THE INTEGRATION OF PEOPLE WITH DISABILITIES INTO THE WORK FORCE

CHANGES IN PERCEPTIONS, PLANS DEVELOPMENT AND WORK PROGRAMS

By Benny Feffermann¹

This paper sets out to present the perception and guiding principles behind the Ministry of Industry’s aim to integrate people with disabilities into the work force, detailing the tools and major programs through which the Research & Economics Administration of the Ministry supports such integration.

First, we present the background to the creation of the Administration by providing answers to a number of essential questions referring to people with disabilities in Israel with regard to socio-demographics and their employability. After discussing the low rates of employment, we shall present an evaluation of the employment potential of people with disabilities who could be integrated into the work force, provided the correct steps are taken. At the same time, we shall raise a number of assumptions that could shed light on the opinions prevailing in this area for the past fifteen years. After this, we conclude by presenting the leading principles of the Administration’s work and the programs that could bring about significant changes in the employment opportunities of people with disabilities in Israel.

ECONOMIC BACKGROUND

In the winter of 2002, people with disabilities staged a long-term strike that attracted considerable media attention in Israel. The strike ended on February 28 of that year, after an agreement between the government and the strike leadership was signed. This agreement stated that a public committee (The Laron Committee) would be established to look into the affairs of the handicapped. The government decision to establish this Committee also stated that one of its main aims was to determine ways to encourage and support the integration of people with disabilities into the work force. The Committee members gave particular importance to the matter of employment since this gives life content, particularly for people with disabilities, improves mood, self-esteem and self respect, thus improving quality of life, how others perceive the disabled and how they can become an integral part of society through their contribution to it.

In May 2005, the Committee handed the State of Israel a number of suggestions which acknowledged that the current situation prevented many people with disabilities from entering employment and charged the Ministry of Industry and Trade with a number of tasks, most of which were concerned with integrating the handicapped into the regular work force, including the implementation of laws and regulations. The outcome was that, in order to carry out the

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Committee’s recommendations, the then Director of the Administration, Ra’an an Dinor, established the administration for the Integration of the Handicapped into the work force.

We should like to draw attention to the fact that the Committee decided the task should be divided between various government ministries so that the Ministry of Welfare and Social Services and the Ministry of Health are responsible for employees in sheltered workshops and supported industries, whilst the Ministry of Industry, trade and labor is responsible for other people with disabilities who do not fall within the scope of the previously mentioned ministries. This distribution reflected the Committee’s perception of employment continuity regarding the integration of the disabled into the work force, from sheltered workshops for temporary assignments and for regular employment without employee-employer relations counseling.

Before presenting the activities of the Administration and the major principles of our work, we would like to answer three important questions regarding people with disabilities in general and their employment in particular²:

1. How large is the disabled population in Israel and what is their social-demographic profile?
2. How many of these people work and is there a difference between Israel and other developed countries in the percentage of people with disabilities in employment and, if so, why?
3. How many people with disabilities could be integrated into the work force should the obstacles be removed?

The answers to these questions, which actually appear right at the start of the next section of this paper, are the key to honing the perception and the strategy on which the Administration is based.

² Statistics presented are drawn from three sources: (1) analyses carried out specifically for the Administration at the Ministry of Labor for social survey between 2002-2006; (2) findings and statistics from surveys and general research written during the past year at the Administration and the Office for Integration of the Handicapped into the Work Force; (3) literature and academic research in the field both in Israel and abroad.
Estimated Population Size

One of the first questions to be answered by the Administration at its establishment was the size of the disabled population in general and how this was relevant to its work in particular. First of all, this question relates to the definition of disabled person and which ministry decides on this definition amongst the ministries responsible for the integration of the handicapped into the community and the work force.

According to the Equal Opportunities Employment Law of 1998, a disabled person is defined as: “a person with a physical, mental or intellectual defect, including cognitive defects, temporary or permanent, because of which that person’s abilities are significantly hampered in one way or another in carrying out daily activities.” We can see that this law emphasizes two points: defects (temporary or permanent) and the level of functionality. This definition is not functional in that the law does not provide any practical means by which the number of people with disabilities can be determined. This being the case, there are several different definitions regarding operational requirements for each Ministry or public body dealing with people with disabilities and this has lead to different evaluation criteria as to the number of people with disabilities in Israel.

As in other countries, an estimated number of people with disabilities in Israel can be obtained by the number of those receiving various disability benefits. At present there are more than 300,000 people receiving disability benefits of various types, distributed as follows: (1) 200,000 with general disabilities from the National Insurance Institute, (2) some 70,000 receiving work-accident related benefits from the National Insurance Institute and (3) around 50,000 IDF veterans entitled to benefits per the IDF Veterans’ Law.

The difficulty in basing assumptions on this source is, of course, that it is quite possible that a large number of people with disabilities do not fulfil the requirements for benefits and, thus, are not included in the disabled category as per the definition of the National Insurance Institute. However, if they do regard themselves as disabled because they are hampered in their daily activities, then, for the purposes of the Equal Employment Opportunities Law, they do indeed fall within category of people with disabilities.

Another source of statistics regarding the size of the disabled population comes from the social survey carried out by the Central Bureau for Statistics. Figures presented in the following are based on special data processing carried out by the Authority at the Ministry of Labor on data obtained from social surveys of the Central Bureau for Statistics (CBS)

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3 An example of an operational definition is that of the National Insurance Institute which defines a disabled person as one who receives a disablement allowance based on a medical disability estimate and his/her level of disability.

4 In addition to all of these, there are those who receive income support, some of whom are disabled and are supposed to receive disability benefits for some reason, but are rated in the system for income support. These statistics were obtained from the activities of “A Light for Employment” which helps people obtain appropriate benefits.

