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# A study on the employment and wage outcomes of people with disabilities

Authors / Sevane Ananian, Giulia Dellaferrera



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# Abstract

This study investigates the employment and wage disparities between people with and without disabilities. It shows that individuals with disabilities are less likely to participate in the labour market, and that when they do, they face higher unemployment rates, are more likely to be self-employed and tend to earn lower wages. These disparities do not appear to be explained solely by individual characteristics such as educational attainment, experience or occupational category. They are most likely driven by various other factors as well, including limited provision of workplace accommodations in many firms, the potentially greater job flexibility offered by self-employment, and discrimination against people with disabilities. In its final section, the study highlights legal frameworks established at the international and national levels to promote equal opportunities and fair remuneration for people with disabilities.

## About the authors

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## Introduction

An estimated 1.3 billion people around the world, that is, nearly one in six persons were experiencing significant disability in 2021 (WHO 2022). The task of protecting the rights of people with disabilities, including in relation to working conditions and employment, has been explicitly emphasized under international frameworks. In particular, the Convention on the Rights of Persons with Disabilities, adopted by the United Nations General Assembly in December 2006, reaffirms "the right of persons with disabilities to work, on an equal basis with others", which includes "the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities" (Art. 27).

However, empirical evidence from across the world suggests that people with disabilities still appear to experience unfavourable outcomes in the labour market compared with others. Specifically, their labour force participation rate is very low, as reflected in the finding that seven in ten persons with disabilities are inactive worldwide (Stoevska 2022). When they are active in the labour market, people with disabilities often face challenges in finding a job: thus, Stoevska (2022) found that their unemployment rates were higher than those of people without disabilities in more than half of the countries with available data. Moreover, the results from other international studies also suggest that progress in the inclusion of people with disabilities in the workplace has been relatively slow, even in member countries of the Organisation for Economic Co-operation and Development (OECD), where the disparities in both employment and unemployment rates experienced by this group relative to the rest of the population remained high and largely unchanged between 2008 and 2019 (OECD 2022). Despite the importance of these issues, global and regional studies on the labour market outcomes of people with disabilities remain scarce, and they rarely consider the various factors that may underlie the observed disability employment gap. Indeed, people with disabilities tend to have certain characteristics that can explain to some extent why they lag behind when it comes to integration into the job market. For instance, their level of educational attainment is often lower than that of people without disabilities, who have been found to have higher literacy rates in all countries of the world (UNESCO 2021). Therefore, taking observed characteristics such as education and experience into account when analysing disability gaps in labour market outcomes is key to a better understanding of the impact of disability status, and hence to the design of relevant policies to support people with disabilities in the world of work.

In addition, only a few cross-country analyses have focused on the labour incomes of people with disabilities. Existing evidence points to generally lower monthly or annual wages for workers with disabilities worldwide (Stoevska 2022; OECD 2022). However, this could partly be due to a difference in working times between people with and without disabilities: in advanced economies, individuals with disabilities have often been found to work part-time, possibly because of difficulties in accessing full-time jobs or because of a preference for part-time work (OECD 2022). Importantly, beyond working time, differences across people with and without disabilities in terms of factors linked to "human capital", such as educational attainment and work experience, may also explain the disability wage gap. As with the analysis of employment, taking the number of hours worked and individuals' observable characteristics into account is therefore essential for a diagnosis of the disparities in pay between people with and without disabilities.

Apart from aspects linked to the skills of people with disabilities and their access to education, several other possible factors have been put forward to explain the relationship between disability status and unfavourable work-related outcomes. These include discrimination, which occurs when someone is treated less favourably than others because of characteristics unrelated

to that person's competencies or to the requirements of the job. Along with behaviours that involve simply avoiding the recruitment of individuals from disliked groups ("taste-based discrimination"), discrimination in the world of work may also result from employers' assumptions about job applicants' productivity in a context of imperfect information on their labour market characteristics. In this case, as an applicant's productivity cannot be observed in advance, employers base hiring decisions on their beliefs regarding the productivity of the population group to which the applicant belongs ("statistical discrimination").<sup>1</sup> Evidence for the existence of labour market discrimination against people with disabilities has been presented in several studies based on random field experiments, usually covering physical disabilities in developed countries (Ameri et al. 2015; Bjørnshagen and Ugreninov 2021; Stone and Wright 2013). In many cases, employers' ill-founded views about people with disabilities underlie the challenges experienced by the latter in securing a job and, if they are eventually recruited, throughout the employment relationship. An example is the way in which the cost of providing appropriate workplace accommodations for individuals with disabilities is often overstated by employers (Bonaccio et al. 2020).

Furthermore, poorly adapted work environments and processes may subtly create barriers for people with disabilities. Studies carried out after the advent of digital technologies in the field of human resources have thus highlighted the importance of making online recruitment and related processes accessible to people with disabilities (Bruy, Erickson and Van Looy 2005). Beyond the recruitment stage, recent reviews have pointed out a number of challenges reported by employers throughout the employment cycle of people with disabilities, and at the same time a lack of knowledge of the solutions available to enterprises (Bonaccio et al. 2020). In many cases, it is possible to design policies aimed at supporting employers who hire people with disabilities, such as wage subsidies for workers with disabilities or financial support for the implementation of accessibility measures and workplace adaptation (ILO 2019a). On the other hand, when it comes to occupational safety and health, enterprises play a key role in preventing disabilities that may result from hazards and risks arising in the workplace. This is because employers, in close cooperation with workers and their representatives, are required to ensure that workplaces are safe and without risk to health (ILO 2019b). Occupational safety and health measures should similarly be inclusive and accessible to people with disabilities.

Within this framework, the present study seeks to provide an international overview of the labour market outcomes of people with disabilities – especially labour force participation, unemployment and employment, along with wages. Specifically, the comparisons with people without disabilities undertaken here will take into account observed differences in the socio-demographic composition of the two population groups, including differences in terms of education and age. This will help to narrow down the possible causes of the observed disability-related gaps in labour market outcomes, a prerequisite for the design of appropriate policies and measures to close such gaps.

The present study is part of the ILO's efforts to support the inclusion of people with disabilities, including by promoting application of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). These efforts are aligned with the Sustainable Development Goals adopted by the United Nations General Assembly in 2015, and specifically with Goal 10, which seeks to reduce inequalities within and among countries, including through the "social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status" (target 10.2). Goal 8 and its target related to achieving "full

Statistical discrimination was first theorized by Phelps (1972) and Arrow (1973, 1998). Previously, Becker (1957) had designed an economic model focusing on "taste-based discrimination".

and productive employment and decent work for all" also refers explicitly to "persons with disabilities" (target 8.5). From a policy perspective, the inclusion of people with disabilities is likely to have positive spillover effects beyond this population group. For instance, it has been estimated that around 7 per cent of gross domestic product in developing countries is lost because of the exclusion of people with disabilities from the labour market (ILO 2015). In developed countries, which are generally experiencing a decline in their working-age population, people with disabilities are now more often recognized as a valuable resource in the workforce (Vornholt et al. 2018; Bonaccio et al. 2020).

Section 1 of this study deals with the definition of people with disabilities and describes the data used for the analysis. Section 2 focuses on the labour force participation, unemployment and status in employment (wage employment versus self-employment) of people with disabilities, while section 3 provides an analysis of their wages. These labour market outcomes are compared with those of people without disabilities, with account taken of the observed differences in the structures of the populations with and without disabilities. Finally, section 4 discusses legal frameworks that may be conducive to the labour market inclusion of people with disabilities.

# 1 Data and methodology

## Defining people with disabilities

As defined in the International Classification of Functioning, Disability and Health (ICF), which was approved by the World Health Assembly in 2001, the term "disability" covers impairments, activity limitations and participation restrictions. "Impairments" refer to problems in body function or structure such as significant deviation or loss. "Activity limitations" are difficulties that an individual may have in executing activities, while "participation restrictions" are problems that an individual may experience in involvement in life situations (WHO 2013, box 2). For the purposes of statistical identification, people with disabilities are defined as those who are limited in the kind or amount of activities that they can do because of ongoing difficulties due to a long-term physical condition, mental condition or health problem.<sup>2</sup> In that regard, the following are relevant examples of categories of disabilities:

- seeing difficulties (even if wearing glasses)
- hearing difficulties (even if using a hearing aid)
- speaking difficulties
- moving/mobility difficulties (for example, when walking, climbing stairs or standing)
- body movement difficulties (for instance, when reaching for something, crouching or kneeling)
- gripping/holding difficulties (for example, when using one's fingers to grip or handle objects)
- learning difficulties
- behavioural difficulties (such as psychological or emotional problems)
- personal care difficulties (for example, when bathing, dressing or eating).

The statistical definition thus informed by the ICF echoes Article 1 of the 2006 Convention on the Rights of Persons with Disabilities, which states that "[p]ersons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others." The wording used there puts additional emphasis on the barriers that people with disabilities face in society.

In statistical surveys covering the topic of disabilities, the identification of people with disabilities generally relies on respondents' answers to at least six core questions (on difficulties in seeing, hearing, walking, remembering, communicating and caring for oneself), as recommended in the Washington Group short set of questions on functioning. However, where that is not possible, four core questions are used (on difficulties in seeing, hearing, walking and remembering), with the options being as follows: "No – no difficulty", "Yes – some difficulty", "Yes – a lot of difficulty"

<sup>&</sup>lt;sup>2</sup> See the ILOSTAT web page on the Disability Labour Market Indicators (DLMI) database (https://ilostat.ilo.org/methods/concepts-anddefinitions/description-disability-labour-market-indicators/) for information on the concepts, as well as the statistical definitions used to describe the labour market outcomes of persons with disabilities.

or "Cannot do at all".<sup>3</sup> In this framework, people with disabilities are defined as those who report having a lot of difficulties with, or not being able to manage at all, at least one of the domains of functioning. The threshold (or "cutoff") used in this regard is the one recommended by the Washington Group on Disability Statistics in its guidelines for creating indicators of disability status using the short set of questions on functioning (Washington Group 2021).

However, a few surveys use an alternative to these questions to avoid specifying the nature of the difficulties, and only ask respondents whether they have any overall activity limitation due to health problems. This is particularly so with the European Union Statistics on Income and Living Conditions (EU-SILC) survey used for some of the sampled countries, where the possible answers to that question are "severely limited", "limited but not severely" and "not limited at all". In this case, only those who report being severely limited are considered to have a disability.<sup>4</sup>

Finally, one caveat in using the Washington Group short set of questions is that it does not directly cover mental health functioning. An enhanced version of the short set comprises six more questions from the extended version of the Washington Group questionnaire, including questions on anxiety and depression, which can substantially improve the quality of data on psychosocial functioning (Groce, n.d.). However, the enhanced short set is rarely used for the collection of data on working conditions, in particular within the framework of labour force surveys. Furthermore, while it can be used to identify people with significant disabilities, the Washington Group short set may lead to less severe disabilities being overlooked. The fact that the identification of people with disabilities depends to some extent on the version of the questionnaire chosen may contribute to limiting the comparability of data between countries.

### A sample of national household surveys including information on disabilities

The analysis of the labour market outcomes of people with disabilities in this study is based on data from labour force surveys and other household surveys incorporated into the ILO Harmonized Microdata collection,<sup>5</sup> which includes microdata from over 160 countries. Within this collection, the surveys selected include information on both the employment status and earnings of household members, in addition to their disability status (with disabilities vs. without). For job characteristics and earnings, the estimates reported here refer to the main jobs of individuals.

Since people with disabilities are likely to work part-time, the analysis focuses on gross hourly wages so as to eliminate variation in earnings due to differences in working time. Nevertheless, a descriptive overview of the working time of people with and without disabilities is provided separately in box 2 further down.

