with disabilities earn wages consistent with workers without disabilities who perform the same or similar work. Employment First or 'Integrated Employment' was adopted in 32 states.

<sup>&</sup>lt;sup>42</sup> Disability Equality Index, The 2019 Disability Equality Index Top-Scoring Companies Announced 17 July 2019

<sup>43</sup> Employer Assistance and Resource Network Advancing Economic Opportunities for Rusiness Owners and

<sup>&</sup>lt;sup>43</sup>Employer Assistance and Resource Network, <u>Advancing Economic Opportunities for Business Owners and Jobseekers with Disabilities</u>, October 2013.

## UK (NQ)

The UK had a disability quota system but abolished it in the 1990s after concerns from disability charities that it was ineffective<sup>44</sup>. It now relies on non-discriminative legislation. It is unlawful to discriminate against disabled people in the hiring process and in the employment relationship.<sup>45</sup>

#### The 2010 Equality Act:

- created a new category of indirect disability discrimination and extends the duty to make reasonable adjustments.
- outlawed the asking of questions about health or disability except in specific and narrowly defined circumstances – which is potentially of great importance in dealing with discrimination in the recruitment process.

The UK has a broad legal definition of 'persons with disabilities', which leads the UK's employment rate for persons with disabilities to be one of the highest in the world, 51.7% in early 2019. A recent survey found that persons with disabilities with secondary education are likely to be in employment. However, rates of disability employment are considered to be stagnating, and the UK aims to bring 1 million more disabled employees into the labour force by 2027, in a strategy contained in a 2017-18 'White Paper'. This states that finding work for 1% of disabled persons would save the government £240 million and provide a boost to the economy of £260 million. Recent focus has been on recruiting disability employment advisers to help disabled people find suitable jobs (there were 458 full-time equivalent advisers in place as of July 2018) as well as coaches, and advisers to raise awareness with small employers about the support available to them when employing a person with a long-term health condition or disability.

The Office for Disability Issues in the Department for Work and Pensions supports the development of policies to remove inequality between disabled and non-disabled people.<sup>48</sup> The DWP provides a discretionary grant system of support to disabled people in paid employment, Access to Work. This provides support disabled people need to be able to use their skills and work equally alongside non-disabled colleagues. It is said that every £1 invested in Access to Work brings a return of £1.48 to the Treasury (via tax payments and other methods).

## Australia (NQ)

The Disability Discrimination Act, DDA (1992) outlawed discrimination. Australia has a relatively strong employment rate for persons with disabilities (39.8% in 2018).

One of the priority outcomes of the National Disability Strategy 2010–2020 is to make access to employment easier with \$1.7 billion for new, demand-driven Disability Employment

<sup>&</sup>lt;sup>44</sup> Management Today, <u>Do we need disability employment quotas?</u> 26 April 2018

<sup>&</sup>lt;sup>45</sup> iGlobal Law, Global Labour Law, Julian Cuppage The World and Disability: Quotas or No Quotas? Dec 2019.

<sup>&</sup>lt;sup>46</sup> House of Commons Library, People with disabilities in employment. March 2019.

<sup>&</sup>lt;sup>47</sup> UK House of Commons Library Briefing Paper: People With Disabilities in Employment, 8 January 2018.

<sup>&</sup>lt;sup>48</sup> UK Government, Office for Disability Issues, <u>The Inter-Ministerial Group on Disability and Society</u>, June 2019.

Services; the creation of an Employment Assistance fund to improve workplace accessibility and improved viability and better outcomes through social enterprises, and promoting awareness about the benefits of employing persons with disabilities such as the Disability Discrimination fact sheet for employees.

The Disability Support Pension (DSP), is an Australian government incentive to 'help young people with disability enter the workforce if they are able to do so'. The National Disability Insurance Scheme (NDIS) was designed to enable every person with disabilities to enter the paid workforce in a fair and equitable way. However, these and other forms of support have been the subject of criticism by DPOs<sup>49</sup>. A recent controversy revealed that thousands of disabled workers on the (NDIS) which funds social support were underpaid, with some persons with disabilities receiving as little as \$1 per hour.<sup>50</sup>

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<sup>&</sup>lt;sup>49</sup> People With Disability Australia (PWDA), Social Security for PWD, 2019.

<sup>&</sup>lt;sup>50</sup> ABC News, Stephanie Dalzell, Calls for action as report reveals NDIS workers underpaid 1 August 2019.