5 Also regarded as an accepted source in OECD countries. The questions verifying handicap used in CBS surveys are subjective and taken from independent reports by the interviewees who are asked if they suffer from any health or physical problems (for six months or more) and how far this problem interferes with their daily activities.
between 2002-2006, part of which appear in the statistical data files published by the Research Council and part especially for this paper.

Two questions in the social survey that check out disabilities differentiate between a disability that is - very disruptive; disruptive; slightly disruptive; not at all disruptive in daily activities. In addition, during 2002-2006, the social survey included an additional five questions that checked the interviewee’s ability to walk, wash, dress and eat unaided and without difficulty. At the Administration we created a specific integrated variable allowing estimation of the performance level of the interviewee (full, partial or low) based on these abilities.

Using Table 1 and through the above definitions, we asked how many people with disabilities there are in Israel. Table 1 gives the numbers of disabled people at three levels of disability and three levels of functionality. We can see that the number of people considering themselves disabled in Israel\(^6\) is 840,000, or 24% of the total population of Israel between the ages of 20-64. As noted, this group includes those who reported a physical or health problem from which they suffered which did not greatly impair them in their daily activities. After checking these data, for the purposes of our work, we noted that people with disabilities fall into two groups: those with disabilities that are very disruptive and disabilities that are disruptive; in other words we removed those who reported a disability that was only slightly disruptive\(^7\). From this and for our purposes, the number of disabled people is 645,000 or 18.1% of the general population of Israel between the ages of 20-64.

Those with disruptive or very disruptive disabilities (64,000) we divided into three levels of functionality. Whether a disability is disruptive or very disruptive to a person’s functionality does not matter; when considering the labor force, it is the functionality level which is relevant. Indirectly, here it is more about how the applicant rates his/her degree of functionality than how he/she rates the type and degree of disability.

Returning to Table 1, then, according to the definitions we have now presented, of the 645,000 people with disruptive or very disruptive handicaps, 415,000 reported that they were fully functional (65%). In other words, most disabled people consider themselves to be fully functional. As previously noted, functionality is described as full, partial or low based on their reports of their ability to perform a number of essential functions. According to this, we estimate that this group includes all those whose disability is not physical, for example learning disabilities, mental dysfunction and the hard of hearing. Using this background, it is easier to comprehend the relative size of this group of people.

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\(^6\) In the age group 20-64.

\(^7\) Note that we checked the characteristics of those reporting on a slightly disruptive disability (190,000) and found that their socio-demographic characteristics, education and employment were similar to those of people who are not disabled. In view of this, we decided not to include them in our classification of the disabled.
Table 1: Number of People with Disabilities per Levels of Disability and Functionality

<table>
<thead>
<tr>
<th>Functionality Level</th>
<th>Fully Functional*</th>
<th>Partially Functional*</th>
<th>Low Functionality*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very disruptive</td>
<td>108</td>
<td>112</td>
<td>30</td>
<td>250</td>
</tr>
<tr>
<td>Disruptive</td>
<td>307</td>
<td>79</td>
<td>7</td>
<td>393</td>
</tr>
<tr>
<td><strong>Total disruptive + very disruptive</strong></td>
<td><strong>415</strong></td>
<td><strong>191</strong></td>
<td><strong>37</strong></td>
<td><strong>643</strong></td>
</tr>
<tr>
<td>Slightly disruptive</td>
<td>190</td>
<td>7</td>
<td>0.4</td>
<td>197</td>
</tr>
<tr>
<td>Total</td>
<td>605</td>
<td>198</td>
<td>37</td>
<td>840</td>
</tr>
<tr>
<td><strong>Total disruptive + very disruptive (as a percentage)</strong></td>
<td><strong>64.8%</strong></td>
<td><strong>29.7%</strong></td>
<td><strong>5.8%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Numbers in thousands

Taken from special data processing of social survey by the Research & Economics Administration at the Ministry of Industry, trade and Labor, 2002-2006.

**Socio-Demographic Characteristics of People with Disabilities**

Thus far we have presented estimates of the disabled population in relation to the problems of making such an assessment. We now draw a socio-demographic picture of people with disabilities in relation to their functionality level as compared to the characteristics of people without disabilities.

Table 2 depicts a number of socio-demographic characteristics of people with disabilities per their functionality level and in comparison to people without disabilities. From this table, we note that they are older with an average age of 45.5 years as compared to an average age of 36.5 amongst those not disabled. Furthermore, from this we can see that those with low functionality because of a disability are the oldest. This is not a statistic unique to Israel, but rather a world-wide statistic taken for granted since a person’s functionality, particularly their physical functionality, tends to decrease with age. This means that for some of those with disabilities this is not a situation existing since birth, but one which has developed over the years.

We can also note from this table that the number of women suffering from disabilities (54.2%) is higher than that for men with disabilities (45.8%), indicating that the presence of women in the disabled group is universal. There are a number of reasons for this including women’s tendency to live longer (and also because the number of the disabled increases with age), thus there are more women than men in the number of people with disabilities and, therefore, the connection between people with disabilities and the poor sector (it is acknowledged that there is a positive connection between poverty and disability and, since there are more women living in poverty than men, women are at greater risk of disability than men).

The table also shows more Arabs with disabilities as compared to those without handicaps (22.0% compared to 15.6%, respectively). There are a number of explanations for this. First, amongst some groups within the Arab population on welfare, there is a larger number of marriages between relatives which increases the likelihood of children being born.
with disabilities. Another explanation is related to the lower rates in the practice of preventive medicine in this group. A third explanation is related to the lower rates of accessibility to medical attention as compared to the Jewish population. The literature shows that also in other developed countries there is a higher incidence of disabilities in minority groups in relation to their size, particularly with backgrounds such as poverty and restricted access to medical attention.