Surveys carried out in 2020 were not included in the sample to avoid the confounding effects of possible disruption to data collection processes due to the COVID-19 pandemic and the associated social distancing measures. While most of the surveys cover the period 2019–22, there

<sup>&</sup>lt;sup>3</sup> The ILO harmonized variable "ilo\_dsb\_aggregate" prepared by the ILO Department of Statistics used in this study to identify people with disabilities in the surveys is usually based on the answers to these questions. More information on the collection of data for disability statistics can be found on the website of the Washington Group on Disability Statistics, https://www.washingtongroup-disability. com/.

<sup>&</sup>lt;sup>4</sup> Nevertheless, as of 2022 the EU-SILC survey has included a three-yearly rolling module on health that collects details on disabilities through the six core questions from the Washington Group short set.

<sup>&</sup>lt;sup>5</sup> For more information, see the ILOSTAT web page on data collection and production, https://ilostat.ilo.org/about/data-collection-and-production/.

are also some from earlier years, going back to 2013. This relatively broad time window allows countries with less frequent data collection to be included in the analysis.

The final working data set for the study comprises 65 countries, covering all regions and levels of economic development. Out of the countries in the sample, 14 are from Africa, 2 from the Arab States, 12 from Asia and the Pacific, 30 from Europe and Central Asia, and 7 from the Americas.<sup>6</sup> In terms of country income groups, the sample comprises 28 high-income countries, 16 up-per-middle-income countries, 14 lower-middle-income countries and 7 low-income countries.<sup>7</sup> The countries selected, and their corresponding surveys, are listed in table A1 in the Appendix. However, the exploration of working time and wages is restricted to countries with surveys that include a sufficient number of respondent workers (or wage employees) with disabilities to allow analysis of these dimensions.

Across the countries sampled, the share of people with disabilities in the working-age population varies widely, from less than 1 per cent to over 13 per cent. Beyond differences in people's health, several reasons can be cited to explain this variability between countries, such as differences in the perception of disabilities, culture and awareness, in addition to possible measurement differences across surveys (OECD 2022). Variations in the share of disabled people across countries may also reflect different levels of exposure to war or other forms of intentional injury.<sup>8</sup> This means that comparisons of the estimates between countries should be made with great caution.

Moreover, caution is also called for when extrapolating. Although the scope of this analysis is meant to be relatively wide given the available data, the results remain specific to the sample and may not necessarily reflect the relative situation of people with disabilities in countries not included.

<sup>&</sup>lt;sup>6</sup> The relatively high coverage of European countries was enabled by the use of EU-SILC survey data, made available by Eurostat, which covers 28 countries in the sample.

<sup>&</sup>lt;sup>7</sup> To group countries according to their level of income per capita, the World Bank classification corresponding to the year of the survey data collection is used.

<sup>&</sup>lt;sup>8</sup> The World Health Organization has highlighted that suicides account for the largest proportion of the intentional injury burden in developed countries, whereas it is violence and war in developing countries (WHO 2008).

# 2 Employment outcomes of people with disabilities

### A methodology for analysing differences in labour market outcomes between people with and without disabilities

People with and without disabilities can differ in characteristics that may have an impact on their labour market outcomes. For instance, lower educational attainment may affect their likelihood of finding a job. On the other hand, the over-representation of older people among people with disabilities could also result in lower labour market participation rates.<sup>9</sup> Taking the socio-demographic structure of the population of people with disabilities into account is therefore critical when analysing the disparities they may experience in labour market outcomes.

In order to perform such analysis, the econometric technique of logistic regression is applied to a data set constructed from the pooled country surveys selected for this study (see box 1 below for further details of the technique). This method makes it possible to assess how the probabilities of the labour market outcomes under study differ between people with and without disabilities, while at the same time disentangling this impact from that of other observed characteristics, such as education and age.

It is important to bear in mind that all the estimates presented here do not take into account possible unobserved individual characteristics that could influence the labour market participation of people with disabilities. In addition, the results do not control for the possible impact that employment outcomes may have on a person's disability status ("reversed causality"). Indeed, in some instances, disabilities can be a result of the employment situation, for example when they arise from an accident at work. The findings presented here should therefore not be interpreted as reflecting a causality between having a disability and the various labour market outcomes studied.

#### Box 1. Estimating differences in the probability of selected labour market outcomes between people with and without disabilities

To assess how having a disability changes the probability of labour force participation, unemployment and wage employment, a logistic regression model is estimated separately for men and women using a pooled data set that includes all the surveys sampled (see table A1 in the Appendix). This econometric approach consists in estimating the parameters  $\alpha$ ,  $\gamma$  and  $\beta$  of the following equation:

$$P(Y) = \frac{1}{1 + e^{-(\alpha + \gamma Dsb + X\beta)}} \quad (1)$$

where P(Y) is the probability that Y happens, Y referring respectively to labour force participation, unemployment and being an employee (versus being self-employed). In addition,  $\alpha$  is the constant (or "intercept"), Dsb is a dummy variable indicating whether a respondent has disabilities and X is a set of control variables.

An estimated 46 per cent of people aged 60 years or older live with disabilities (United Nations 2015).

For labour market participation and unemployment, the control variables are the level of educational attainment (below secondary school level, secondary school level, above secondary school level), the age tranche (15–24 years, 25–55 years and 55+ years) and a country dummy for each country to take into account unobserved heterogeneity across countries.

When estimating the probability of wage employment, the control variables also include the respondent's occupation according to the International Standard Classification of Occupations (ISCO-08), with occupations aggregated into six categories: "Managers, professionals and technicians", "Clerical, services and sales workers", "Skilled agricultural and trades workers", "Plant and machine operators, and assemblers", "Elementary occupations" and "Armed forces". This allows one to control for possible differences in employment status that could be due to the type of occupation pursued.

The above estimation is used to compute the results reported in table 1, which are called "average marginal effects". They correspond to the increase (or decrease) in the probability of the event Y (that is, labour force participation, unemployment or wage employment) induced by the event "Dsb = 1" (that is, having disabilities).

# On average, people with disabilities exhibit lower labour force participation and higher unemployment

People with disabilities are less likely to participate in the labour market than those without, even when one controls for age and educational attainment. On average across countries, having disabilities decreases the likelihood of labour market participation by 29 percentage points for men, and by 20 percentage points for women (table 1). The negative impact of disabilities on men and women's likelihood of labour market participation is similar across countries at different levels of development, though it is lower in absolute terms for women in upper-middle-income countries (14 percentage points versus 20 percentage points on average for all countries).

Furthermore, when they do participate in the labour market, people with disabilities are more likely to be unemployed than those without. Across countries, the likelihood of unemployment increases by 8 percentage points for men when they have disabilities; a similar increase is observed for women with disabilities (7 percentage points). However, the unemployment gap between people with and without disabilities appears to be narrower in developing countries. In particular, this gap is not statistically significant for women in lower-middle-income countries and for men in low-income countries. It is even negative for women in low-income countries (-1.5 percentage points), indicating that women with disabilities are less likely to be unemployed than other women. This last result may reflect the scarcer resources in developing economies compared with high-income countries, which could prompt people with disabilities to reduce their unemployment spell and take up any available job.

	All	High-income countries	Upper-middle- income coun- tries	Lower-middle- income coun- tries	Low-income countries			
Labour force participation								
Men	-29.1***	-29***	-27.5***	-32.2***	-31.2***			
Women	-20.3***	-21.7***	-14.1***	-22.1***	-22***			
Total	-24.9***	-25.5***	-20.9***	-27***	-26.2***			
Unemployment								
Men	8***	14.7***	1.4*	2.6***	0.3			
Women	6.6***	10.7***	2.8**	0.7	-1.5***			
Total	7.5***	12.9***	2.1***	1.7*	-0.6			
Wage employment (vs. self-employment)								
Men	-4.3***	-1.1	-7.2***	-6.8***	-3.2**			
Women	-3.4***	-1.4**	-6.4***	-4.7***	-1.4			
Total	-4***	-1.2**	-7.1***	-5.9***	-2.4***			

# Table 1. Gaps in the probabilities of selected labour market outcomes between people with and without disabilities (percentage points)

Note 1: Statistically significant values are denoted by \*\*\*, \*\*, \* at the 1%, 5% and 10% significance levels respectively.

**Note 2:** The results for labour force participation refer to the whole population. Those for unemployment refer to the population in the labour force. Those for status in employment (wage employment vs. self-employment) refer to the employed population.

**Note 3:** The labour force participation and unemployment models control for age and education. The status in employment model (wage employment vs. self-employment) features occupation as an additional control variable. All the models control for country fixed effects.

Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

### People with disabilities are more likely to be self-employed

Finally, the third section of table 1 shows that, when in employment, people with disabilities are less likely to be working as employees than those without. Indeed, even after controlling for age, educational attainment and occupation, having disabilities reduces the probability of being an employee for both men and women. This pattern appears to hold at each level of economic development, except in high-income countries for men and in low-income countries for women, as the corresponding estimates are not statistically significant.

The above findings are consistent with those already presented in the limited literature on the odds of self-employment for people with disabilities, where most studies focus on developed countries (Pagán 2009; Gouskova 2020). The main reasons proposed for the over-representation of disabled people among the self-employed include the greater flexibility and the better adjustment between disability status and working life that self-employment may allow (Pagán 2009). A recent empirical investigation drawing on US data confirmed that people with disabilities, on the whole, choose self-employment for non-monetary reasons, though it did not rule out the possibility of employer discrimination "pushing" part of the population with disabilities into self-employment (Gouskova 2020).

The greater likelihood of self-employment among people with disabilities suggests an increased risk of exposure to informality, particularly in developing countries. Indeed, global estimates suggest that the vast majority of self-employed workers own and operate an informal economic unit, with eight in ten such workers in developing countries working informally (ILO 2023a). In contrast, only four in ten employees worldwide work informally, and only one in ten in high-income countries. On the other hand, in most countries with available data, people with disabilities are more likely to be in informal employment than those without disabilities (Stoevska 2022). Finally, in addition to differences in the likelihood of being employed or self-employed, people with disabilities also exhibit specific working-time patterns. A descriptive assessment of this is provided in box 2. In particular, compared to people without disabilities, they often work fewer hours and those in developing countries are more likely to be employed contracts.

#### Box 2. Working time of people with and without disabilities

#### In comparison to other workers, those with disabilities often work fewer hours

People with too few or irregular working hours may be exposed to specific risks, such as insufficient income. Conversely, excessive working hours are associated with health risks, such as ischaemic heart disease and stroke (Pega et al. 2021). An overview of the working time of people with and without disabilities is therefore provided here, based on a sub-sample of countries with available information on the working time of employees and self-employed workers.

On average across these countries, people with disabilities work more often 20 hours or fewer than people without. Specifically, 13 per cent of workers with disabilities work fewer than 20 hours, that is, 5 percentage points more than other workers (figure B.2.1). This gap is relatively constant across levels of economic development, as it ranges from 4 percentage points in low- and lower-middle-income countries to 6 percentage points in upper-middle-income countries (5 percentage points in high-income countries). This can partly be explained by the fact that some workers with disabilities need to decrease their working hours in view of reduced work capacity.

At the other end of the distribution of working hours, a substantial share of workers with disabilities may nonetheless experience long hours, especially in developing countries. Across the low- and middle-income groups of countries, between 12 and 22 per cent of workers with disabilities work more than 55 hours. This may be a cause for concern, as assessments undertaken by the ILO and the World Health Organization have reported higher risks of ischaemic heart disease and stroke among people working long hours. However, relatively large proportions of people without disabilities also work long hours in developing countries (between 16 and 25 per cent across the relevant country income groups).

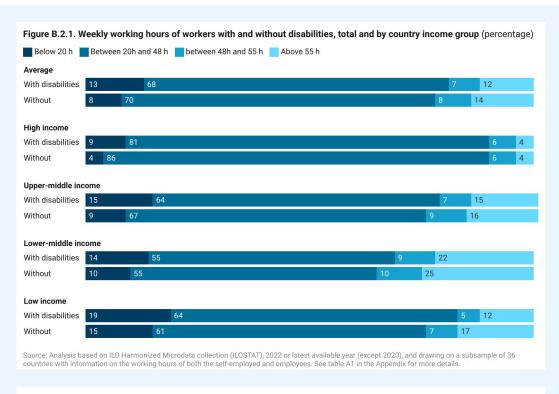
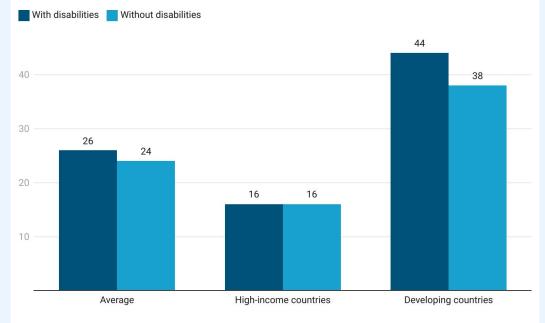


Figure B.2.2. Share of temporary contracts among employees with and without disabilities, total and by broad country income group (percentage)



Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020), and drawing on a subsample of 22 countries with information on temporary contracts. See table A1 in the Appendix for more details...

#### In developing countries, temporary employment is more widespread among employees with disabilities

Among employees from developing countries, people with disabilities appear to be employed under temporary contractual arrangements more often than those without disabilities. On average across a subsample of developing countries with available information on the type of contract, 44 per cent of employees with disabilities were in temporary employment, compared with 38 per cent for those without (figure B.2.2). In contrast, across the developed countries in the subsample, temporary contracts are equally frequent among employees with and without disabilities (16 per cent in both cases). Unless adequate legal frameworks are put in place, higher levels of temporary employment for people with disabilities may make their position in the labour market more insecure.

# 3 Wage outcomes of people with disabilities

In addition to outcomes related to employment, another key labour market outcome is earnings, which play a crucial role in determining livelihoods. This section therefore examines the hourly wages received by employees with and without disabilities. It draws on the findings from a subsample of 30 countries with quality information on the wages received by both population groups. Nearly half of the sample consists of countries with developing economies (14 countries). While this section focuses on wage employment because of data-related considerations, a brief analysis of the income earned by self-employed workers with disabilities is nevertheless undertaken for two countries whose surveys include reliable information in that respect (see box 4 further down).

# The share of low-paid workers is higher among employees with disabilities

People with disabilities tend to be located at the lower end of the hourly wage distribution. On average across a subsample of 30 countries with information on the wages of employees, 30 per cent of employees with disabilities are in the first quintile of the wage distribution, meaning that they earn a wage that is below the wages earned by 80 per cent of employees (figure 1). In low- and lower-middle-income countries, this share is even higher, reaching 35 per cent (versus 28 per cent in high-income countries).

Although the present study does not differentiate by types of disability, it should be noted that this factor may affect the position of people with disabilities on the wage ladder. Previous analysis carried out in the United Kingdom of Great Britain and Northern Ireland, for instance, has shown that the median pay of people with mental impairment is lower than that of workers with other impairments, except for women, among whom the median pay is similar in the case of both physical and mental impairment (Longhi 2017). Although data tends to be scarcer in developing countries, estimates for Lebanon suggest that people with severe communication difficulties had the lowest earnings among employees with disabilities (ILO 2023b).

As their wages are often near the bottom of their country's wage ladder, employees with disabilities are particularly exposed to low pay, a relative measure indicating a wage below two thirds of the country's median hourly wage.<sup>10</sup> On average across the countries in the subsample, 32 per cent of employees with disabilities are low-paid, compared with just 22 per cent of those without (figure 2). Furthermore, while the share of low-paid workers is higher among employees with disabilities at each level of economic development, the gap vis-à-vis the rest of employees appears to be more marked in developing countries. In particular, the low-pay rate is 64 per cent higher for workers with disabilities than for those without in the low- and lower-middle-income country group (46 versus 28 per cent), whereas it is 42 percent higher in the high-income country group (27 versus 19 per cent).

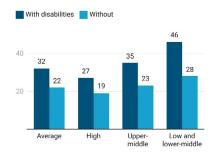
<sup>&</sup>lt;sup>10</sup> Low pay was statistically defined in ILO (2012).

Figure 1. Share of employees with disabilities in each quintile of the wage distribution, by country income group, 2022 or latest available year (percentage)

1st quintile 2nd	quintile 📃 3rd d	quintile 📃	4th quintile	5th o	quintile
Average	30	21	18	16	15
High	28	21	19	16	16
Upper-middle	31	20	17	17	15
Low and lower-middle	35	22	19	12	12

Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

▶ Figure 2. Share of low-paid workers among employees with and without disabilities, by country income group, 2019 or latest available year (percentage)



Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

### The lower educational attainment of employees with disabilities may partly explain their lower wages

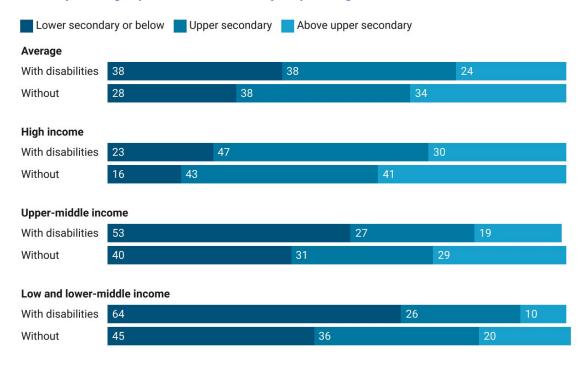
The high share of low-paid workers among employees with disabilities could be explained in part by the socio-demographic structure of this population group. Specifically, factors shaping human capital and skills are likely to have an impact on the wages received by such employees. When studying their wages, it is therefore necessary to look at such characteristics as education and experience.

As far as education is concerned, employees with disabilities tend to have lower educational attainment than those without. In particular, across the 30 countries in the subsample considered here, 38 per cent of employees with disabilities had yet to attain secondary school level, whereas that was so for only 28 per cent of other employees (figure 3). Such a disability education gap can be observed in each of the three categories of economic development considered for this subsample (high-income countries; upper-middle-income countries; and low- and lower-middle-income countries). This can probably be explained by the challenges that people with disabilities may face in accessing education at the early stages of their lives. On the other hand, the industries most likely to expose workers to occupational hazards, with a possible impact on their health and disability status, are often those that employ a large proportion of low-skilled labour.<sup>11</sup>

Sectors such as agriculture, forestry and fishing, construction and manufacturing are widely recognized as the most hazardous. Specifically, one in three fatal occupational injuries worldwide occur among agricultural workers (Pintado Nunes et al. 2023). In many countries, the agricultural workforce has been found to be relatively low-skilled (OECD 2023).

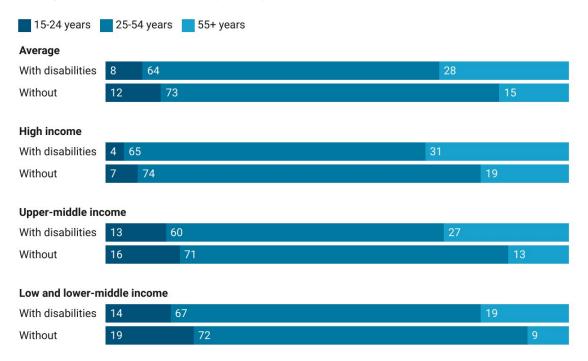
However, a factor that may offset, to some extent, the wage effects of their lower educational attainment is that employees with disabilities appear to include a relatively large share of experienced workers. Using age as a proxy for experience, it thus emerges that people aged 55 years or over account for an average of 28 per cent of the population of employees with disabilities, that is, almost twice the share observed among their counterparts without disabilities (figure 4). This pattern holds at all levels of economic development studied, including low- and lower-mid-dle-income countries, where the overall workforce tends to be relatively young.

# ▶ Figure 3. Distribution of employees with and without disabilities according to their educational level, by country income group, 2022 or latest available year (percentage)



Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

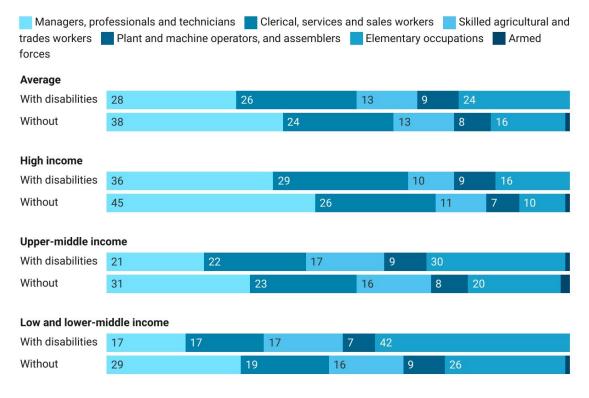
Figure 4. Distribution of employees with and without disabilities according to their age, by country income group, 2022 or latest available year (percentage)



Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

## In addition, workers with disabilities are over-represented among employees working in elementary occupations and under-represented among managers and professionals

Probably as a result to some extent of their lower educational attainment, employees with disabilities are more likely than others to work in elementary occupations. On average across the subsample, 24 per cent of employees with disabilities work in elementary occupations, compared with 16 per cent for employees without disabilities (figure 5). In the low- and lower-middle-income countries included in the subsample, the share of employees with disabilities working in elementary occupations is particularly high (42 versus 26 per cent for employees without disabilities). At the other end of the spectrum, the occupational category "Managers, professionals and technicians" is under-represented among employees with disabilities, with only 28 per cent of them working in such occupations on average across countries, compared with 38 per cent for employees without disabilities. ▶ Figure 5. Distribution of occupations among employees with and without disabilities, by country income group, 2022 or latest available year (percentage)



Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

In this context, to assess the impact that the specific socio-demographic characteristics of employees with disabilities may have on their wages relative to those of other employees, a decomposition of the average wage gap between employees with and without disabilities is carried out using a Blinder–Oaxaca econometric model. This method involves breaking down the wage gap into a part that can be explained by the observable characteristics of individuals (such as age and education) and an unexplained part (see box 3).

#### **b** Box 3. Analysing the disability pay gap

To estimate the extent of the pay gap observed between employees with and without disabilities that is attributable to human capital and the characteristics of occupations, a Blinder–Oaxaca econometric technique is used for each country (Blinder 1973; Oaxaca 1973). Wage equations are first estimated separately for employees with and without disabilities. The estimated parameters of these equations are then used to decompose the average pay gap into a part explained by the observable characteristics considered in the equations and an unexplained part.

Formally, the wage equations estimated are as follows:

 $W_D = X_D \beta_D + \epsilon_D$ 

 $W_O = X_O \beta_O + \epsilon_O$ 

where W is the logarithm of the hourly wages of employees with (D) and without (O) disabilities, and X is a vector of variables including a constant term and dummies that describe employees' observable characteristics (more specifically their "human capital" and occupations): age, education level, number of hours worked per week (below 20, between 20 and 40, above 40), sector of work (public/private), and occupation according to the International Standard Classification of Occupations (ISCO-08) with occupations aggregated into six categories.