The educational characteristics of people with disabilities show differences between this section of the population, particularly amongst those with limited functionality, as compared to those with full functionality or without disabilities. First, it is evident that the number of people with disabilities with high school education (but without a graduating certificate) is significantly higher than those with similar levels of education who are not disabled (55.7% compared to 33.7%, respectively). Looking further, it is evident that the number of those with graduating certificates and higher education amongst the handicapped (14.5% - 13.3%) is significantly lower than those who are not handicapped (23.5% and 25.1%). We can also see that amongst those with partial or low functionality, the number with a secondary education certificate is even lower and runs at 9.6% - 9.9%, respectively and that there is a considerable difference in the number of those with academic education between those with partial and low functionality (7.6% for partial functionality and 9.8% for low) and those with full functionality (18.4%). It appears that these educational statistics are connected to other characteristics which affect the person’s ability to integrate into the community and also to find better jobs - a knowledge of computers or English, for instance. The number of people with disabilities reporting that they own a computer is only some 60% as compared to 74% amongst the those not disabled. It can also be observed that this number is lower as the level of functionality falls.

Regarding knowledge of English, it seems that there is a lack of those who know the language as compared to those without disabilities (21.3% compared to 42.7%). Here we can also see that the number of interviewees with a knowledge of English falls as their functionality level falls.

From the table, we can also see that the number of handicapped serving in the IDF or doing National Service is significantly lower than amongst those not disabled (51.4% compared to 72.3%, respectively). Since, in Israel, IDF service evidences social integration and is a positive indicator for future employers, lack of this service puts the handicapped in a lower category.
Table 2: Major Socio-Demographic Characteristics per Functionality Levels

<table>
<thead>
<tr>
<th></th>
<th>Disruptive + Very Disruptive Handicaps</th>
<th>Non-Disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Functionality</td>
<td>Partial Functionality</td>
</tr>
<tr>
<td>Total in thousands</td>
<td>415</td>
<td>191</td>
</tr>
<tr>
<td>Average age</td>
<td>43.9</td>
<td>47.9</td>
</tr>
<tr>
<td>Handicapped (%)</td>
<td>46.7</td>
<td>43.9</td>
</tr>
<tr>
<td>Women (%)</td>
<td>53.5</td>
<td>56.1</td>
</tr>
<tr>
<td>Arabs (%)</td>
<td>14.8</td>
<td>35.6</td>
</tr>
<tr>
<td>Jewish Ultra-Orthodox (%)</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Immigrants (%)</td>
<td>20.7</td>
<td>20.8</td>
</tr>
<tr>
<td>In good health (%)</td>
<td>9.7</td>
<td>3.4</td>
</tr>
<tr>
<td>In poor health (%)</td>
<td>8.5</td>
<td>36.6</td>
</tr>
<tr>
<td>Secondary education (%)</td>
<td>48.4</td>
<td>68.8</td>
</tr>
<tr>
<td>Secondary education certificate (%)</td>
<td>17.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Higher education (%)</td>
<td>18.4</td>
<td>7.6</td>
</tr>
<tr>
<td>Average education (years)</td>
<td>12.1</td>
<td>9.5</td>
</tr>
<tr>
<td>Computer owners (%)</td>
<td>65.5</td>
<td>50.4</td>
</tr>
<tr>
<td>Good knowledge of English (%)</td>
<td>26.2</td>
<td>12.7</td>
</tr>
<tr>
<td>IDF or national service (%)</td>
<td>56.6</td>
<td>40.4</td>
</tr>
</tbody>
</table>

Taken from special data processing of social survey by the Research & Economics Administration at the Ministry of Industry, trade and Labor, 2002-2006.

All the characteristics described above, and education in particular, present a significant barrier to integration within the work force in general and better jobs in particular. We therefore assumed that employment figures for people with disabilities would be lower than those for those not disabled and that amongst those with lower functionality levels, the rate of employment would be even lower. We also assumed that unemployment rates amongst people with disabilities would be higher than amongst those not disabled. We further assumed that given the level of education amongst people with disabilities, a fair number of them would be employed in non-professional or semi-professional jobs, since there is a lack of manpower for such jobs and this provides opportunities for the disabled to fill their needs and, thus, replace foreign or low-paid workers. Finally, given the level of education together with occupational characteristics (mainly non-professional jobs), we assumed that people with disabilities would be paid lower salaries than those without disabilities and we would find a greater proportion of those earning round minimum wage than in other sectors of the population. In light of all

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* Including the uneducated

9 From 2005 to 2006
this, it is no surprise that the main estimate is that the level of poverty amongst people with disabilities is higher than amongst the rest of the population. We shall refer to all these matters in the next section.

**The Employment Situation**

In keeping with the estimations mentioned in the foregoing section regarding the employment characteristics of people with disabilities, we did indeed find that people with disabilities, including those with full functionality and those with partial or very low functionality, are characterized by low employment and high unemployment rates with remarkable differences between them and the rest of the population. First, we may note from Table 3 that the average employment rate for people with disabilities is 43% as compared to a rate of 71% amongst the regular population. In keeping with our findings so far, we can also see that amongst those employed, the number falls as the functionality level falls so that the rate of employed people with disabilities with full functionality is 55% and this drops to 24% for those with only partial functionality and still lower to 13% for those with low functionality. To round this out, the number of unemployable people with disabilities is significantly higher than that amongst the regular population at the rate of 15.5% as compared to 8.5% for those not disabled. Moreover, the unemployment rate amongst fully functional people with disabilities is quite low (14%) and grows in direct proportion as the fall in functionality drops, so that the unemployment rate amongst people with disabilities with low functionality is 24%. This shows that the will to integrate into the labor force is very strong amongst the handicapped, particularly with regard to those with limited functionality whose employment rates are in any case low, and especially those on benefit.