In this framework, the average difference in pay is calculated as the sum of two components:

$$\overline{W}_{O} - \overline{W}_{D} = (\overline{X}_{O} - \overline{X}_{D})\widehat{\beta}_{O} + \overline{X}_{D}(\widehat{\beta}_{O} - \widehat{\beta}_{D})$$

where  $(\bar{X}_O - \bar{X}_D)\hat{\beta}_O$  is the explained part, attributable to differences in observable characteristics between employees with and without disabilities, and  $\bar{X}_D(\hat{\beta}_O - \hat{\beta}_D)$  is the unexplained part of the gap. In other words, the explained part of the gap corresponds to the difference in hourly wages between employees with and without disabilities that is attributable to differences in the composition of the workforce in terms of age, education level, institutional sector, occupation and working time. The unexplained part of the wage gap is due to factors not taken into account in the decomposition.

## Three quarters of the disability pay gap is not explained by differences in terms of education, age and occupation between employees with and without disabilities

On average across the 30 countries in the subsample, employees with disabilities earn 12 per cent less per hour than their counterparts without disabilities, three quarters of this gap not being explained by differences in terms of educational attainment, age and occupation (figure 6). The average disability pay gap appears to be higher in the low- and lower-middle-income countries of the subsample, where it reaches 26 per cent, with 11 percentage points not explained by the observed socio-demographic differences between employees with and without disabilities. At the other end of the spectrum, in developed countries the average disability pay gap is 9 per cent, half of it being unexplained (5 percentage points).

A multiplicity of factors may lie behind the unexplained pay gap between people with and without disabilities, as it reflects all relevant dimensions not considered in the econometric decomposition of the raw pay gap. Among these factors, previous studies have highlighted possible limitations to the productivity of people with disabilities as a result of a mismatch between their capacities and the requirements of their jobs; trade-offs between greater job flexibility or workplace accommodations for workers with disabilities and the level of their wages; and discrimination against this population group (Kruse et al. 2018).

Relatively few studies have sought to measure precisely the extent of discrimination against people with disabilities, especially with regard to pay (Longhi 2017). Discrimination may occur simply because employers have negative attitudes towards people with disabilities, or because they infer the ability of a candidate with disabilities from the perceived average ability of people with disabilities ("statistical discrimination"). A recent empirical study based on US data has highlighted how discrimination is a potential factor influencing the pay of workers with disabilities, since a disability pay gap can be observed even after taking into account the effects of a possible mismatch between the capacities of people with disabilities and the requirements of the jobs they hold (Kruse et al. 2018).

Finally, out of the 30 countries considered here, only five exhibit a negative average disability pay gap, meaning that employees with disabilities earn an average wage that is higher than the one earned by their counterparts without disabilities (Colombia, Greece, Lebanon, Luxembourg and Pakistan). This does not preclude the exposure of many people with disabilities in those countries to low pay levels, as for instance in Luxembourg, where 22 per cent of people with disabilities are in the first quintile of the wage distribution.<sup>12</sup> In Colombia and Lebanon, the unexplained part of the disability pay gap is positive, which highlights how a disability pay gap can become positive once the socio-demographic differences between employees with and without disabilities are taken into account.<sup>13</sup>

<sup>&</sup>lt;sup>12</sup> At the other end of the wage ladder, the last quintile of Luxembourg's wage distribution comprises 25 per cent of the country's employees who have disabilities, which explains the relatively high average wage for this population group. This could be due in part to Luxembourg's policy of wage subsidies targeting workers with disabilities, with subsidy rates depending on an individual's situation and the nature of the work performed.

<sup>&</sup>lt;sup>13</sup> The overall negative raw wage gap observed in the Colombian and Lebanese surveys (-23 and -8 per cent respectively) is due to the relatively high wages reported by some of the respondents with disabilities, who nevertheless make up just a small proportion of the total. For example, in both countries the shares of low-paid workers among employees with and without disabilities are close (19 versus 17 per cent in Colombia and 33 versus 31 per cent in Lebanon).

Figure 6. Average pay gap between employees with and without disabilities, by country, decomposed, 2022 or latest available year (percentage)

Gap explained by human capital determinants and oc	cupations 📕 Unexplained pay gap
All	
Average (12)	39
High income	
Estonia (28)	5 23
Czechia (24)	5 19
United Kingdom (22)	10 12
France (20)	5 15
Portugal (16)	6 10
Spain (12)	9 3
Belgium (11)	3 8
Germany (10)	3 7
Italy (8)	-5 13
Switzerland (6)	6
Chile (4)	
Denmark (2)	4
United States (1)	
Poland (1)	1
Greece (-1)	
Luxembourg (-18) -42	24
Average (9)	4 5
Upper-middle income	
Occupied Palestinian Territory (34)	37
Maldives (29)	12 17
Thailand (22)	10 12
Peru (19)	5 14
Republic of Moldova (10)	9
Armenia (7)	5
Guatemala (7)	7
Ecuador (6)	3 3
Lebanon (-8) -43	35
Colombia (-23) -30	7
Average (10)	14
Low and lower-middle income	
Mongolia (37)	14 23
Ethiopia (37)	17 20
Sri Lanka (34)	20 14
Pakistan (-3)	-12 9
Average (26)	15 11

**Note:** For each country, the average disability pay gap is given in parentheses. The explained and unexplained components of the average disability pay gap are estimated using the Blinder–Oaxaca decomposition methodology outlined in box 3.

**Source:** Analysis based on ILO Harmonized Microdata collection (ILOSTAT), 2022 or latest available year (except 2020). See table A1 in the Appendix for more details.

## Across countries for which the average pay can be broken down by sex, women with disabilities appear to earn less on average than their male counterparts

Among people with disabilities, some subgroups may experience even greater disadvantages when it comes to pay. This appears to be particularly the case for women, who are on average paid less than men in a subsample of 14 countries for which it was possible to disaggregate the average wages of people with disabilities by sex on the basis of the survey data. In fact, the raw average gender pay gap for workers with disabilities in these selected developed and developing countries is 6 and 5 per cent respectively in favour of men (figure 7). The average gender pay gap is, however, lower than the one observed among workers without disabilities in both country groups (13 and 9 per cent respectively in favour of men). Consistently with this analysis, previous studies covering developed countries have highlighted the existence of a gender pay gap among people with disabilities (McDiarmid 2023; EDF 2022).

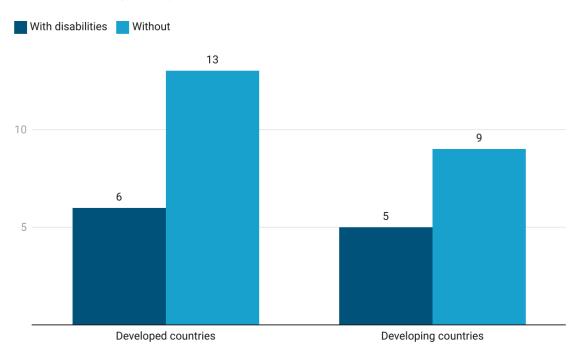


Figure 7. Gender pay gap among employees with and without disabilities in selected countries, 2022 or latest available year (percentage)

**Note:** The analysis covers Chile (developed country), Colombia (developing country), Ecuador (developing), Ethiopia (developing), France (developed), Germany (developed), Maldives (developing), Mongolia (developing), Peru (developing), Portugal (developed), Spain (developed), Thailand (developing), the United Kingdom (developed) and the United States (developed).

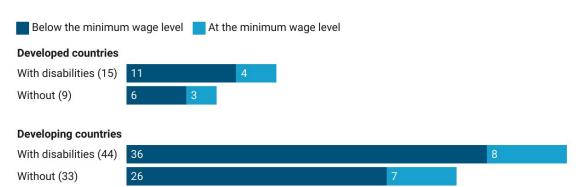
**Source:** See table A1 in the Appendix for more details on the corresponding surveys.

## The role of minimum wages in reducing the disability pay gap

Labour market institutions such as minimum wages may be helpful in tackling the discrepancies in pay observed between people with and without disabilities. As people with disabilities tend to be at the lower end of the wage distribution, minimum wage policies can be a key tool in reducing the pay gap vis-à-vis people without disabilities. Moreover, the relatively large share of workers paid at or below the minimum wage level among employees with disabilities illustrates that population group's higher exposure to minimum wages, even though only some of them are actually paid at the minimum wage rate. Thus, in a subsample of developed countries with a minimum wage, 15 per cent of workers with disabilities earn the minimum wage or less, compared with just 9 per cent of workers without disabilities (figure 8). In developing countries, these shares are 44 and 33 per cent respectively.

However, the relatively large proportion of workers with disabilities who are paid less than the minimum wage level may point to challenges in ensuring their effective coverage through this policy. Indeed, in developed and developing countries, respectively, 11 and 36 per cent of workers with disabilities earn less than the minimum wage level, versus 6 and 26 per cent for their counterparts without disabilities. Factors that may explain the over-representation of workers with disabilities among employees paid below the minimum wage include a weaker enforcement of the policy as far as that population group is concerned and possible legal exemptions from minimum wage regulations. The latter situation could result from anti-discrimination measures aimed at protecting the employment of workers with disabilities in contexts where the provision of lower rates for certain workers with disabilities is viewed as a way of compensating for the effects of a potentially reduced productivity (ILO 2016). In other countries, however, the setting of lower minimum wage rates for workers with disabilities is considered to be a form of discrimination.<sup>14</sup>

International labour standards such as the Minimum Wage Fixing Convention, 1970 (No. 131), and the Minimum Wage Fixing Recommendation, 1970 (No. 135), provide a framework for the implementation of minimum wage regulations with a broad coverage, including such aspects as their enforcement and the determination of the adequate minimum wage rates (see section 4, which deals with the legal frameworks governing the employment and wages of people with disabilities).



#### Figure 8. Share of employees paid the minimum wage or less, 2022 or latest available year (percentage)

**Note:** According to the definitions used here, an employee who earns below the minimum wage receives less than 95 per cent of the minimum wage value, while an employee paid at the minimum wage level earns between 95 and 105 per cent of the minimum wage value.

**Source:** Same as in figure 6 above except for Denmark, Ethiopia, Italy, Maldives and Switzerland, which are not covered in the present chart. Ethiopia and Maldives did not have a minimum wage at the time of the survey. Denmark, Italy and Switzerland rely predominantly or exclusively on minimum wages set by collective bargaining agreements (ILO 2020). In these cases, rates and coverage depend on the collective bargaining system and its structure.

Beyond a statutory minimum wage, inclusive working conditions can also be established through collective bargaining, including through negotiations on pay and other terms of employment for people with disabilities. Collective bargaining enables the parties to tailor the provisions of

<sup>&</sup>lt;sup>14</sup> For instance, in the United Kingdom the same National Living Wage applies to workers with disabilities. In France, it is regarded as a form of discrimination to pay a worker less for the same or a similar job.

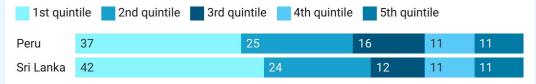
agreements to specific contexts and to adapt them when the circumstances change, including at the sectoral or enterprise level. In particular, an ILO survey of collective bargaining agreements around the world found that some agreements included provisions on reasonable accommodations for people with disabilities, covering such areas as hiring, working-time arrangements, the working environment and the determination of work duties that may be better suited to such workers (ILO 2022). Importantly, collective bargaining can also be a key tool for tackling discrimination. Furthermore, two thirds of the collective bargaining agreements reviewed in that ILO survey contained provisions aimed at fostering diversity and inclusion, such as clauses prohibiting discrimination on the basis of race, colour, sex, religion, ethnicity, disability, HIV status, sexual orientation and gender identity, among other grounds.

#### Box 4. Employment incomes for self-employed workers with disabilities in Peru and Sri Lanka

For Peru and Sri Lanka, the survey data makes it possible to compare the hourly earnings of self-employed workers with and without disabilities. Although the findings presented here may not apply to all countries, they serve to illustrate the disability gaps in income from self-employment that can be observed around the world.

In both countries, self-employed workers with disabilities tend to earn incomes that are at the lower end of the national hourly employment income distribution. Specifically, 37 and 42 per cent of such workers with disabilities in Peru and Sri Lanka respectively are in the first quintile of this distribution, meaning that their employment income is below that of 80 per cent of the self-employed in their country (figure B.4.1). At the other end of the scale, the share of self-employed workers with disabilities in the upper quintile of the income distribution is rather small in both countries (11 per cent).

Figure B.4.1. Share of self-employed workers with disabilities in each quintile of the distribution of income from employment, 2022 for Peru and 2019 for Sri Lanka (percentage)



**Note:** For each country, the quintiles of the distribution of hourly income from employment are estimated for the whole population of self-employed (that is, self employed with and without disabilities).

Source: Analysis based on ILO harmonized Microdata collection (ILOSTAT). See table A1 in the Appendix for more details.

As discussed in relation to wages in the main text, the lower incomes of the self-employed with disabilities can probably be explained in part by the relative composition of this population group in terms of socio-demographic and occupational characteristics. To take these into account, a Blinder–Oaxaca decomposition methodology similar to the one used for wages (box 3) is applied here to the average disability gap in income from self-employment.

It appears that a substantial part of the observed income gap is not explained by the characteristics of the self-employed with disabilities. Indeed, while self-employed workers with disabilities earn respectively 40 and 45 per cent less than their counterparts without disabilities in Peru and Sri Lanka, only 38 and 24 per cent of these gaps are explained

by differences percentage pc		human capital determinants and occupations (that is, 15 and 1 ctively).	1				
Figure B.4.2. Average employment income gaps between self-employed workers with and without disabilities, decomposed, 2022 for Peru and 2019 for Sri Lanka (percentage)							
Employment income gap explained by human capital determinants and occupations Unexplained employment income gap							
Peru (40)	15	25					
Sri Lanka (45)	11	34					
<b>Note:</b> For each cou Oaxaca method ex		plained and explained components of the average gap are estimated using the Blinde : 3.	r-				

Source: Analysis based on ILO Harmonized Microdata collection (ILOSTAT). See table A1 in the Appendix for more details.

# 4 Building inclusive legal frameworks to secure positive employment and wage outcomes for people with disabilities

The previous section highlighted a series of inequalities in employment and earnings experienced by people with disabilities. In particular, this category of workers is more likely to be excluded from the labour market and to be unemployed when participating in it. Additionally, when employed, people with disabilities are often at higher risk of receiving lower pay. These gaps cannot be fully explained by the specific socio-demographic characteristics of employees with disabilities, such as age and education. Other factors have been put forward to explain these discrepancies – for instance, the disparities between their skills and the demands of jobs; inadequately adapted work environments and processes creating barriers for workers with disabilities; a potential reduction in wages by employers to compensate for offering greater job adaptability and workplace adjustments; discrimination against people with disabilities; and exemptions from, or weaker enforcement of, minimum wages for this population group. Moreover, intra-category inequalities can also be observed, as women with disabilities appear to earn less on average than their male counterparts, and different forms of disabilities can influence the position of individuals with disabilities on the wage scale.

Guidance on how to tackle discrepancies in the employment and wage outcomes of people with disabilities, along with some of their root causes, is provided by international labour standards, which generally apply to every worker, unless they specify otherwise. Furthermore, some of them expressly refer to people with disabilities. Within this array of instruments, those that address the less favourable labour market outcomes of people with disabilities (and their determinants as mentioned above) can help to shape more inclusive labour markets.

These matters are also regulated at the national level. A number of countries have enacted legislation to ensure that people with disabilities are able to participate in the labour market and that they are treated equally. Such legislation ranges from anti-discrimination laws to quota systems. A particular role is played by minimum wages, which have been either set at a unified rate or differentiated according to the working capacity of individuals.

The analysis presented here is intended to illustrate legal frameworks that can contribute to tackling the inequalities in employment and wages experienced by individuals with disabilities. Accordingly, this section first reviews the international labour standards that lay down the foundation for an inclusive and equal approach to the participation of people with disabilities in the labour market. It then considers national laws and policies designed to offer solutions in that regard. The present study thus provides an overview of the options available to policymakers and legislators seeking to promote inclusive working environments, where people with disabilities enjoy equality of opportunities and treatment alongside all other workers.

## International labour standards that can shape the employment and wage outcomes of people with disabilities

Several regional and international instruments are intended to foster the participation of people with disabilities in the civil, political, economic, social and cultural spheres under conditions of

equal opportunities and treatment.<sup>15</sup> The best known instrument of this kind is the Convention on the Rights of Persons with Disabilities, adopted by the United Nations General Assembly on 13 December 2006. States parties to the Convention recognize the right of people with disabilities to work on an equal basis with others. This includes "the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible". They also commit themselves to taking appropriate steps to safeguard and promote the realization of the right to work (Art. 27).<sup>16</sup>

The ILO has been advocating for inclusive labour markets almost all the way since its establishment in 1919,<sup>17</sup> and today there exists a wide range of international labour standards dealing with the employment and wages of people with disabilities. Box 5 lists ILO Conventions and Recommendations calling for equality of labour opportunities and outcomes for workers with disabilities. These encompass instruments governing non-discrimination and equal treatment, employment policy and wages. Further down, box 6 enumerates instruments relevant to the creation of a general enabling environment that is conducive to equal rights and treatment for workers with disabilities and to the prevention of disabilities arising from work accidents. This category comprises international labour standards on vocational rehabilitation, social protection and work accidents. While the full list of instruments can be found in boxes 5 and 6, this section discusses only the most relevant for addressing disparities in employment and wage outcomes (and the underlying factors), together with the associated supervisory practice of the Committee of Experts on the Application of Conventions and Recommendations (CEACR) in this area.<sup>18</sup>

Box 5. International labour standards addressing inequalities in opportunities and treatment for people with disabilities in the world of work

#### Non-discrimination and equal treatment

- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168)
- Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111)

<sup>&</sup>lt;sup>15</sup> Alongside the Convention on the Rights of Persons with Disabilities, which is discussed above, the most important instruments are the Universal Declaration of Human Rights (adopted by the United Nations General Assembly on 10 December 1948); the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights (both adopted by the General Assembly on 16 December 1966); the Declaration on the Rights of Mentally Retarded Persons (adopted by the General Assembly on 20 December 1971); the Declaration on the Rights of Disabled Persons (adopted by the General Assembly on 9 December 1975); the Standard Rules on the Equalization of Opportunities for Persons with Disabilities (adopted by the General Assembly on 20 December 1993); the European Social Charter (originally adopted by the Council of Europe in 1961 and revised in 1966); the European Union's Employment Equality Directive (Council Directive 2000/78/EC of 27 November 2000); the African Charter on Human and Peoples' Rights (adopted under the aegis of the predecessor of the African Union on 1 June 1981); and the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights (adopted under the aegis of the Organization of American States on 17 November 1988).

<sup>&</sup>lt;sup>16</sup> Article 26 of the Convention is also relevant insofar as it requires States parties to "organize, strengthen and extend comprehensive habilitation and rehabilitation services and programmes, particularly in the areas of health, employment, education and social services".

<sup>&</sup>lt;sup>17</sup> The first international labour standard to have a direct bearing on workers with disabilities was the Workmen's Compensation (Minimum Scale) Recommendation (No. 22), adopted in 1925 and now outdated, which set out principles for the payment of compensation for industrial accidents (paras I–III) and promoted the vocational retraining of injured workers (para. IV).

<sup>&</sup>lt;sup>18</sup> The CEACR is one of the two bodies forming part of the regular system of supervision developed by the ILO to help ensure that countries implement the Conventions they ratify. It examines the reports that governments are required to submit regularly on the implementation of ratified Conventions, along with the comments of employers' and workers' organizations on these reports. The Committee makes two kinds of comments on the reports received – "observations" and "direct requests" – and issues an annual report, which includes a General Survey on a specific subject selected by the Governing Body of the International Labour Office. For more information on the supervisory system, see the ILO website, https://www.ilo.org/about-ilo/how-ilo-works/ilo-supervisorysystemmechanism.

Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205)

#### **Employment policy**

- Employment Service Convention, 1948 (No. 88)
- Employment Policy Convention, 1964 (No. 122)
- Employment Service Recommendation, 1948 (No. 83)
- Employment Policy Recommendation, 1964 (No. 122)
- Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)

#### Wages

- Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)\*
- Minimum Wage Fixing Convention, 1970 (No. 131)
- Protection of Wages Convention, 1949 (No. 95)
- Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99)\*
- Minimum Wage Fixing Recommendation, 1970 (No. 135)
- Minimum Wage-Fixing Machinery (Agriculture) Recommendation, 1951 (No. 89)\*

Note: An asterisk (\*) denotes an instrument with interim status.

**Source:** ILO NORMLEX database.

Box 6. International labour standards relevant to creating a general enabling environment that is conducive to equal opportunities and treatment and to the prevention of disabilities arising in the workplace

#### Vocational rehabilitation and other measures to facilitate employment

- Medical Examination of Young Persons (Industry) Convention, 1946 (No. 77)
- Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 78)
- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Human Resources Development Convention, 1975 (No. 142)
- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)
- Medical Examination of Young Persons Recommendation, 1946 (No. 79)
- Vocational Rehabilitation (Disabled) Recommendation, 1955 (No. 99)
- Human Resources Development Recommendation, 2004 (No. 195)
- Vocational Rehabilitation and Employment (Disabled Persons) Recommendation, 1983 (No. 168)

#### Social protection

- Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)
- Medical Care and Sickness Benefits Convention, 1969 (No. 130)
- Social Protection Floors Recommendation, 2012 (No. 202)

#### Work accidents

- Workmen's Compensation (Agriculture) Convention, 1921 (No. 12)
- Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)\*
- Occupational Safety and Health Convention, 1981 (No. 155) and its Protocol of 2002
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
- Occupational Safety and Health (Dock Work) Convention, 1979 (No. 152)
- Occupational Safety and Health Recommendation, 1981 (No. 164)
- Promotional Framework for Occupational Safety and Health Recommendation, 2006 (No. 197)

Note: An asterisk (\*) denotes an instrument with interim status.

Source: ILO NORMLEX database.

# International labour standards on non-discrimination and equality of opportunity and treatment

Disabled people are subject to discrimination that, together with other factors, leads to inequalities in employment opportunities and treatment. The most relevant international labour standard in this respect is the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).<sup>19</sup> The Convention lists several prohibited grounds of discrimination, among which disability does not feature; however, it also provides for additional grounds of discrimination to be determined by Member States after consultation with representative employers' and workers' organizations, and with other appropriate bodies (Art. 1(1)). This means that discrimination on the basis of disability can indeed be considered under Convention No. 111. In parallel, as has been discussed, affirmative action measures and special adaptations to increase accessibility may be necessary to ensure equal working outcomes for people with disabilities. Accordingly, Article 5 of the Convention stipulates that special measures of protection or assistance provided for in other international labour standards (para. 1), along with other special measures designed to meet the particular requirements of people who, for reasons such as disablement, are generally recognized to require special protection or assistance (para. 2), are not to be deemed to constitute discrimination. This prescription is reinforced by the accompanying Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111), which emphasizes that the prevention of discrimination in employment and occupation should not adversely affect special measures designed to meet the particular requirements of people requiring special protection or assistance for reasons such as disablement (para. 6).<sup>20</sup>

<sup>&</sup>lt;sup>19</sup> The rights of individuals with disabilities are clearly affirmed in the context of measures on employment and decent work taken in response to crises arising from conflicts and disasters. The Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), includes among its guiding principles the need "to combat discrimination, prejudice and hatred" on the basis of, inter alia, disability, and "to pay special attention to population groups and individuals who have been made particularly vulnerable" by a crisis, such as people with disabilities (paras 7(f) and (h)). The Recommendation then calls upon Member States to adopt a series of measures to achieve this aim (paras 8(e)),12 and 15(h)).