With regard to the amount earned, we found that the number of people with disabilities earning less than minimum wage is proportionately greater in comparison with the wages paid to the regular population and, here also, we can see that the number of those earning less than minimum wage rises in direct proportion to their functionality: the number of those with full functionality earning less than minimum wage is 31% and rises to 44% amongst those with partial functionality and becomes 50% for those with limited functionality as compared to only 22% amongst the non-handicapped population.

It is, thus, not surprising that the average wage of people with disabilities is lower than that of the regular employees, whilst this difference between the average wage for those with limited functionality and those with average functionality or those not disabled can be as high as NIS 2,000. Here, too, we can see that pay depends on the level of functionality and is higher for those with full functionality (NIS 5,518) and less for those with partial functionality (NIS 4,595) and low functionality (NIS 4,862). For the sake of comparison, the average wage for the non-disabled is NIS 6,606. The significance of these findings is that employees with disability constantly lose income throughout their working lives. It is also obvious that the difference between the average wage of people with disabilities (NIS 5,344) and that of non-disabled workers (NIS 6,606) is 1,300 NIS, taking into account that this is a

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10 The unemployable are people who do not work but are actively looking for work and available to take up employment.
lifetime loss, people with disabilities lose more than 600,000 NIS during their working lives. Clearly, this financial loss is even greater for those with limited functionality and can reach 815,000 NIS. This financial loss is not expressed only as regards a single person, but also with regard to per household income. The table shows that the average monthly income per household of a person with disabilities is some 7,000 NIS which is approximately 3,000 NIS less than that of a non-disabled person’s household (10,304 NIS). In other words, the monthly financial loss per household of a person with disabilities is twice as great as that of an individual without disabilities and with reference to the household of a person with limited functionality, the loss is four times as great. At both the individual and the household level, such financial losses cause considerable poverty amongst the handicapped.

There is no doubt that these differences in income may be partly explained as the result of the difference in the average number of hours worked by people with disabilities and regular employees. Employees with disabilities work fewer hours on average than those without disabilities for two main reasons: first, people with disabilities were reluctant to extend their working hours since they would lose their handicap benefit (this matter was recently addressed by the Laron Law) and, second, some people with disabilities are physically unable to work many more hours and cannot match their working hours to those of employees without disabilities. However, the difference in working hours alone does not explain the considerable difference between the salary of people with disabilities and that of regular employees and, it seems, this difference shows, amongst other things, discrimination against people with disabilities in the workplace.

Indeed, from a special survey taken by the Research Administration of the Ministry of Industry & Commerce\(^\text{11}\), it was found that some 70% of people with disabilities currently employed reported that they felt negative discrimination at work because of their disability and around 30% reported that this discrimination was expressed in their salaries. This would explain the greater number of people with disabilities reporting that they were not at all satisfied with their salaries as compared to non-handicapped people (32% amongst those with low functionality as compared to 16% of those without disabilities).

As previously mentioned, we assumed that we would find large number of people with disabilities employed in non-professional or semi-professional occupations because of their educational background and the fact that they are seen as a cheap labor source, and sometimes as an alternative to foreign workers. In Table 3 we show that there is an abundance of people with disabilities employed in non-professional or semi-professional work whilst, on the other hand, there is a lack of occupations regarded as prestigious such as academics and managers. These findings are supported by another survey run by the Administration\(^\text{12}\) which shows that close to half the handicapped employees described their work as physical and repetitive, some 70% reported that their work did not require any special skills and more than 90% reported that their work did not require any academic qualifications or higher education. All of this can explain the lower numbers of people with disabilities reporting that they were very pleased.

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\(^{11}\) Research & Economics Administration of the Ministry of Industry & Commerce, 2009

\(^{12}\) The Center for Integration of the Handicapped, 2009(b)
with their work as compared to those without disabilities (21% amongst partially functional employees as compared to 34% amongst the non-handicapped).

Table 3: Occupational Characteristics of People with Disabilities per Functionality Level and compared to people without disabilities, as percentages

<table>
<thead>
<tr>
<th></th>
<th>Disruptive + Very Disruptive Handicaps</th>
<th>Non-Disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Functionality</td>
<td>Partial Functionality</td>
</tr>
<tr>
<td>Total in thousands</td>
<td>415</td>
<td>191</td>
</tr>
<tr>
<td>Rate of employment</td>
<td>54.8</td>
<td>24.2</td>
</tr>
<tr>
<td>Rate of unemployment</td>
<td>13.9</td>
<td>21.1</td>
</tr>
<tr>
<td>Average hours per week</td>
<td>40.6</td>
<td>36.7</td>
</tr>
<tr>
<td>Academics &amp; Managers (%)</td>
<td>13.9</td>
<td>10.7</td>
</tr>
<tr>
<td>Non-or semi-professional jobs13 (%)</td>
<td>22.0</td>
<td>29.5</td>
</tr>
<tr>
<td>Gross monthly salary (NIS)14</td>
<td>5,518</td>
<td>4,595</td>
</tr>
<tr>
<td>Earning less than minimum wage (%)15</td>
<td>30.9</td>
<td>43.8</td>
</tr>
<tr>
<td>Gross monthly income per household (NIS)</td>
<td>7,889</td>
<td>5,552</td>
</tr>
</tbody>
</table>

Taken from special data processing of social survey by the Research & Economics Administration at the Ministry of Industry, trade and Labor, 2002-2006.