<sup>&</sup>lt;sup>20</sup> Similar provisions are to be found in the Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) (Art. 6(1) and (2)). The need for special measures to adequately meet the needs of workers with disabilities is also underscored by the Employment Service Convention, 1948 (No. 88) (Art. 7) and the accompanying Employment Service Recommendation, 1948 (No. 83) (paras 4(b)(ii) and 6(b)), which provide for the organization of employment services, and by the Employment Policy Recommendation, 1964 (No. 122) (para. 16), and the Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169), as regards the design of policies to promote full, productive and freely chosen employment (para. 15).

The CEACR has noted how a series of countries have availed themselves of the possibility under Art. 1(1) of Convention No. 111 to adopt national laws prohibiting discrimination in employment based on the grounds of disability (CEACR 2023a, 2023b, 2023c). In a direct request concerning the Convention, the Committee pointed out that people with disabilities had a much lower labour force participation rate than other workers and were concentrated in low-paid activities. It therefore asked the Government under review to provide information on the measures taken to promote employment opportunities for people with disabilities, including employment quotas, and on cases of discrimination based on disability dealt with by the competent authorities (CEACR 2023d). Furthermore, the Committee has also highlighted on several occasions that some groups of people with disabilities fare worse in the labour market, in particular women (box 7). Quotas for people with disabilities and the impact that they have on their integration into the labour market are often an object of inquiry for the Committee when reviewing the implementation of Convention No. 111 with respect to workers with disabilities (CEACR 2023e, 2023f). The Committee has also stressed, on the one hand, the importance of publicizing the available mechanisms to promote the employment of people with disabilities, and on the other, the need for measures that go beyond ensuring their entry into the labour market by promoting their retention and career progression (CEACR 2023g).

#### Box 7. The interrelationship between disability and gender

Disability and gender can sometimes be intersectional grounds of discrimination. The United Nations Convention on the Rights of Persons with Disabilities accordingly requires States parties to recognize that women and girls with disabilities are subject to multiple discrimination, and to take measures to ensure the full and equal enjoyment by them of all human rights and fundamental freedoms (Art. 6).

The Committee of Experts on the Application of Conventions and Recommendations (CEACR) has similarly acknowledged, and called for action on, the higher rate of discrimination and violence affecting girls and women with disabilities. It has done so with reference to a variety of international labour standards. For example, in relation to the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Committee has requested information on "practical steps taken to promote equality of opportunity and treatment for both men and women with disabilities in all aspects of employment and occupation, and [to] ensure protection against violence and harassment including gender-based violence" (CEACR 2023e). Moreover, when reviewing the application of the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), the CEACR noted on one occasion that the United Nations Committee on the Rights of Persons with Disabilities had expressed concern regarding the under-representation of women with disabilities in the workforce of the country under review, and inquired about the specific measures adopted to improve employment opportunities for people with disabilities in the open labour market, in particular for women with disabilities (CEACR 2023h). The CEACR has also referred to the observations of that treaty body on "the multiple and intersecting discrimination faced by women and girls with disabilities, particularly those with intellectual or psychosocial disabilities and those living in rural areas", in relation to the Employment Policy Convention, 1964 (No. 122) (CEACR 2022a). Again with reference to Convention No. 122, the Committee has noted the limited access of women with disabilities to the formal labour market (CEACR 2023i).

#### International labour standards on wages

As shown in the previous section, when they participate in the labour market, workers with disabilities are at the lower end of the wage distribution and they often earn below the minimum wage. Some international labour standards can be relevant in this respect, insofar as they requlate wage-setting. The Minimum Wage Fixing Convention, 1970 (No. 131), calls for the establishment of "a system of minimum wages which covers all groups of wage earners whose terms of employment are such that coverage would be appropriate" (Art. 1(1)). The national competent authority should determine the groups of wage earners to be covered (Art. 1(2)). Additionally, the employers and workers concerned may participate in, or be consulted on, both the determination of the groups of wage earners to be covered (Art. 1(2)) and the operation of the minimum wage-fixing machinery on a basis of equality (Art. 4(2) and (3)). In determining the level of minimum wages, the needs of workers and their families as well as economic factors should be taken into consideration (Art. 3). Further key guidance is provided in the accompanying Minimum Wage Fixing Recommendation, 1970 (No. 135), which specifies that workers who are not covered should be kept to a minimum (para. 4). Recommendation No. 135 also indicates that it is possible to either fix a single minimum wage of general application or a series of minimum wages applying to specific groups of workers (para. 5(1)).<sup>21</sup>

Drawing on these principles, the CEACR has examined Member States' minimum wage regulations and noted any exceptions for workers with disabilities. When discussing the possibility for enterprises not to apply the established national minimum wages and to take into account, in the fixing of wage scales, special situations connected with the age or physical or mental capacities of certain workers envisaged by Convention No. 131, the Committee has recalled that "the compulsory nature of minimum wages is a fundamental principle" and that "the fixing of minimum wages must observe the principle of equal remuneration for work of equal value" (CEACR 2013, 2005). In a direct request regarding Convention No. 131, the Committee observed that although the Convention does not prohibit the fixing of lower minimum wage rates for workers on the basis of their disability, "protective clauses should be adopted to guarantee them equal remuneration to that of other workers, provided that they perform work of a similar nature and meet the same requirements as to quantity and quality of work" (CEACR 2012). In another direct request related to the same instrument, the Committee asked for information on "the reasons, assessment and even the social consensus underlying a policy allowing different wage rates to be fixed for ... workers with disabilities", and recalled that the determination of wages must be based on "objective criteria such as the quantity and quality of the work performed" (CEACR 2008). Additionally, it has highlighted how the reasons prompting the adoption of lower minimum wage rates for groups of workers on account of their disabilities should be "regularly re-examined in the light of the principle of equal remuneration for work of equal value" (CEACR 2004).

#### International labour standards on vocational guidance and rehabilitation

It was noted earlier that a mismatch between the skills and capacities of individuals with disabilities and the requirements of jobs can be one of the factors leading to the exclusion of this category of workers from the labour market or, when they do participate in the labour market,

<sup>&</sup>lt;sup>21</sup> When discussing the earnings gap faced by people with disabilities, the Social Protection Floors Recommendation, 2012 (No. 202), is relevant. According to Recommendation No. 202, the social protection floors should comprise basic income security, at least at a nationally defined minimum level, for people of active age who are unable to earn sufficient income, in particular when they find themselves in certain challenging situations, including disability (para. 5). The Recommendation goes on to enumerate a range of benefits that help to provide the basic social security guarantees, including disability benefits (para. 9(2)). The Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128), and the Medical Care and Sickness Benefits Convention, 1969 (No. 130), also provide for benefits in favour of people with disabilities.

to high rates of unemployment, access to job opportunities being limited to elementary occupations, and low earnings. Vocational rehabilitation – which involves the provision of vocational guidance, vocational training and selective placement, among other services, to help a disabled person to secure and retain suitable employment – is particularly relevant in this regard.<sup>22</sup> It is therefore necessary to consider the main international labour standards that promote vocational rehabilitation and guidance for people with disabilities.

The Vocational Rehabilitation and Employment (Disabled Persons) Convention (No. 159) and Recommendation (No. 168), 1983, are considered to constitute the frame of reference for the employment rights of individuals with disabilities. Convention No. 159 requires the States parties to "formulate, implement and periodically review a national policy on vocational rehabilitation and employment of disabled persons" (Art. 2). Such a policy must uphold fundamental principles, notably those of equal opportunity and treatment, and incorporate affirmative measures that do not discriminate against other workers (Art. 4). The Convention calls for the integration of people with disabilities into mainstream work-related programmes, with a special focus on rural areas and remote communities (Arts 7-8). Additionally, it emphasizes the need for the training of qualified staff to provide vocational services for people with disabilities (Art. 9) and the importance of consultation with employers' and workers' organizations and representative organizations of people with disabilities (Art. 5). The accompanying Recommendation No. 168 sets out detailed measures to foster equitable employment opportunities, including measures to encourage employers to make reasonable adaptations to workplaces, job design, tools, machinery and work organization (para. 11). Other international labour standards stress the importance of vocational rehabilitation for workers with disabilities. For instance, the Human Resources Development Convention, 1975 (No. 142), requires Member States to "adopt and develop comprehensive and co-ordinated policies and programmes of vocational guidance and vocational training" (Art. 1), including "appropriate programmes for all handicapped and disabled persons" (Art. 3).

The CEACR has issued a number of direct requests and observations on different aspects related to vocational training and rehabilitation. For instance, with regard to the implementation of Convention No. 159, the Committee has stressed the importance of access to education and vocational guidance and training for people with disabilities in rural areas and remote communities (CEACR 2023j, 2023k). In relation to the same instrument, the Committee has reiterated the need to ensure that suitably qualified staff are available to offer vocational guidance and training and rehabilitation services (CEACR 2023k, 2023l). Furthermore, referring to Article 5 of Convention No. 159, on consultations with representative organizations of employers and workers and with organizations representing people with disabilities, the Committee has requested detailed information on how such organizations were consulted on the implementation and periodic review of the national policy on vocational rehabilitation of people with disabilities and on the outcome of these consultations (CEACR 2023m, 2022b, 2022c).

The ILO Conventions and Recommendations discussed in this section can guide national authorities in addressing the employment and wage disparities experienced by people with disabilities. To achieve that purpose, they need to be translated into relevant norms, policies and collective agreement provisions at the national level.

<sup>&</sup>lt;sup>22</sup> The definition of "vocational rehabilitation" given above is based on that set forth in Paragraph 1(a) of the Vocational Rehabilitation (Disabled) Recommendation, 1955 (No. 99), which used to be considered the touchstone for the employment rights of individuals with disabilities, until the adoption, almost 30 years later, of the Vocational Rehabilitation and Employment (Disabled Persons) Convention (No. 159) and Recommendation (No. 168), 1983.

### Designing a comprehensive system of national laws and policies to tackle the employment and wage gaps faced by people with disabilities

Over the past few decades, an increasing number of countries have adopted legislation promoting the rights of people with disabilities at work. Many of the advances witnessed in Member States of the European Union can be attributed to the adoption of the Employment Equality Directive in 2000 (Council of the European Union 2000), which sets out a comprehensive framework for applying the principle of equal treatment in employment, including with regard to people with disabilities.<sup>23</sup> At the global level, the United Nations Convention on the Rights of Persons with Disabilities, adopted in 2006, has brought new impetus for the design and implementation of legal frameworks to safeguard the rights of people with disabilities in the labour market. Moreover, employment opportunities and decent work for people with disabilities were mentioned for the first time in an international development target with the adoption of the Sustainable Development Goals in 2015.<sup>24</sup>

The laws and policies transposing these international legal frameworks at the national level exhibit varying degrees of protection, comprehensiveness and sophistication across countries. The first "layer" consists of non-discrimination provisions included in laws and collective bargaining agreements. These provisions can either apply to a country's population as a whole, with explicit mention of disability (as is the case, for example, with legislation in Canada, Ireland and Namibia), or they may be directed exclusively at people with disabilities, as in Australia, Costa Rica, Ghana, Japan, Malta and Türkiye. Although the significant expansion of non-discrimination legislation in recent years is encouraging, the impact of such laws on the inclusion and equal treatment of individuals with disabilities in the labour market is limited when they are not accompanied by effective implementation and enforcement mechanisms (ILO 2014a).

Moreover, the promotion of equal employment opportunities for individuals with disabilities must go beyond simply prohibiting discrimination on the grounds of disability. It requires proactive efforts by governments in the form of social policies and affirmative action measures to ensure that people with disabilities as a group can access jobs and enjoy decent work. Quota schemes are among the most popular measures of this kind adopted by countries to facilitate participation in the labour market for people with disabilities.<sup>25</sup> Under such schemes, employers employing a specified minimum number of persons are obliged to ensure that a certain percentage (that is, a guota) of their workforce is made up of people with disabilities (ILO 2014a). An ILO study conducted in 2019 found that 103 countries had guota systems in place. These were subsequently classified according to whether there was a related sanctioning or enforcement mechanism. It emerged that 33 countries had quotas backed up by levies or fines; 64 countries had binding quotas, though it was unclear whether or how these were enforced; 6 countries appeared to have non-binding quotas; and a further 6 countries were either in the process of introducing a legally binding guota or considering the introduction of one (ILO 2019a). Such measures are increasingly used as a form of affirmative action to promote equality of opportunity for people with disabilities that is complementary to non-discrimination legislation. The same study thus

<sup>&</sup>lt;sup>23</sup> The Employment Equality Directive also prohibits discrimination based on disability in the realms of employment, occupation and vocational training. The requirement to provide reasonable accommodations for people with disabilities, as outlined in the Directive, involves a personalized analysis that considers the specific circumstances of the individual and the relevant employment or training situation.

<sup>&</sup>lt;sup>24</sup> Target 8.5 of the Sustainable Development Goals is about achieving full and productive employment and decent work for all, and it explicitly mentions people with disabilities.

<sup>&</sup>lt;sup>25</sup> Austria, France, Germany, Italy and Poland were among the first countries to introduce quota systems to provide employment opportunities for people who had acquired disabilities during the First World War (ILO 2019a).

found that at least half of the countries reviewed had both anti-discrimination laws and quota schemes in place (ILO 2019a).<sup>26</sup>

Distinct from affirmative action measures are laws or regulations requiring employers to provide reasonable accommodations for people with disabilities in the workplace, as these are intended to cater to the needs of single individuals. What is meant by a reasonable accommodation is usually defined at the national level. In South Africa, for example, under the Employment Equity Act of 1998,<sup>27</sup> "reasonable accommodation" means "any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment".<sup>28</sup> As such adaptation measures can entail a cost for employers, some countries have put in place arrangements for financial support. For instance, Ireland has established a Reasonable Accommodation Fund, which helps employers to take appropriate steps to increase the availability of employment opportunities for people with disabilities. Grants are provided for the adaptation of workplace equipment; the employment of a personal reader to help blind or visually impaired workers; interpreters to support jobseekers who are deaf, hard of hearing or have a speech impairment during job interviews; and the retention of workers with disabilities (Ireland, Department of Social Protection 2019).

Some national laws and collective bargaining agreements address the specific question of the wages of workers with disabilities, either by granting them the same minimum wage that is applicable to other workers, or by establishing a different threshold. In that regard, the CEACR recalled in its General Survey of 2014 how Recommendation No. 168 emphasizes that "measures should be taken to promote employment opportunities for disabled persons which conform to the employment and salary standards applicable to workers generally" (para. 10).<sup>29</sup> Accordingly, countries such as Argentina, Czechia, France, New Zealand and Slovakia have abolished lower minimum wage rates for workers with disabilities (ILO 2014b).

Other measures can help to advance more equitable working outcomes for people with disabilities. One such measure is wage subsides,<sup>30</sup> which are direct payments – in most cases given to the employer, sometimes to the worker – intended to influence labour costs in favour of people with disabilities so as to create employment opportunities for them (Jiménez-Martín, Mestres and Castelló 2019). Some countries, such as France and Germany, make a rather limited use of this instrument, while in others recourse to wage subsides is extensive, notably in the Nordic countries (Samoy and Waterplas 2012) – for instance, in Sweden, where the public employment service offers a flexible wage subsidy mainly for new recruitments. The subsidy can cover up to 80 per cent of the wage cost for a period of up to four years. Its level is determined by the degree of work capacity and is adjusted regularly (OECD 2010; Angelov and Eliason 2018).

<sup>&</sup>lt;sup>26</sup> Some countries have adopted other affirmative action measures to promote the right to work of people with disabilities, either as an alternative to quota schemes or in conjunction with them. Typical examples are reserved occupations or designated employment. For instance, in Argentina, one of the mechanisms for increasing public employment opportunities is the reservation of jobs to be filled only by people with disabilities. In Morocco, the Government draws up a list of positions and tasks that can be prioritized for people with disabilities (ILO 2019a). However, the United Nations Committee on the Rights of Persons with Disabilities has sometimes expressed concerns about the practice of reserved employment, as it can discriminate against people with disabilities in their vocational and career choices, and it has duly recommended that all necessary measures be undertaken to ensure that people with disabilities can freely pursue vocations according to their preferences (CRPD 2012).

<sup>&</sup>lt;sup>27</sup> Employment Equity Act, 1998 (Act No. 55 of 1998), *Government Gazette*, No. 19370, 19 October 1998.

<sup>&</sup>lt;sup>28</sup> Details on the scope of reasonable accommodation are provided in the Code of Good Practice on the Employment of Persons with Disabilities (Government Gazette, No. 39383, 9 November 2015) and in the Technical Assistance Guidelines on the Employment of Persons with Disabilities (South Africa, Department of Labour 2017).

<sup>&</sup>lt;sup>29</sup> Similarly, the 2006 United Nations Convention on the Rights of Persons with Disabilities requires States parties to take steps to protect the right of people with disabilities to enjoy, on an equal basis with others, just and favourable conditions of work, including equal opportunities and equal remuneration for work of equal value (Art. 27).

<sup>&</sup>lt;sup>30</sup> Alongside wage subsides, another form of hiring subsidies available to employers is compensation for the potentially higher social security contributions of workers with disabilities.

When designing legal and policy frameworks (including minimum wages) to promote employment and decent work for people with disabilities, it is crucial to consult not only workers' and employers' organizations but also organizations of people with disabilities. Acknowledging that legislative practice and policymaking can benefit from the expertise and experience of people with disabilities, the authorities in a number of countries have started to consult the latter, in some cases through their involvement in institutional bodies. For instance, the Irish Human Rights and Equality Commission is the independent monitoring mechanism for the Convention on the Rights of Persons with Disabilities in Ireland and works with the National Disability Authority to fulfil that role. The Commission has established a Disability Advisory Committee exclusively composed of individuals with lived experience of disability to ensure that people with disabilities and the organizations representing them are directly involved in monitoring how the Convention is implemented in Ireland in all its aspects, including as regards access to employment (IHREC, n.d.).

None of the laws and policies mentioned above can on its own guarantee a positive outcome. It is, rather, a combination of measures and mechanisms operating at different levels that can help to achieve inclusive labour markets for workers with disabilities. Moreover, an essential factor to bear in mind is the perspective adopted towards people with disabilities in policymaking and legislation. Many countries still follow mainly a medical approach to disability in their labour laws, which implies focusing only on the impairment or on the disabled person as someone to be "treated". Although this approach may have its merits in some instances, it risks perpetuating the association of disability with lack of capacity at work and branding people with disabilities as a passive population and as mere recipients of benefits. By contrast, the "social model" sees disability as a social construct: the barriers to participation and inclusion arise from the way in which a society is built and organized. Over the past few decades, there has been a shift towards a human rights-based approach, which lies at the heart of the Convention on the Rights of Persons with Disabilities. Such an approach goes beyond the social model of disability and regards people with disabilities as subjects of rights and active participants in the labour market (Sanchez 2015). This human rights perspective was adopted in Chile during the drafting of national legislation on workers with disabilities, which can be considered to exemplify good practices in this area (see box 8).

#### Box 8. The rights of people with disabilities at work in Chile

In Latin America, the labour market in general is characterized by significant challenges related to unemployment, informality and low social and income security – challenges that are exacerbated for workers with disabilities. One recent study of the laws dealing with equal opportunities and treatment in the world of work for people with disabilities in seven countries from the region (the Plurinational State of Bolivia, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru) highlighted that Chile was the only one to have applied a human rights approach to the definition of disability in its labour legislation (Pinilla-Roncancio and Rodríguez Caicedo 2022). Moreover, Chile is a relevant example of a country that has established a comprehensive legal framework encompassing different kinds of strategies for the inclusion of people with disabilities in the labour market, which can inspire other countries in the region and beyond.

Following its ratification of the Convention on the Rights of Persons with Disabilities in 2008, Chile took a first step towards implementation of the Convention with the adoption, in 2010, of Act No. 20.422, which is aimed at achieving equality of opportunity and the

social inclusion of people with disabilities.<sup>31</sup> The Act clearly promotes a human rights-oriented approach to attain these goals, since it lays down that awareness of the rights and principles of active and necessary participation of people with disabilities in society must be raised with a view to promoting the recognition of individuals with disabilities as human and social beings who contribute to the country's progress and development (art. 2). Implementation of the Act is meant to be guided by the principles of independent living, universal accessibility, universal design, intersectorality, participation and social dialogue (art. 3). Moreover, the Act requires the involvement of people with disabilities, along with their families and relevant organizations, in the design and implementation of projects and programmes (art. 4). It also defines equality of opportunities as the absence of discrimination on the grounds of disability, together with the adoption of affirmative action measures aimed at preventing or compensating for disadvantages, such as accessibility and accommodation measures and prevention of harassment (arts 7–8). The Act takes into account the situation of people with disabilities affected by intersectional vulnerabilities and calls for special measures to ensure that they are able to fully enjoy their rights (art. 9). Significantly, it underlines the importance of programmes for both the prevention of disabilities and the rehabilitation of people with disabilities (arts 18-22). An entire section of the Act sets out details of the measures to be implemented.<sup>32</sup>

Act No. 20.422 established two institutional entities, the first of these being the Ministerial Committee on Disabilities, an interministerial body responsible for proposing to the President of the Republic the national policy for people with disabilities, monitoring its implementation and ensuring its technical adequacy, coherence and intersectoral coordination (art. 60). Its tasks have now been assumed by the Interministerial Committee for Social Development, Families and Children. The second entity established by the Act was the National Service for Persons with Disabilities (SENADIS), a public service tasked with coordinating the activities and social services relating to people with disabilities and promoting equality of opportunity (art. 61). SENADIS is supported by an Advisory Council on Disability, which is tasked with ensuring effective participation and social dialogue, and whose members include representatives of organizations of people with disabilities, along-side representatives of employers' and workers' organizations (arts 63–64).

Other efforts to align national legislation with the commitments undertaken with the ratification of the Convention on the Rights of Persons with Disabilities have followed. In particular, Act No. 21.015 promoting the inclusion of people with disabilities in the labour market was adopted in 2017.<sup>33</sup> This law established the obligation for any public institution or private company with 100 or more officials or employees to earmark a quota of at least 1 per cent of its workforce for people with disabilities (arts 1(2) and 3). It obligates companies to report on their compliance to the Labour Directorate, and employers may incur a fine in the event of unjustified non-compliance.<sup>34</sup> Employers who can demonstrate well-justified reasons for not being able to comply are required either to conclude contracts for the provision of services with companies that do employ workers with disabilities, or to donate money to projects or programmes providing services to people with disabilities

<sup>&</sup>lt;sup>31</sup> Ley núm. 20.422, Establece normas sobre igualdad de oportunidades e inclusión social de personas con discapacidad.

<sup>&</sup>lt;sup>32</sup> In particular, measures relating to the accessibility of recruitment procedures (art. 24); inclusion in the labour market and non-discrimination (art. 43); social security benefits and incentives for the hiring of people with disabilities (art. 44); jobs in the public sector (art. 45); and vocational training and guidance (art. 46).