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13 2005-2006
14 2004-2006
15 The minimum wage for the period 2004-2006 was NIS 3,377 per month, because the salaries in the survey are given per category, we took categories up to NIS 3,500.
The Difference in Employment Rates between Israel and Other Developed Countries

When we begin to study the employment statistics amongst people with disabilities, many questions are raised, such as whether the rate of employment is low or high. In order to answer this question, it is necessary to determine the standard by which we compare the results. One of the most common standards is a comparison with employment rates in other developed countries of the western world.

Comparisons with other countries regarding employment rates amongst certain sectors of the population is important for two reasons. Firstly, In the case of people with disabilities, we are discussing a separate section of the population with very low employment rates and this indicates a loss of potential that harms not only the individual but also affects economic development as long as the section of the population remaining outside the work force continues to grow. In such a case, the ability of a particular economy to compete with other economies becomes more and more difficult. Therefore, the integration of a scaled population into the labor market has become a first priority. In other words, from the macro-economic point of view, comparison with other countries is paramount and of vital importance. Secondly, comparison with other countries serves as a primary (and sensory) indicator of the efficiency and success of the program that country has adopted to support the integration of people with disabilities into the work force. Those who determine policy and operate the programs need to know if these programs actually contribute to significant change and, in order to do this, we use comparisons with other countries.

The most popular comparison is with the OECD countries. We found that the average employment rates for people with disabilities in OECD countries in 2007 was 43%, whilst the average employment rate of people with disabilities in Israel was almost the same at 43.2%. However, the average employment rate in the OECD is influenced by less developed countries joining the organization more recently and it is, therefore, important to compare the employment rate of the disabled people in Israel with the average employment rate in the seven industrialized countries\(^\text{16}\) (G7) which is higher and to which Israel aspires. The employment rate of the disabled people in the G7 countries is six points greater than the similar employment rate in other OECD countries and currently stands at some 50%.

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\(^{16}\) The U.S., the U.K., Canada, Japan, Russia, Germany, France and Italy
The Number of People with Disabilities that could be Integrated into Work if Obstacles were Removed

As may be surmised from the data so far, the employment rate among people with disabilities in Israel is relatively small and it will take a considerable length of time until this section of the population reaches its full employability potential, since for some of them, particularly those who have been out of the work force for some time, it may well be impossible to integrate them into the work force. We have also seen that this sector of the population is facing more than a few obstacles when they do try to enter the work force, especially obstacles concerning education and training. In spite of this, the premise of this work is that in order to make it possible to raise the employment rates of people with disabilities in various jobs, we must first remove the obstacles in the way.

The following table details the number of employees with disabilities and the employment rates per their functionality. This table describes the prevailing situation for the past ten years and provides a basis for realizing the potential for integrating people with disabilities into the work force, assuming that the obstacles are removed.

Table 4: Numbers of Employed and Employability Rates per Disability and Functionality Levels

<table>
<thead>
<tr>
<th>Functionality Levels</th>
<th>Full Functionality</th>
<th>Partial Functionality</th>
<th>Low Functionality</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disturbing disability</td>
<td>175,000</td>
<td>23,000</td>
<td>2,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Highly disturbing disability</td>
<td>49,000</td>
<td>23,000</td>
<td>3,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Total</td>
<td>224,000</td>
<td>46,000</td>
<td>5,000</td>
<td>275,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dysfunction Levels</th>
<th>Non-Disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disturbing disability</td>
<td>51.6</td>
</tr>
<tr>
<td>Highly disturbing disability</td>
<td>30.2</td>
</tr>
<tr>
<td>Total</td>
<td>70.9</td>
</tr>
</tbody>
</table>

In order to estimate the number of people with disabilities who could be integrated into the work force provided the obstacles were removed, we started from the basic assumption that all those in the group at a certain level of functionality were able to raise is functionality level to that of the group at the next higher level. For example, for those suffering from a very debilitating disability with low level functionality, the aim would be to raise their functionality from 10.7% to 18% (the level for the handicapped with low functionality, see Table 4), the employability level for people with disabilities with low functionality (18% as noted) and raise it to 20.5% (the employability level for those with a disruptive disability and partial functionality) and so on.

Table 5 gives the results of the simulation we ran and shows the number employed today as against the potential number employed, were the obstacles removed. Thus we can see that the removal of obstacles for fully functional people with disabilities could mean an additional 37,000 employees to the labor force, for partially functional people with disabilities, an
additional 23,000 workers and, for those with low functionality, another 2,300 workers. To summarize, the results of the simulation show that the removal of the obstacles could mean the addition of some 63,000 employees with disabilities. In the event that this situation is realized, it would mean a growth of 43.2% in the employment rates of this population (see Table 4) to 53%.

Table 5: Estimated Growth in Employability Levels for People with Disabilities with Disturbing or very Disturbing Disability per Functionality Level

<table>
<thead>
<tr>
<th>Functionality Level</th>
<th>Full Functionality</th>
<th>Partial Functionality</th>
<th>Low Functionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. currently employed</td>
<td>224,000</td>
<td>46,000</td>
<td>5,000</td>
</tr>
<tr>
<td>No. of employed after obstacles removal – simulation results</td>
<td>261,520</td>
<td>69,000</td>
<td>7,390</td>
</tr>
<tr>
<td>Addition to the labor force</td>
<td>37,520</td>
<td>23,000</td>
<td>2,390</td>
</tr>
</tbody>
</table>

From this simulation we may conclude that, even after considerable efforts to remove obstacles in the way of people with disabilities looking for employment, the number of those employed would still be low in comparison to similar rates amongst those without disabilities. In other words, since this is a fairly large group which demonstrates the difference between employment rates of people with disabilities (70.9%) and those for people with disabilities with partial or low functionality levels after the removal of obstacles (22%), there are those people with disabilities who, because of the seriousness of their disability would, seemingly, not be able to work, we need to develop tests and means to identify these people and try to improve how they are perceived today.

There is no doubt that we are speaking of a relatively large section of the population which has been virtually ignored for the past 20 years or so with regard to employment, so that some of this population has grown older and, now, it would be hard to find them employment. We would therefore conclude that, given that obstacles are removed, the employment rates over the next few years would rise only slowly with most of this growth amongst younger handicapped people coming into the labor force in future years. Obviously, all of this will be carried out together with those who succeed in integrating into the work force without assistance.

It is important to note that along with the aim of raising employment levels amongst people with disabilities, we need to check out the time frame within which the levels may be raised from 43.2% to 53%. Generally speaking, a growth of 10 percentage points in employment levels amongst those not disabled and with an economic expansion of 3-4% would take about 10 years. This is the minimum length of time required for the disabled population to come close to raising its employment levels; in other words this is a long term project heavily reliant on policies committed to the removal of obstacles standing in the way of both individuals and employers.

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17 Simulation assumptions are given on this page.
Why Things for the People with Disabilities have not Changed in So Long?

Everything said so far raises the question of why the state has not begun to look into the matter of integrating people with disabilities into the work force.

We can make a few guesses, the first of which deals with awareness to the subject and its perception. Until the end of the 1980’s, public awareness to employment of people with disabilities was very low and the welfare services assumed that providing them with benefits to assure a minimum lifestyle without assisting them to integrate into the work force was sufficient. Since public awareness is an important factor in moving things forward significantly influences decision-makers to move in certain directions, in its absence nothing was done.

At the same time and up until recently, welfare services saw employment of people with disabilities as an act of charity and did not perceive employment of disabled people as having any economic value for either the employees or their employers. This notion showed the employers as charitable people making their contribution to society and not receiving any profit from it, as opposed to those employing those without disabilities. Obviously, based on this perception of the situation, there was no incentive to integrate people with disabilities into the work place. The few employers who did think that taking on people with disabilities would be economically viable, did not know how to deal with the complications arising from employing disabled workers, a situation which led to the creation of several work related processes, most of which are illegal and in some cases even harmful, to increase the employers’ profits. All of this arose from the idea that the main aim was to work and the actual job was unimportant which, for many years, caused considerable frustration and hardship for people with disabilities, many of whom have talents and skills they have had no choice but to lose whilst working (and continuing to do so) at jobs for which they are over-qualified and this has been the reason for considerable loss of potential for the individuals concerned and also for the loss of productivity to the economy.

It should be noted here that some employers, mostly those who have not so far taken on people with disabilities, see them as unmotivated and inefficient. This has reinforced the notion that those who employ disabled persons do so out of charity. Moreover, some employers feel that taking on a person with disabilities would have a negative effect on the other workers and that, in any case, it is impossible to integrate people with disabilities into the company and particularly in jobs dealing with the public. Obviously, these notions are basically mistaken and this is supported by the survey run by the Research & Economics Administration in 2007¹⁸ which found that employers of people with disabilities are less likely to agree with statements such as “employment of people with disabilities is detrimental to business”, “there is no benefit in taking on a disabled employee” and “disabled employees cannot be employed in jobs dealing with the public” than employers who had not taken on workers with disabilities.

In addition, many employers refrained from taking on disabled employees in the past, and even today, because of the embarrassment of maybe having to fire them. This leads to the

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¹⁸ Research & Economics Administration, 2009
notion that people do not take on people with disabilities because of the uneasiness of dismissing them if necessary.

There is another assumption regarding the continuity of employment (see Section A). For almost thirty years now, government offices and those working with people with disabilities thought that they need to work in protected environments, whilst in other developed western countries a more comprehensive solution was integrate people with disabilities into the community and the regular work place, whilst the protected environment was a solution for those who need it. Here in Israel, such a change did not come about at the right time and it may be assumed that one reason for this is that there was insufficient drive to put forward the new ideas and push the old perceptions aside. For this reason, even today there are still large numbers of skilled handicapped workers quite able to integrate into the regular workplace but, for one reason or another, are still working in a protected environment.

This situation is also connected to the way in which the work market is constructed. As noted earlier, placing people with disabilities is based on a sequence of employment within a protected environment on one hand or, on the other, a regular work place in the framework of supported employment, which leads either to integration or the graduation of the disabled worker from employees to self-employed. Had such a sequence developed earlier on, natural progression through it would have created a demand that, in the end would lead to people with disabilities being integrated into the regular workplace.

Finally, with reference to people with disabilities working in menial jobs, the benefit regulations created a situation that did not encourage these workers to integrate into their workplaces and gain promotion at work, for fear that they would lose their benefits. This in turn meant that whilst the standard of living in Israel rose, the difference between the disabled and the regular population grew and poverty amongst people with disabilities worsened. It seemed that the solution to this was to increase benefits in order to maintain the standard of living for people with disabilities; however this came at the same time as the new idea of moving from welfare to work in which individuals depend on income that does not originate from benefits, in other words income originating from work. All of this formed the background to the strike staged by people with disabilities which in the end, lead to the State forming the Laron Committee and in that Committee’s decisions many saw a great opportunity to bring about significant changes in the situation of people with disabilities. However, in spite of the optimism fostered by the government’s acceptance of the Committee’s recommendations, no significant changes in the situation have actually taken place so far.