<sup>&</sup>lt;sup>33</sup> Ley núm. 21.015, Incentiva la inclusión de personas con discapacidad al mundo laboral.

<sup>&</sup>lt;sup>34</sup> Under the Act, there are only two justified reasons for not complying directly with the 1 per cent employment quota for people with disabilities: the nature of the company's activities and a lack of job applicants with disabilities. A company must provide concrete evidence that one of these two reasons applies.

(art. 3(3)). Act No. 21.015 provides for evaluations of its implementation to be carried out every four years (art. 4). To promote the rights of people with mental disabilities, the Act eliminated wage discrimination against them (art. 5). The Act also established an age limit of 26 years for entering into apprenticeships in the case of people with disabilities so as to prevent possible abuses by employers (art. 1(3)). Significantly, the Act prohibits any arbitrary discrimination on the grounds of disability resulting in exclusion or restrictions that have the effect of nullifying or impairing equality of opportunity or treatment in employment (art. 2).

With time, it has proved necessary to further broaden the scope of legislation on the labour market inclusion of people with disabilities in Chile. In particular, Act No. 21.275, which was adopted in 2020 and entered into force in 2022,<sup>35</sup> requires companies with 100 or more employees to adopt measures aimed at facilitating the inclusion of people with disabilities.<sup>36</sup> The rationale behind this law is that the mere obligation to hire is not sufficient to generate opportunities for access to employment. In order for the rights of people with disabilities to be fully respected, companies must have the necessary tools at their disposal and make various adaptations at the physical and organizational level.

Chilean labour legislation emphasizes the importance of providing reasonable accommodations, organizing job-training processes and implementing employment quotas for persons with disabilities, as well as ensuring that working environments are free from discrimination. It also follows a human rights-oriented approach that recognizes individuals with disabilities as active agents and holders of fundamental rights, to be involved in policymaking and legislative processes. Nevertheless, Chile continues to face a number of obstacles in achieving equality of opportunities for this group of workers, as reflected in the low rate of labour market participation among individuals with disabilities (Pinilla-Roncancio 2015).

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To sum up, the interaction of various policies, laws and regulations, designed and implemented in consultation with relevant organizations, and the adoption of a human rights-based perspective are essential to addressing the inequalities faced by workers with disabilities. However, national efforts to bring legislation in line with international standards may not systematically produce the results expected. Indeed, the socio-economic inclusion of people with disabilities is a complex task. It requires not only legal frameworks promoting equality of opportunity and treatment, setting out affirmative action measures to facilitate access to rights at work, providing for financial support and establishing compliance and monitoring mechanisms, but also action beyond the realm of work to shape the role of people with disabilities as holders of fundamental rights in society more broadly.

<sup>35</sup> Ley núm. 21.275, Modifica el Código del Trabajo, para exigir de las empresas pertinentes la adopción de medidas que faciliten la inclusión laboral de los trabajadores con discapacidad. The obligations imposed by Acts Nos 21.015 and 21.275 are also reflected in the Labour Code, specifically in Book I, Title III, Chapter II ("Labour inclusion of persons with disabilities"), arts 157 *bis* and 157 *quater*.

<sup>&</sup>lt;sup>36</sup> These include developing and conducting annual training programmes for their staff on inclusion at work; promoting labour inclusion policies in all activities carried out in or outside the workplace (companies must report annually to the Labour Directorate on compliance with this measure); and having at least one expert on labour inclusion in the company's human resources department (any such experts must have been accredited under the National System of Labour Skills Certification).

### Conclusion

The large number of household surveys examined for this study has made it possible to highlight significant gaps between the labour market outcomes of people with and without disabilities in countries at different levels of development. On the whole, people with disabilities tend to participate in the labour market to a lesser extent and when they do, they are more likely to be unemployed. Their working conditions also differ, being characterized, for example, by a higher prevalence of self-employment and lower wages. Some groups, such as women, appear to fare worse, as attested by the substantial gender pay gap among people with disabilities.

Importantly, the econometric models estimated here suggest that these employment and wage disparities can only partly be explained by the socio-demographic characteristics of individuals, including those related to human capital. For instance, employees with disabilities are on average paid 12 per cent less per hour than other employees, and three quarters of that gap is not explained by differences in terms of educational attainment, age and occupational category. In low- and lower-middle-income countries, this gap is particularly wide: people with disabilities there earn 26 per cent less than other employees and almost half of that discrepancy cannot be explained by the observed socio-demographic differences between the two population groups.

The gaps in labour market outcomes between people with and without disabilities appear to be caused by a number of factors. For example, reduced productivity due to a mismatch between the capacities of individuals and job requirements, trade-offs between job flexibility or workplace accommodations and the level of pay offered by employers, and discrimination have all been put forward to explain the lower wages of people with disabilities. On the other hand, in addition to potential discrimination by employers, the need for greater flexibility may also explain why people with disabilities are more likely to choose self-employment.

Existing international labour standards offer a framework for safeguarding and promoting the employment and fair remuneration of people with disabilities. In particular, apart from mandating or recommending the adoption of legal instruments to combat discrimination in employment and occupation, international labour standards dealing with vocational rehabilitation provide important guidelines for ensuring that people with disabilities are able to enjoy equal opportunities and treatment. Together with the principle of equal pay for work of equal value, ILO Conventions and Recommendations on wages are key to promoting fair remuneration for workers with disabilities. These instruments can inform the efforts of legislators and policymakers to design national programmes that follow a human rights-based and inclusive approach in shaping the work experience of people with disabilities.

## Annex

#### ▶ National data sources used to analyse the employment and wage outcomes of people with disabilities

Country/Territory	Name of survey	Year	Income group	Survey used for analy- sis of work- ing time (fig- ure B.2.1)	Survey used for analysis of tem- porary employ- ment (figure B.2.2)
Armenia	Labour Force Survey	2021	Upper middle in- come	No	Yes
Austria	European Union Statistics on Income and Living Conditions (EU-SILC)	2021	High income	No	No
Belgium	EU-SILC	2021	High income	Yes	Yes
Benin	Harmonized Survey of Household Living Conditions (Enquête harmonisée sur les conditions de vie des ménag- es)	2018	Low income	Yes	No
Bolivia (Plurinational State of)	Household Survey (Encuesta de Hogares)	2019	Lower middle in- come	Yes	No
Botswana	Continuous Multi-Topic Household Survey	2019	Upper middle in- come	No	No
Bulgaria	EU-SILC	2021	Upper middle in- come	No	No
Cambodia	Labour Force Survey	2019	Lower middle in- come	Yes	No
Chile	National Socio-Economic Characterization Survey (Encuesta de Caracterización Socioeconómica Nacional)	2017	High income	Yes	Yes
Colombia	National Quality of Life Survey (Encuesta Nacional de Calidad de Vida)	2019	Upper middle in- come	Yes	Yes
Comoros	Survey of the Informal Economy (Enquête sur l'écono- mie informelle)	2021	Lower middle in- come	Yes	No
Côte d'Ivoire	Integrated Regional Survey on Employment and the Informal Sector (Enquête régionale in- tégrée sur l'emploi et le sec- teur informel)	2017	Lower middle in- come	Yes	No
Croatia	EU-SILC	2021	High income	Yes	No

Country/Territory	Name of survey	Year	Income group	Survey used for analy- sis of work- ing time (fig- ure B.2.1)	Survey used for analysis of tem- porary employ- ment (figure B.2.2)
Cyprus	EU-SILC	2021	High income	No	No
Czechia	EU-SILC	2021	High income	Yes	Yes
Denmark	EU-SILC	2021	High income	Yes	No
Ecuador	Survey of Living Conditions (Encuesta Condiciones de Vida)	2014	Upper middle in- come	Yes	No
Estonia	EU-SILC	2021	High income	Yes	Yes
Eswatini	Labour Force Survey	2021	Lower middle in- come	No	No
Ethiopia	National Labour Force Survey	2013	Low income	Yes	Yes
Finland	EU-SILC	2021	High income	No	No
France	EU-SILC	2021	High income	Yes	Yes
Germany	EU-SILC	2021	High income	Yes	Yes
Ghana	Labour Force Survey	2015	Lower middle in- come	No	No
Greece	EU-SILC	2021	High income	Yes	Yes
Guatemala	National Survey on Employment and Income (Encuesta Nacional de Empleo e Ingresos)	2022	Upper middle in- come	Yes	No
Hungary	EU-SILC	2021	High income	No	No
Ireland	EU-SILC	2021	High income	No	No
Italy	EU-SILC	2021	High income	Yes	Yes
Lao People's Democratic Republic	Labour Force Survey	2022	Lower middle in- come	Yes	No
Latvia	EU-SILC	2021	High income	Yes	No
Lebanon	Labour Force Survey	2019	Upper middle in- come	Yes	No
Lesotho	Labour Force Survey	2019	Lower middle in- come	No	No
Lithuania	Labour Force Survey	2021	High income	No	No
Luxembourg	EU-SILC	2021	High income	Yes	Yes
Maldives	Household Income and Expenditure Survey	2019	Upper middle in- come	No	Yes
Marshall Islands	Household Income and Expenditure Survey	2019	Upper middle in- come	No	No
Mongolia	Household Socio-Economic Survey	2018	Lower middle in- come	Yes	No

Country/Territory	Name of survey	Year	Income group	Survey used for analy- sis of work- ing time (fig- ure B.2.1)	Survey used for analysis of tem- porary employ- ment (figure B.2.2)
Myanmar	Labour Force Survey	2015	Lower middle in- come	Yes	No
Netherlands	EU-SILC	2021	High income	No	No
Occupied Palestinian Territory	Labour Force Survey	2019	Upper middle in- come	Yes	Yes
Pakistan	Labour Force Survey	2021	Lower middle in- come	Yes	Yes
Peru	National Household Survey (Encuesta Nacional de Hogares)	2022	Upper middle in- come	Yes	No
Poland	EU-SILC	2021	High income	Yes	Yes
Portugal	EU-SILC	2021	High income	Yes	Yes
Republic of Moldova	Labour Force Survey	2021	Upper middle in- come	No	Yes
Romania	EU-SILC	2021	High income	No	No
Rwanda	Labour Force Survey	2021	Low income	No	No
Samoa	Labour Force and School-to- Work Transition Survey	2017	Upper middle in- come	No	No
Senegal	National Employment Survey (Enquête nationale sur l'em- ploi)	2019	Lower middle in- come	No	No
Serbia	EU-SILC	2021	Upper middle in- come	No	No
Sierra Leone	Sierra Leone Integrated Household Survey	2018	Low income	No	No
Slovenia	EU-SILC	2021	High income	No	No
Spain	EU-SILC	2021	High income	Yes	Yes
Sri Lanka	Labour Force Survey	2019	Lower middle in- come	Yes	Yes
Sweden	EU-SILC	2021	High income	No	No
Switzerland	EU-SILC	2021	High income	No	Yes
Tanzania (United Republic of)	National Panel Survey	2014	Low income	Yes	No
Thailand	Household Socio-Economic Survey	2019	Upper middle in- come	No	No
Timor-Leste	Labour Force Survey	2021	Lower middle in- come	No	No
Tonga	Labour Force Survey	2018	Upper middle in- come	No	No

Country/Territory	Name of survey	Year	Income group	Survey used for analy- sis of work- ing time (fig- ure B.2.1)	Survey used for analysis of tem- porary employ- ment (figure B.2.2)
Uganda	National Labour Force Survey	2021	Low income	No	No
United Kingdom	Labour Force Survey	2022	High income	Yes	Yes
United States	Current Population Survey	2022	High income	Yes	No
Zambia	Labour Force Survey	2021	Low income	No	No

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