In conclusion, the limited achievements of the government in the matter of integrating people with disabilities into the regular work force are the result of several factors, some of which were not discussed by the Laron Committee. We are sure that the main cause here was lack of the single, crystallized notion that employing people with disabilities adds economic value to the employer’s firm and to the economy in general and that this should not be for charity’s sake or from the goodness of the employer’s heart. Owing to the lack of a variety of possible jobs, lack of transport to and from the place of employment or actually within the

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19 This situation changed only recently when the Laron Committee recommendations were adopted and the National Insurance Law changed.
workplace itself, low awareness on the part of employers and lack of companies who employed handicapped workers in the past but, for whatever reason stopped doing so, all of these reasons have culminated in the current situation in which employment rates of the handicapped are particularly low. Aspiring to bring about a change in general and a new perspective in particular, the Laron Committee charged the Ministry of Industry and Labor with the major part of bringing about a change in the employment situation of handicapped people. This was behind the creation of the center for the integration of the handicapped into the work force which embodied in its work the principles discussed so far in this article.
The Main Principles at the Heart of the Administration's Work

We shall now present the main principles at the heart aims of the administration for Integrating people with disabilities into the Labor Force and according to which the program and services provided by the administration. For brevity’s sake, we shall give greater details only for some of the main items appearing in Figure 1.

People with Disabilities and the Economic Aspects of Their Work

The notion that the work carried out by people with disabilities is of intrinsic economic value is one of the cornerstones at the heart of the Center’s work. People with disabilities, like those without, have many and varied abilities and putting them to work can and should be carried out based on economic values and on their contribution to the workplace. Apart from their integration into the workplace, the choice of job should allow the employee to use his abilities to the full and to make optimum use for his own good as well as that of his employer. It should also be ascertained that the working conditions are suitable.

Creating a Range of Employment Possibilities

We need to create equal opportunities for people with disabilities at work in all avenues open to those without disabilities. As regular employees may choose salaried employment or self-employment, work in employee-employer relations or as a service provider or contractor, or select a job which suits his character, his requirements and his ambitions, so should people with disabilities be able to choose their work in the same way. The same opportunities available to those without disabilities should be available to those with disabilities.

The Emphasis on Promotion at Work

Merely assisting a disabled person to integrate into the workplace is not enough. The success of his integration into the work force includes diligence at work and promotion in various aspects such as the type of work, his job, salary and working conditions. In other works, creating a way forward for personal advancement at work and for career development.

Establishing Services for the Disabled

In order to help people with disabilities integrate into the workplace, we need to be there for them sharing the important events of their lives, such as high school graduation, induction into the IDF or national service and completion of their service, university or college graduation, etc. It is important to create a series of services to help people with disabilities get through these important events right up to their integration into the workplace and be there to help them not only to integrate, but also to move forward.
Providing Services in “Under One Roof” - one stop shop (OSC)

The administration intends to establish a range of services all provided under the same roof which will be more efficient and provide easier access both for people with disabilities and for employers. At the same time, because most of the services are new they are currently run experimentally and independently of each other, we aim to establish centers to coordinate the various services offered, thus providing an efficient service to users.

Transparency and Research into the administration’s Operations

The Administration implements a policy of transparency regarding its operations. As part of this policy we present and distribute large amounts of information to the general public and are pleased to receive questions, suggestions and general interest in return, including through our website and the administration’s bi-monthly newsletter sent out to subscribers and to public inquiry centers. The administration’s operations include research which allows us to check how the programs operate, whether they achieve their goals and analyze the services’ effect from a wider aspect.

Figure 1 – The Main Principles at the Heart of the Center’s Work
THE ADMINISTRATION’S FIELDS OF WORK

As seen from the preceding section, the administration is dedicated to enlarging significantly the opportunities for fair and suitable employment open to the disabled to enable them to integrate into the workplace, providing the support and services required for them to succeed in finding work, maintaining their positions and gaining promotion and, for this reason, we have defined a number of areas in which the administration operates. These areas are inter-connected and work in harmony, together creating the range of services offered by the administration as depicted in Figure 2.

Owing to the large number of programs in the work schedule, we cannot detail them all here, therefore Table 6 shows all the programs whilst only the main programs are described here in detail.

Legislation – Participation in financing the adaptation of the workplace for people with disabilities and ensuring minimum wage adapted for people with disabilities with reduced work capacity

According to the legislation regarding equal rights for people with disabilities (State support in funding and adaptation) 2006, for operation of which the administration is responsible, the state supports adaptations at the workplace for people with disabilities. This is in fact what the government provides to employers required to adapt the working environment to the needs of employees with disabilities, so that they can carry out their duties and start work like any other employee. Using this state finance, employers can reduce the cost of taking on disabled employees and match it to the cost of taking on workers who are not disabled.

Furthermore, the administration is responsible for operation of the legislation regarding minimum wage payments (adapted for each disabled employee with reduced work capacity) of 2002, according to which a disabled employee with reduced work capacity may apply for his salary to be adapted in accordance with work capacity. His work capacity is judged according to his performance at work, based on watching how he performs his job and information received from the employer himself and compared to a non-disabled worker at the same job.
Establishing a Support Center and Forum for Employers

During the coming year, the administration will begin to give support for employers. This includes a call center to provide two types of support: telephone support and helping to create an individual program for each employer through which we can assist with all stages of taking on people with disabilities, from identifying suitable jobs, instruction for new employee and any other assistance required throughout the process. The service will include instruction for employers in implementing organizational policies prior to employment of disabled workers.

Finally, also this year, the center will begin operating a forum for employers in Israel who are interested in the integration of people with disabilities into the work force. The forum will serve to increase awareness to the advantages of employing people with disabilities, sharing information, exchanging ideas, consultation and developing initiatives. all of which will assist in increasing the numbers of the handicapped entering the work force.

Creating a Standard stamp for Companies Employing People with Disabilities and the Provision of Grants to Employers of People with Disabilities

In the second half of 2010, the administration will endeavor to design a standard stamp to show that a firm employs people with disabilities. After studying the effectiveness of this standards, both here in Israel and abroad, the administration is now working with the Public Trust organization (Imun Ha’Zibor) on the development of this company standard stamp. In addition to this, the Center is also working on the creation of legislation, similar to the laws supporting the employment of women which will provide for financial grants and acknowledgements to companies employing disabled workers and we shall soon publish a memorandum in this regard for public information.

A Center for Integration into the Workplace for the Mentally Challenged

According to the joint program of the administration and the Ministry of Health, a center to provide assistance and support for the mentally challenged throughout all stages of their integration into the workplace will be established. Each person receiving services will be overseen by a case worker who will help create an individual program based on that person’s capabilities, requirements and desires. This individual program should also include workshops in empowerment and preparation for work, computers, professional training, assistance in finding a suitable workplace and assistance over a further 18 months at the workplace. The first such center is expected to open during the second half of 2010.
Table 6: The Activities of the administration per Areas of Operation

<table>
<thead>
<tr>
<th>Support for employers</th>
<th>Employment Opportunities</th>
<th>Promotion at Work</th>
<th>Gathering and Developing Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance in financing adaptations at the workplace for people with disabilities</td>
<td>Assistance in establishing and support for businesses run by people with disabilities</td>
<td>Program for advancement of people with disabilities at work through better jobs, fair salaries and working conditions</td>
<td>Gather and extend current knowledge in relevant areas and deepen knowledge on professional enrichment</td>
</tr>
<tr>
<td>Implementing salary regulations for minimum wage and the law governing the rights of people with disabilities</td>
<td>Arrange for purchase of services by the state to be performed by people with disabilities</td>
<td></td>
<td>Take a survey amongst those with learning difficulties with academic degrees to examine their success in integrating into the work force</td>
</tr>
<tr>
<td>Establishing a support center for employers</td>
<td>Support center for people with disabilities to integrate into the workplace (OSC)</td>
<td></td>
<td>Take a survey amongst the deaf in Israel to identify their characteristics and examine how well they integrate into the work place</td>
</tr>
<tr>
<td>Establish an employers' forum</td>
<td>Develop a program for integrating those with learning difficulties into the workplace</td>
<td></td>
<td>Take a survey amongst young people with disabilities volunteering for national service and examine the influence of national service on their integration into the workplace</td>
</tr>
<tr>
<td>Adapting means available at the Ministry of Industry and Commerce for the advancement of employment for people with disabilities</td>
<td></td>
<td>Research accompanying the administration’s programs, such as adapted minimum wage and participation in adaptation expenses</td>
<td></td>
</tr>
<tr>
<td>Give preference to employers who employ people with disabilities when competing for government contracts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of a logo to denote employment of people with disabilities. Give prizes to employers taking on people with disabilities.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A Final Word

Over the past ten years, Israel has wasted the opportunity to integrate close to 65,000 people with disabilities into the work force and this has a knock-on effect expressed not only as a loss of productivity but mainly as a blow to the personal economic welfare of people with disabilities and their families. A large part of this loss is focused on those people with disabilities with, according to their own reports, high functionality. In other words, whilst most of the employment focus over the past ten years has been directed at those with low functionality levels and receiving benefits and the likelihood of their integrating into the work force is not great there are no statistics regarding those with a high functionality level, since, in the natural order of things, all the attention and efforts have been invested in this latter group.

We are sure that there are economic considerations behind the government’s decision to concentrate on those with low functionality and, thus, extend the expenditure to include those with relatively severe handicaps and, one the one hand and save the national insurance benefits on the other. On examining the results, it seems that these consideration have not proved themselves and, after all these years, proof of this is the rate of employment of those with low functionality at 13% and that of those receiving benefits is only 2.5%.

Because the activities of the various bodies dealing with benefits were focused incorrectly, large numbers of those receiving benefits who could have been returned to the work force many years ago, are now unemployable and, in these cases, we are talking about an irreversible loss of income and there is no choice but to compensate these people and assure their welfare through the benefit system.

In addition, we have learned that people with disabilities have difficulty integrating into the work force and, once they have integrated, they have jobs which do not necessarily make full use of their talents and their salary is low, in many cases lower than the minimum wage. This situation forces poverty on people with disabilities and a loss of income from 600,000 NIS to 800,000 NIS over their life time as against regular employees. We should bear in mind that this picture refers to those who work, but the situation is much worse for those who do not work and have to live on benefits alone.

Finally, we estimate that had the authorities and organizations taking care of people with disabilities changed their conceptions some 15 years ago, as was the case in other developed countries, their situation today would be very different indeed. That is to say if the attitude of charity with which they treat people with disabilities up until today were to be exchanged for an attitude which place employment of people with disabilities as having economic value, then it is almost certain that the rates of employment of this population would be higher and the unemployment figures lower and, even more so, the financial losses of individuals and their families, had the state used benefits more sparingly thus reducing its expenditure.

Since its establishment, the Administration for integrating people with disabilities into the Labor Force has been working to bring these same principles to center stage and bring about change which is now on its way after much delay. Provided that this new concept is given a chance to take root and be incorporated into the work plan of all those taking care of the disabled, including the government ministries, then it is possible that in another ten years we shall be able to present a more optimistic picture reflecting equality between people with
disabilities and those without and also acceptance of people with disabilities into society in more than mere words.
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